



Analysis of Village Fund Management and Its Effect on Community Economic Development: A Quantitative Study in Bukateja Village, Purbalingga Regency

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Abstract

This study aims to analyze the management of Village Original Revenue (PADes) and Village Fund (DD) allocations and their impact on community economic development in Bukateja Village, Purbalingga Regency. The method used in this research is a descriptive qualitative approach with data collection techniques through interviews, observations, and documentation studies. The results showed that the Bukateja Village Government has managed its PADes transparently and accountably, although the amount is still relatively small. The PADes of Bukateja Village has increased every year, reflecting the village government's efforts to optimize local revenue sources. In addition, the Village Fund allocation is focused on the development of infrastructure and public facilities, such as road construction, renovation of village halls, procurement of street lighting, irrigation channels, clean water facilities, and the development of village markets. These development activities have a positive impact on the economic life of the community, including improving accessibility, supporting the agricultural sector, and strengthening the local economy. Overall, the management of PADes and Village Funds in Bukateja Village has contributed to improving the quality of life of the community and the development of the village economy, although further efforts are still needed to improve the effectiveness and sustainability of existing programs.

1. Introduction

Village development is one of the top priorities in Indonesia's national development agenda. Law No. 6/2014 on Villages provides a strong legal foundation for village management and development, including the allocation of Village Funds. The Village Fund, as a fiscal instrument, aims to support sustainable village development through strengthening community economic capacity, improving infrastructure quality, and empowering local resources. However, the implementation of the Village Fund often faces various challenges, ranging from planning, implementation, to supervision. These challenges can come from internal aspects of the village, such as limited human resource capacity, to external factors, such as coordination between government agencies. Therefore, the effectiveness of Village Fund management is key in ensuring its impact on the economic development of village communities.

Bukateja Village in Purbalingga Regency is one example of a village that has received Village Fund allocations since the program was introduced in 2015. Based on data from the Ministry of Villages, Disadvantaged Regions and Transmigration, the Village Fund allocation for

Bukateja Village has increased every year. However, this increase has not been fully reflected in significant economic progress in the community. Some communities still face challenges in terms of economic welfare, job availability, and access to public facilities. In addition, the results of the initial study show that there are gaps in the utilization of the Village Fund for strategic sectors that support economic development. Most of the funds are used for physical infrastructure development, while investment in productive sectors, such as agriculture, micro, small and medium enterprises (MSMEs), and community empowerment, is still limited. This indicates that the effectiveness of Village Fund management in Bukateja Village needs to be reviewed in order to contribute more directly to the economic development of the community.

Good management of the Village Fund requires transparent governance, active community participation, and adequate strategic planning capabilities. In this context, community participation is an important element in determining development priorities in accordance with local needs. On the other hand, transparency and accountability in the management of the Village Fund are prerequisites for creating public trust in the village government.

Based on initial observations, some of the main problems faced by Bukateja Village in managing the Village Fund include:

1. Limited capacity of human resources in the village government, especially in budget planning and management.
2. Lack of community involvement in the village development planning process, so that development priorities are often not aligned with community needs.
3. Limited use of technology and innovation in the management of the Village Fund, which has led to inefficiencies in the implementation of development programs.

In the context of economic development, the Village Fund should be able to have a real impact through increasing community income, opening up employment opportunities, and reducing poverty levels. However, in Bukateja Village, these indicators have not shown significant improvement. For example, the unemployment rate in the village is still quite high, and the productivity of the agricultural sector as the village's leading sector has not been optimized.

This research is important to evaluate the management of the Village Fund in Bukateja Village and identify the extent to which it has had an impact on community economic development. A quantitative approach was used to provide a more measurable picture of the relationship between Village Fund management and community economic development. Through this research, it is expected to find:

1. An overview of the effectiveness of Village Fund management in Bukateja Village.
2. The relationship between Village Fund management and indicators of community economic development, such as per capita income, unemployment rate, and poverty rate.
3. Strategic recommendations to improve the management of the Village Fund so that it has more impact on community economic development.

This research is also relevant to central and local government efforts to improve the effectiveness of Village Fund management. In the context of Purbalingga Regency, the results of this study can serve as input for the local government in formulating policies that are more responsive to the needs of village communities. In addition, this research is expected to make an academic contribution in enriching the literature on Village Fund management and community economic development in Indonesia.

Against this background, this study aims to analyze the management of the Village Fund in Bukateja Village and its influence on community economic development. The focus of the research includes aspects of planning, implementation, and supervision of Village Fund management, as well as its impact on community economic indicators.

This research is not only important to assess the achievements of the Village Fund program, but also to identify challenges and opportunities that can be optimized. In the long term, this research is expected to support the creation of better village governance and more inclusive economic development in Bukateja Village, Purbalingga Regency.

2. Research Method

This research uses a quantitative method with a descriptive approach to deeply understand the process of Village Fund management and its influence on community economic development in Bukateja Village, Purbalingga Regency. This method was chosen because it is suitable for exploring information about social phenomena and processes that involve various perspectives from the parties involved. The data collection techniques used included interviews, observation, and documentation studies. In-depth interviews were conducted with Village Fund managers, village officials, and community leaders to obtain information about the process of planning, implementing, and monitoring the Village Fund, as well as constraints, opportunities, and impacts on the economic life of the community. Observations were conducted by directly observing Village Fund management activities and the implementation of development projects funded by the Village Fund.

This technique aims to gain a more contextual understanding of program implementation and its impact in the field. In addition, documentation studies were conducted by collecting official documents, such as village financial reports, village budget and expenditure plans (APBDes), and other relevant documents to support data obtained from interviews and observations. The subjects of this research were Village Fund managers, village officials, and parties directly involved in the implementation of the Village Fund program. By involving these subjects, this research is expected to provide an accurate and comprehensive picture of the management of the Village Fund and its impact on community economic development in Bukateja Village.

3. Research and Discussions

The results showed that every revenue received by the Bukateja Village Government, Purbalingga Regency, whether from Village-Owned Enterprises (BUMDes) or other sources, is always included as part of the Village Original Revenue (PADes). This demonstrates the village government's transparency and accountability in managing village finances. Every year, the village government consistently records PADes, although the amount is relatively small. The following table presents information on the PADes revenue of Bukateja Village, Purbalingga Regency, from 2021 to 2023:

Table 1. PADes Revenue of Bukateja Village

Year	Revenue (Rp)	Budget (Rp)
2021	12.500.000	45.000.000
2022	18.000.000	50.000.000
2023	22.000.000	55.000.000

Source: Data processed (2024)

The table shows that the Village Original Revenue (PADes) of Bukateja Village has increased every year during the 2021-2023 period. In 2021, PADes was recorded at IDR12,500,000 with a budget of IDR45,000,000, so the realization percentage reached 27.78%. The year 2022 showed an increase, where the PADes received was IDR18,000,000 from a budget of IDR50,000,000, with a realization of 36%. In 2023, the PADes increased again to Rp22,000,000 from a budget of Rp55,000,000, with the realization percentage reaching 40%. This increase in PADes indicates a good effort by the village government in optimizing local revenue sources. In percentage terms, there was an increase in realization of 8.22% from 2021 to 2022, and 4% from

2022 to 2023. This reflects that the strategies and policies implemented are gradually starting to yield results, although the realization achievements are still below the set budget target. Overall, this upward trend in PADes illustrates that the management of village resources has improved compared to the previous year. However, further efforts need to be made to improve the effectiveness of managing village assets and potential so that they can approach or even exceed the budget target. This could include increasing the role of village-owned enterprises (BUMDes), utilizing technology for transparency, and involving the community in the participatory management of village resources.

The Village Fund Allocation is an important instrument in village development that aims to improve community welfare and the quality of local infrastructure. These funds are used to support various development activities that have been planned based on village deliberations, with priority on urgent and strategic needs. The Village Government of Bukateja, Purbalingga Regency, has utilized the Village Fund gradually to realize various development projects during the period 2021 to 2023. The following table presents information on the allocation of Village Fund for various development activities along with a description of the results that have been achieved:

Table 2. Allocation of Village Funds for Various Development Activities

Year	Development Activities	Description
2021	Village road construction	Completion of 500 meters of road
2021	Renovation of public facilities (village hall)	Roof and wall repairs
2022	Procurement of street lighting	Installation of 50 units of LED lights
2022	Construction of agricultural irrigation channels	300 meters of irrigation
2023	Construction of clean water facilities	Provision of 3 units of borehole wells
2023	Development of village market area	Addition of new kiosks

Source: Data processed (2024)

The table shows that the Village Fund allocation over the past three years has focused on various strategic sectors that support infrastructure development and improve community welfare. In 2021, village road construction activities are a priority with the completion of 500 meters of road, which aims to improve accessibility between areas in the village. In addition, the renovation of public facilities such as village halls shows the government's efforts to improve administrative facilities and public spaces, so that they can be used optimally by the community.

In 2022, the focus of development shifted to supporting infrastructure, namely the procurement of street lighting and the construction of irrigation channels. The installation of 50 units of LED lights aims to improve the safety and comfort of community activities, especially at night. Meanwhile, the construction of 300 meters of irrigation provides direct benefits to the agricultural sector, which is one of the main sources of livelihood for the village community.

In 2023, the Village Fund allocation is directed to fulfill the basic needs of the community, such as clean water facilities and local economic development. The provision of three borehole wells aims to overcome limited access to clean water, which is very important for daily life. On the other hand, the development of the village market area through the addition of 10 new kiosks demonstrates the village government's efforts to support community economic activities, especially small and micro businesses. Overall, the Village Fund allocation reflects the Bukateja Village government's commitment to addressing community needs in stages. However, program sustainability and monitoring of results are important aspects to ensure the long-term positive impact of any development activities. The Village Fund allocations listed in Table 2 are closely related to the economic development of the community in Bukateja Village, Purbalingga Regency. Each development activity undertaken, such as the construction of infrastructure and public

facilities, aims to create a better environment and support more productive economic activities for the village community.

In 2021, the construction of 500 meters of village roads will not only improve accessibility between regions, but also facilitate the distribution of goods and services. This is important for local businesses that rely on transportation to transport their products. With better roads, transportation costs can be reduced, and travel time becomes more efficient, which in turn supports the development of the village's economic sector. Renovating public facilities, such as village halls, also plays a role in strengthening village institutions as community service centers. Better facilities allow villages to organize activities that can stimulate community participation in economic activities, such as training or local markets.

In 2022, the provision of street lighting and the construction of irrigation channels had a direct impact on the economic life of the community. Street lighting increases the sense of security for people working or trading at night, and facilitates the mobility of people and goods. The installation of LED lights is also more energy-efficient, resulting in lower operational costs. Meanwhile, the construction of irrigation channels supports the agricultural sector, by increasing agricultural productivity, which is one of the main economic sectors in the village. The availability of adequate irrigation reduces dependence on the weather and increases crop yields, which in turn increases farmers' income.

In 2023, the provision of clean water facilities through boreholes greatly affects the quality of life of the community. The availability of clean water supports the agriculture and livestock sectors, which are the main sources of livelihood in the village, as well as improving general public health, reducing health care costs and increasing work productivity. The development of the village market with the addition of new kiosks is also an effort to improve the trade sector, open up business opportunities, and strengthen the local economy. The addition of kiosks provides space for micro and small businesses to sell, increasing their access to a wider market.

Overall, the Village Fund allocation, which is focused on the development of infrastructure and public facilities, has a significant impact on improving the quality of life of the community and developing the local economy. Each development activity not only fulfills the basic needs of the community, but also creates new opportunities that strengthen the village economy in a sustainable manner.

4. Conclusions

Based on the results of the research and discussion that has been conducted, it can be concluded that the Bukateja Village Government, Purbalingga Regency, has succeeded in managing the Village Original Income (PADes) well, although the amount is relatively small. Every year, there is an increase in PADes which shows the efforts of the village government in optimizing local income sources. This increase in PADes reflects the success of the strategy in managing village resources and Village-Owned Enterprises (BUMDes), although there is still a gap between the budget and realization that needs to be improved. Furthermore, the allocation of Village Funds (DD) used for the development of various infrastructure and public facilities also has a positive impact on the economic life of the community. Activities such as the construction of village roads, renovation of public facilities, provision of street lighting, construction of irrigation channels, provision of clean water facilities, and development of village markets, directly support the development of the local economy and improve community welfare. The development of infrastructure such as roads and irrigation supports the smooth running of economic activities, while better public facilities improve the quality of services to the community. Overall, the management of PADes and the allocation of Village Funds by the Bukateja Village Government can be said to have achieved the goal of better economic development for the village community. However, there needs to be ongoing efforts to improve management effectiveness and

involve the community in every step of development, in order to achieve more optimal and sustainable results.

5. Research Suggestions

Based on the results and discussion of the research that has been described, there are several research suggestions on village fund management in Bukateja Village, including:

- a. **Increasing Community Participation**
It is recommended to involve the community more in the planning and evaluation process of Village Fund usage, so that development is more in line with local needs and can create a sense of ownership among the community.
- b. **Utilization of Information Technology**
The use of information technology in Village Fund management, such as a digitalization system for budget transparency, can increase efficiency and accountability of management.
- c. **Focus on Productive Sectors**
More funds need to be allocated for productive sectors such as agriculture, MSMEs, and skills training, which can have a direct impact on increasing community income.
- d. **Continuous Monitoring and Evaluation**
A more structured monitoring and evaluation system is needed to ensure the sustainability of development programs that have been implemented and to identify areas that need improvement.
- e. **Strengthening the Capacity of Village Apparatus**
Training and competency development for village officials is very important to improve their abilities in planning and managing village budgets.

6. Research Limitations

This study found that there were several research limitations, including:

1. **Limited Geographic Coverage**
This study only focuses on one village, so the results cannot be generalized to other areas with different socio-economic conditions.
2. **Limited Research Duration**
The short research period limits the ability to evaluate the long-term impact of Village Fund management on community economic development.
3. **Lack of Secondary Quantitative Data**
The limited availability of relevant secondary quantitative data may affect the validity of the analysis results in this study.

Therefore, based on the limitations of this research, the author hopes that further research can improve the shortcomings of this research.

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