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Statistical Effectiveness of Village Funds Allocation for Improving Village Development in Papua, Indonesia

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Abstract--- This study aims at determining the effectiveness of villages fund allocation management in improving Village Development. It was conducted in Fafai Village, Demba District, Waropen- Papua, Indonesia. The data was conducted through a literature approach as well as field-study approach. Next, it was analyzed using mixed methods, namely descriptive qualitative analysis, and quantitative descriptive analysis. The results of the study show that the effectiveness of the allocation of village funds in improving village development in Papua- Indonesia, in the perspective of administrative accountability, has been effective enough. Unfortunately, based on the direct observation as well as further research, it has been found that what has been stated in the administrative report was not the same as what has happened in the field.

Keywords--- Effectiveness, Management, Village Fund Allocation, Rural Development.

I. Introduction

The Indonesian government has continued to strive to increase the implementation of national development so that the pace of regional development will be more balanced and harmonious. However, the national development, in its implementation, is still faced with the main problems of development such as development inequality between villages and cities in Indonesia. Development inequality occurs due to many factors that influence it so that development in Indonesia is uneven. This will have an impact on high poverty in Indonesia. Responding these problems, the government's strategy to overcome development inequality is to carry out national development which places great attention on village development.

To carry out tasks and functions in the development of village communities in accordance with Indonesian Law No. 6 of 2014 concerning Villages, it is necessary to support both resources personnel, funds, and other supporting devices. For this reason, Indonesian Government Regulation No. 60 of 2014 concerning Village Funds sourced from the State Revenue and Expenditure Budget has been set. It is about financing the village community. The fund itself is used to finance governance, development, community empowerment, and society. It is prioritized to finance development and community empowerment.

The village has an important role, especially in carrying out tasks in the field of public services. Decentralization of greater authorities accompanied by adequate financing and assistance with infrastructure is absolutely necessary to strengthen village autonomy towards village independence. However, in the mirror of community development, the rural development program was not maximal since the preparation, implementation, and evaluation of rural development programs did not involve the community. The development program was conducted without transparency and accountability.

The development policy process emphasized a centralized political paradigm. As a result of development planning mechanisms that were not transparent and accountability, village development itself was unsustainable and ineffective.

Furthermore, the implementation of Village Fund Allocation (VFA) management in several Villages of War open District Papua- Indonesia, based on the pre-research, has still got a lot of problems. The use of VFA was not on target. The effectiveness of the VFA Management illustrates the ability of the village government in realizing the Village Fund finances to implement the planned program compared to the targets set based on the real potential value.

The above statement is in line with Saputra's research (2016). Saputra et al. (2016) has conducted research about the effectiveness of VFA Management in Denpasar- Indonesia, by 2009 – 2014. It was found the VFA management is in the effective category since the level of effectiveness each year is at 90% - 100% (effective). However, it is not in line with research conducted by Sulastris (2016). Sulastris (2016) has conducted research about the Effectiveness of VFA Management in enhancing physical development. It was found that the implementation was not effective (see Tanjung, 2019).

The reason researchers chose the VFA as research material is that the VFA itself has had a greater influence on village development compared to other Village income fund sources. If the VFA is truly managed, it is not impossible that this program will improve public services in rural areas. Furthermore, it is believed that community participation in development will also increase, and of course, this will lead to the welfare of village communities.

II. Literature Review

Stewardship Theory

The theoretical foundation that underlies this research is the stewardship theory proposed by Donaldson & Davis (1991). Stewardship theory describes a situation where management is not motivated by individual goals but rather is aimed at their main outcome goals for the benefit of the organization. The theory assumes a strong relationship between satisfaction and organizational success. Furthermore, the theory itself is a framework which argues that people are intrinsically motivated to work for others or for organizations to accomplish the tasks and responsibilities with which they have been entrusted. It argues that people are collective minded and pro-organizational rather than individualistic and therefore work toward the attainment of organizational, group, or societal goals because doing so gives them a higher level of satisfaction. Stewardship theory, therefore, provides one framework for characterizing the motivations of managerial behavior in various types of organizations (Menyah, 2013).

Concepts of Effectiveness

Effectiveness is always related to the relationship between expected results and actual results achieved. According to Lian (2000), effectiveness is the condition or ability of a work carried out by humans to provide the expected benefits. Gibson et al. (1991) argue that effectiveness, in the context of organizational behavior, is the relationship between production, quality, efficiency, flexibility, satisfaction, the nature of excellence and development. According to Westermann et al. (2019), Effectiveness is a measure of success or failure of an organization to achieve its goals. If an organization succeeds in achieving its goals, the organization is stated to have run effectively. Effectiveness is measuring the relationship between the results of a tax levy with the tax revenue target itself.

The level of effectiveness can also be measured by comparing the plans that have been determined with the actual results that have been realized. The criteria regarding the achievement, as stated by Karos & Peters (2018), namely:

1. The clarity of the objectives to be achieved. This is intended that the implementation of the task of achieving targeted goals and organizational goals can be achieved.
2. The clarity of the strategy for achieving goals. This is known as "the strategy on the road" which is followed in making various efforts in achieving the specified goals so that the implementers do not get lost in the achievement of organizational goals.
3. A steady process of policy analysis and formulation; Related to the objectives to be achieved, the policy must be able to bridge the objectives with the operational activities.
4. Careful planning. This means that the management must decide what the organization must do in the future.
5. The preparation of the right program
6. Availability of work facilities and infrastructure
7. Effective and efficient implementation

Village and Its Development

Etymologically the word village comes from Sanskrit, *deca* which means homeland or birth land. From a geographical perspective, a village is defined as "a group of houses or shops in a country area, smaller than a town". The village is a legal community unit that has the authority to manage its own household based on the origin and customary rights recognized in the national government and located in the Regency Region.

Next, related to its development, it must be known that development is not the same as modernization. Village development is carried out in the framework of a proper balance between the government and the community.

It is a mechanism of community desires that is integrated with the community. The combination determines the success of development (Rakhmanova & Kryukov, 2019). The mechanism of village development is a harmonious blend of community participation and government. It is carried out by the community itself, while the government will only provide guidance, assistance, guidance, and supervision.

The problem in rural development is the low assets held by rural communities. On the other hand, the low level of infrastructure services, rural facilities, low quality of human resources, low-skilled, weak institutional, and weak cross-sectoral coordination in rural area development have also been another problem in the village development. Related to the problems, theoretically, there are several things that can be carried out in village development, namely:

1. Improving services of land affairs.
2. Strengthening the management of spatial use as well as controlling spatial use to create an efficient, effective and sustainable living environment.
3. Improving the quality of settlements that are safe, comfortable and healthy.
4. Improving regional infrastructure in a disadvantaged, remote and border area.
5. Improving the quality of development planning in the regions.
6. Increasing the regional economy for the welfare of the community and overcoming disparities between regions.

Furthermore, in implementing village development, the principles of transparency must be implemented, and community participation in planning, implementing, and monitoring must be involved.

Village Fund Allocation (VFA)

VFA, according to Indonesian Law No. 6 of 2014 concerning Villages, is part of the balance funds received by the Regency / City of at least 10% (ten percent) in the regional income and expenditure budget after deducting special allocation funds. It is part of village finance that is obtained from the regional tax revenue sharing and part of the central and regional financial balance funds received by the Regency / City for the village distributed proportionally.

The purpose of the VFA is to (1) increasing the administration of village government, (2) enhancing the capacity of community institutions, (3) increasing income distribution, employment opportunities and business opportunities for rural communities, and (4) encouraging the enhancement of village community mutual cooperation. With the VFA, villages have the certainty of funding so that their development can be continued.

Obstacles to Village Development

Development is an evolutionary process so that people need to carry out gradually in accordance with their resources and the main problems being faced. There are several problems that are often encountered in various villages, including (1) limited of professional human resources, (2) limited of adequate funding sources, both from the ability of the village itself (internal) and sources of funds from outside (external), (3) the socio-economic institutions are not formulated yet, (3) the development of clear and firm system has not been developed yet, and (4) lack of creativity and public participation.

III. Research Methods

The current research is descriptive research that aims to find out and explain how the effectiveness of VFA Management and how to improve the development of the village. It was conducted in the Fafai Village, District Waropen Regency, Papua- Indonesia. It applied dependent and independent variables. Independent Variable is village development, planning, implementation, and accountability, while the dependent variable is the effectiveness of VFA. Next, the primary data was obtained directly through interviews with informants, while the secondary data was obtained from document of the government of Fafai Village, Demba District, Waropen Regency. After data was collected, it was analyzed using mix methods, namely qualitative and quantitative methods.

IV. Result and Discussion

Effectiveness of VFA in improving Village Development in Fafai Village, Demba District, Waropen Regency

Based on the research conducted, namely through the interview and documentation method, it can be explained that the allocation of village funds received by the Fafai village government in 2015 and in 2016 experienced fluctuations, where the amount of rupiah received tended to change.

The effectiveness of the management of VFA from 2015 and 2016 in Fafai Village, Demba District, Waropen Regency was already in the effective category because the effectiveness level was in the figure of 90-100%. To carry out the management of the VFA which has been a part of the Village Budget (APBD) properly and correctly, there must be carried out based on the provisions of the applicable laws and regulations.

However, the results of the study indicate that there is no conformity between APBD distribution between statutory regulations and realization in the village government, which has been stated in the article 100 PP No.43 of 2014. It provided 70% of the APBD to fund the implementation of development and empowerment of rural communities, while at most 30% was for the village chief's operations and also the Village Deliberation Board (VDB). But in the 2015 fiscal year, in Fafai village, the distribution of APBD was very inappropriate. The field of development implementation and community empowerment was 51.32% of the existing APBD. The rest 48.68 % was for village government operations and village government apparatus allowance. Thus, VFA, which is a major part of the Village Budget and Expenditure Budget (APBD), was not managed properly to meet the objectives of the VFA itself. This shows that the Fafai Village government was still less effective in managing allocation of village funds.

Management of VFA in improving Village Development in Fafai Village, Demba District, Waropen Regency

The results, furthermore, showed that the planning stages of VFA Management in enhancing Village development for Fafai Village were effective since it was carried out by looking at the needs of the village development process. The budgeting and action plans were discussed with the community. At the implementation stage of the management of the VFA in Fafai Village, the results of the study showed that in the stages of the implementation of the ADD management can be seen as follows. In the 2015 fiscal year, the budget for the administration of the Village Government was 108,823,000 IDR while the budget for the field implementation of Village Development was 114,723,000 IDR. In the 2016 fiscal year, there were three activity sectors namely (1) the village development activity field with a budget of 543,341,844 IDR, (2) the Government Operational Sector with a budget of 50,331,481 IDR, and (3) the Community Empowerment Field with a budget of 30,400,000 IDR. All Fields of Activities in each budget year can be resolved well but due to lack of cooperation between the processing team and the village government, the achievement of management objectives conducted in Fafai Village has not been effective.

Furthermore, the stages of accountability Management of Village Allocation Fund shows that the charge was less effective. The accountability stage carried out by the Fafai Village government was found to be less effective. The results of research related to the management phase of VFA in Fafai Village differ from previous studies, namely the study conducted by Sulastri (2016). Sulastri(2016)conducted a study on the Effectiveness of Management of VFA in improving the Physical Development a Village. The study revealed that the VFA management stage was still lack of community participation in supporting the process of VFA management.

Factors that Hinder Management of VFA in Increasing Village Builders in Fafai Village, Demba District, War Open Regency

The inhibiting factors faced by the Village government in the process of VFA Management in increasing village development can be stated as follows;

1. Human Resources

Based on the results of research, it was found that the human resources were still low. This is proven by the inability of the VFA Management activities in making a Responsibility Report. It was found that they were not capable of using third party assistance that was not from the VFA Management Implementation Team.

2. Poor cooperation

Based on the field research, it is found that the cooperation factor has been a factor that hinders village development. The management of the VFA in increasing Village development was the lack of cooperation between the village government and the management team. Cooperation between the management team and the village government was still very low so that many policies were not suitable for the plans. This was proven since the researchers have found that the construction of community houses financed by the allocation of village funds was not completed. This was due to the lack of teamwork so that the realization of the planned work program together with the community did not go well.

3. Transportation

The VFA Management was carried out with three stages of processes namely planning, implementation and accountability.

The planning process has been very good but in the process of implementation and accountability have not been effective. The ineffective implementation process was caused by transportation problems. In the case of the village in Indonesia, the procurement of goods and materials for village development could only be accessed through sea and river transportation.

Furthermore, the results of the study have indicated that transportation becomes an obstacle that must be considered in every development activity in the village because many development activities financed by the allocation of village funds did not go well due to the transportation process.

V. Conclusions and Suggestions

Conclusions

Based on the results of research and discussion on the effectiveness of VFA Management in improving development in Fafai Village, Demba District, Waropen District, Papua- Indonesia, some conclusions can be drawn as follows. Firstly, the effectiveness of the management of VFA in the Fafai village, Demba District, in 2015 and 2016, from the administrative point of view, were in the effective category. Unfortunately, the implementation was not effective. There were three stages, namely planning, implementation, and accountability. Based on the results of the study, the planning stage has been effective, while the implementation phase, based on the results of the research was less effective. The accountability stage in the process of VFA Management in increasing village development was also less effective.

Secondly, the results showed that administratively, there were work plans and reports on the management of VFA. Unfortunately, based on the observation, what have been planned and reported in the accountability reports were not realized completely. Next, there were factors inhibiting the effectiveness of VFA management namely (1) Human Resources (HR), (2) Poor cooperation, and (3) Transportation.

Suggestions

Based on the description of the conclusions, the suggestions proposed in the current study are as follows. First, the village development program is suggested to be started from the planning stage, that is for conducting development activities. More people must be more involved in the planning process. Then at the implementation stage, cooperation between village government unit and management team must be conducted so that the planned development plan can be completed properly. Furthermore, the accountability process must be carried out by village government themselves.

Second, for the village government, it is necessary to improve the quality of Human Resources (HR) for each VFA management team. Then the need to increase cooperation between the management team and the village government will be fulfilled so that the planned work program can be completed properly. Furthermore, for transportation problems, it is suggested to be more effective in overcoming this problem, so that there is no wasting of the budget only for the transportation department. Third, it is suggested to conduct further researches related to the current topic that is by conducting deeper research by adding more variables related to the effectiveness of the allocation of village funds.

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