

## The Influence of Village Fund Allocation Policies on Infrastructure Development in Villages

**Ade Irawan**

Faculty of Social and Political Science, Universitas Pasundan

Correspondence Email: [adeirawan@unpas.ac.id](mailto:adeirawan@unpas.ac.id)

Received: 11 August 2023; Revised: 30 November 2023; Accepted: December 2023

**Abstract:** The objective of this study is to assess the impact of village fund allocation policies on infrastructure development in the village. This research was conducted by collecting data from respondents consisting of representatives from the village administration, community institutions, and communities involved in the development of village infrastructure. In the Manyeti village of Dawuan District, Subang Province. Utilizing a questionnaire, the procedure used is qualitative and collects data. To determine the impact of village fund allocation policy variables on village infrastructure development, a straightforward linear regression technique was utilized to analyze the data. The findings of the study indicate that village fund allocation policies have a substantial impact on infrastructure development in villages. It was discovered that infrastructure development in a village improved proportionally to the amount of funds allocated for infrastructure development. This research is anticipated to aid in the development of more effective and efficient village fund allocation policies for infrastructure development. In addition, the findings of this study can serve as a foundation for future research on infrastructure development in rural communities.

**Keywords:** Policy; Village Funds; Infrastructure Development.

### How to Cite:

Irawan, A. (2023). The Influence of Village Fund Allocation Policies on Infrastructure Development in Villages. *Journal of Governance*, 8(4), 619–627.  
<https://doi.org/http://dx.doi.org/10.31506/jog.v8i4.23016>



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## Introduction

A village is a village, and a customary village, or what is referred to by another name, hereafter referred to as a village, is a legal community unit that has territorial boundaries that are authorized to regulate and manage government affairs and the interests of the local community based on initiatives, community, origin rights, and/or traditional rights that are recognized and respected in the government system of the United States of America. This definition is based on Law Number 6 of 2014 concerning villages. A village is a village, and a As a component of village administration, the village government is comprised of the village head or another official who goes by a different name, assisted by the apparatus of the village (Sumeru, 2016).

The imbalance in the development of urban and rural areas has become a problem in Indonesia (Didia, 2016). Most of the centers of economic activity are in urban areas, so it is more attractive for the majority of the population to live and look for work in cities, so villages experience a shortage of labor to drive the economy in villages (Djadjuli, 2018).

According to Nurwati (2008), the number and percentage of people living in poverty in Indonesia's rural areas are significantly higher than those living in Indonesia's urban areas. This demonstrates that most of Indonesia's impoverished population is concentrated in the country's rural areas. According to Hermawan (2012), in order to alleviate poverty in Indonesia, it is vital to combine the rural and urban economies. This will help to overcome the problem.

Increasing a community's desire to become more advanced and capable of competing with other villages in order to become the best village in the eyes of the

country can be accomplished with the development of the appropriate infrastructure in a village (Sukarman & Rohim, 2022). This can be accomplished when a village's infrastructure is developed in the way that it should be. In this particular scenario, there is a requirement for assistance from the government as well as the involvement of an astute village head in the formulation of policies governing the use of village money (Wisakti, 2008).

Judging from the current phenomenon regarding village funds, there is an assumption that village funds are widely misused in terms of allocation (Budi et al., 2021). This can also be seen in various newspapers, television, radio, and even other media, such as the internet. To anticipate this, we must be wise in analyzing news that is true in an area. Recently, there has been a lively discussion on social media about village funds used by village officials for weddings, causing many people to be provoked by this news. The community asked the authorities to thoroughly investigate this problem because, for them, the funds in the village were not privately owned but were used for the benefit of the village community and common interests in developing the village (Sudana et al., 2017).

This is in accordance with the law that the government passed in 2014 (number 6) regarding the funding of villages. Within the framework of the centralized administration of the unitary state that is the Republic of Indonesia, this legislation establishes the parameters for the village government's ability to conduct governmental business and to look out for the interests of the community it serves. This law emphasizes that villages are given the opportunity to enhance their own villages, specifically referring to the building of infrastructure so that village

communities can become more sophisticated and prosperous. With the availability of village finances, at the very least, infrastructure development has to be more nominalized so that it may assist village communities that have low development. On the other hand, it would be beneficial to also pay attention to creative economic growth, such as coaching farmers (Batull, 2018).

This is in compliance with the policy of the Regional Government of Subang Regency on the optimal use of village funds by making use of the requirements of each region or village both in terms of the development of infrastructure and the empowerment of the local community. Therefore, this research was carried out to determine whether it was in compliance with the procedures that are now in place and whether it had an influence on the development of infrastructure. When the distribution of village funds is the most important factor in promoting village development and enhancing the well-being of village communities, the phrase "where the allocation of village funds is the main thing" is appropriate.

The researcher is interested in conducting a study with the title "The Influence of Village Fund Policy on Infrastructure Development in Villages." This interest is based on the background information that was provided above. This was done in order to conduct a more in-depth investigation into the program for making better use of local money to promote people's welfare in Manyeti Local, located in Dawuan District, Subang Regency.

### **Village Fund Policy**

The Villages Act (Law No. 6 of 2016) grants local governments the freedom to self-govern in response to

changing circumstances. This means that all local authorities will be funded from the village budget in accordance with the village budget's needs and priorities. Finances for village administration, development implementation, community development, and community empowerment come from village funds, which are allocated from the state revenue and expenditure budget via the district/city regional revenue and expenditure budget (Raharjo, 2021). To ensure that village-based programs are implemented effectively, fairly, and equitably, the government allocates funding annually from the APBN (State Revenue and Expenditure Budget) to the villages themselves (Arina et al., 2021).

In terms of public service, the village plays a significant role. In order to improve village autonomy and move toward village independence, more decentralization of power, along with financing and help with suitable facilities and infrastructure, is essential (Widianto & Sari, 2019). The position of village governments has strengthened with the passing of Law No. 6 of 2014 Regarding Villages.

The government and district/city are given the authority to impose sanctions in the form of delaying the distribution of village funds in the event that reports on the use of village funds are late or not submitted, thereby realizing an orderly, transparent, accountable, and quality management of village funds. If village funds are used inconsistently with the priorities for the use of village funds, general guidelines, technical guidelines for activities, or where money is deposited in the form of deposits for more than 2 (two) months, the government and district/city may impose sanctions in the form of a reduction in village funds (Abidin, 2015).

**Infrastructure development**

Since public infrastructure is crucial to the success of a country's economy, Sukwika (2018) argues that investing in its improvement is a civic duty that falls squarely within the purview of the state. The health of any economy depends on many moving parts, and a solid foundation of infrastructure is essential to its smooth operation.

According to Rogers in Nasution (2007), development is "a process of social change in a society intended for social and material progress (including increasing freedom, justice, and other valued qualities) for the majority of the people through greater control over their environment." Nasution (2007) classifies the development goals into two categories:

1. The General Builder's Goals are the farthest projection of human hopes and ideas, the components of the best or best ideal society imaginable.
2. Specific development goals are short-term goals; short-term goals are usually chosen as the level of achievement of the goals of a particular program.

**Method**

In this study, quantitative research methods were employed (Apuke, 2017). This study employed a singular cross-

sectional design because data collection for each population element was conducted only once during the study period. This investigation was conducted in the 3,921-person community of Manyeti Village, Dawuan District, Subang Regency. The sample size for this investigation was 98 individuals. To obtain information from respondents, questionnaires, interviews, documentation, and observation were used to collect data (Kabir, 2016). Using a Likert scale, a questionnaire is a technique for collecting data that consists of displaying queries to respondents and receiving their written responses. This study's variables are variables X (independent variable) and Y (dependent variable): village policy funds and infrastructure development, respectively. SPSS 22 for Windows is used to measure the level of influence of the dependent variable on the independent variable using the coefficient of determination test, validity test, reliability test, simple regression, and partial hypothesis testing in order to obtain valid data.

**Results And Discussion**

**Validity test**

The instrument's validity was examined using SPSS; the validity value is displayed in the Corrected Item-Total Correlation column. This study uses the following criteria to determine its validity:

**Table 1. Validity test results**

Variable	Statement	R Count	R Table	Information
Village Fund Policy (X)	1	0.702	0.202	Valid
	2	0.623	0.202	Valid
	3	0.712	0.202	Valid
	4	0.685	0.202	Valid
	5	0.722	0.202	Valid
Infrastructure Development (Y)	1	0.532	0.202	Valid
	2	0.737	0.202	Valid

	3	0.626	0.202	Valid
	4	0.732	0.202	Valid
	5	0.713	0.202	Valid

Each statement item for each variable is legitimate according to the Table of Validity Test for Village Fund Allocation (X) and Infrastructure Development (Y) above. This is evident from the r count: if the r count is greater than the r table, then the proposition is true.

**Reliability Test**

The questionnaire's accuracy is evaluated with a reliability test. The following table displays the results of reliability testing:

**Table 2 Reliability Test Results**

Variable	Cronbach Alpha	Information
Village Fund Policy (X)	0.774	Reliable
Infrastructure development	0.735	Reliable

All variables in this study had Cronbach alpha values over 0.6, as shown in Table 2. In order to draw the conclusion that the variables used in the Village Fund Policy and Infrastructure Development are credible.

referred to as the dependent variable. A straightforward linear regression equation enables one to determine, in a unified fashion, the degree to which independent factors have an effect on the value of the dependent variable under investigation. In light of the findings obtained from putting the proposed hypothesis to the test, the data obtained from the straightforward regression analysis are as follows:

**Simple Regression Test**

The simple linear regression test is used to assess whether or not the independent variables have an influence on the variable being studied, which is

**Table 3 Simple Regression Test Results Coefficients<sup>a</sup>**

Model	Unstandardized Coefficient		Standardized Coefficient	t	Sig.
	b	std. error	Betas		
1. Constant	17.526	2.323		7.477	001
Village Fund	.341	085	.375	3.942	001

a. Dependent Variable: Infrastructure Development

From data table 3 of the SPSS output, the regression equation for simple linear is  $Y = 17.526 + 0.341X$ , where 17.526 means that if the village fund (X) does not exist, then the consistent value of infrastructure development (Y) is equal to

17.526, and 0.341 means that for every additional 1% of village funds (X), infrastructure development (Y) increases by 0.341.

**Coefficient of Determination**

**Table 4 The coefficient of determination (R2)  
Summary Model <sup>b</sup>**

Model	R	R Square	Adjusted R Square	std. Error of the Estimate
1	.372 <sup>a</sup>	.138	.129	2.163

According to the results of the coefficient of determination test in the table above, the coefficient of determination (R) is 0.372, indicating that village fund policies and infrastructure development have a 37.2% correlation. While the adjusted R Square coefficient is 0.131, it indicates that 12.9% of the variations or changes in the infrastructure development variable (Y) can be explained

or influenced by variations in the village fund variable (X), while the remaining 87.1% is influenced by other factors that were not investigated in this study.

**Hypothesis Test (t test)**

With the t test, you may find out how much of an impact the independent variable has on the dependent variable. Statistical significance is set at 0.05.

**Table 5 Test Results t  
Coefficients <sup>a</sup>**

Model	Unstandardized Coefficient		Standardized Coefficient	t	Sig.
	b	std. error	Betas		
2. Constant	17,526	2,323		7,477	001
Village Fund	.341	085	.375	3,942	001

b. Dependent Variable: Infrastructure Development

If the t-score is above the t-table threshold, then the null hypothesis is rejected (Bayari et al., 2016). The significance threshold of 5% in the calculation of the t count of 3.94 compared to the t table, which is 1.985, suggests that variable X has a substantial impact on variable Y. The allocation of local money for infrastructure development in Manyeti locality, Dawuan District, and Subang Regency is shown to have an impact through testing the hypothesis.

According to the findings of the t test, it is known that the distribution of village funds (X) has an impact on the development of village infrastructure (Y). This is demonstrated by the findings of the t-test calculation, which yielded a value of 3.946, while the t-table produced a value of

1.985 at a significance level of 5%; hence, the hypothesis can be considered validated.

In Manyeti community, located in Dawuan District, Subang Regency, the distribution of community money is an essential component in the progression of the infrastructure development project. The money allocated to the villages by the central government is put to use in the construction of various local facilities and infrastructure, including roads, bridges, and irrigation systems, amongst others. The distribution of village funding in Manyeti Village has seen a considerable increase in recent years, and as a result, the quality of infrastructure development in the village has seen an improvement as a direct result of this change.

The construction of village roads is an example of an infrastructure development that can be supported by allocations of village fund money. One of the most essential things that can be done to make it easier for inhabitants to move around and for items to be transported is to ensure that the roads in the village are in good condition. Manyeti Village has been granted an allotment of village funding, which enables the Manyeti community government to both develop new roads and repair the roads that already exist in the community. It is becoming easier for inhabitants to carry out their day-to-day activities as a result of improvements being made to the quality of the roads in the villages, as well as improvements being made to the accessibility and connection of the villages.

In addition, the village government in Manyeti Village is able to upgrade the village's irrigation and irrigation systems thanks to the monies that were allocated from the village. It is essential to have a reliable irrigation system in order to sustain the agricultural industry, which is one of the most significant industries in the area. The village government is able to construct new irrigation canals and maintain existing irrigation canals with the funds that have been allotted to it by the village. The result of this is an increase in agricultural output in Manyeti Village, which, in turn, has the potential to improve the inhabitants' standard of living.

In Manyeti Local, located in Dawuan District, Subang Regency, the distribution of local money plays a significant role in the development of the village's infrastructure. Village governments are able to construct and repair services and infrastructure in their communities, such as roads, irrigation systems, and other elements, with the

assistance of funding granted by the central government. Enhancing the quality of this infrastructure development has the potential to increase agricultural output in addition to improving the accessibility and connectivity of rural areas. As a result, the distribution of village funds can be a solution that helps to improve the quality of life of villagers and promotes growth in rural regions.

This is consistent with the findings of earlier research that was carried out in the past (Hardianti, 2017). Community engagement in the building of village infrastructure was supported by the concept that infrastructure development has an influence on the allocation of village money. This program took place in Buntongi Village, Ampana Kota District. This is also consistent with the findings of the study titled "Management of village fund allocations in an effort to improve community economic development in Magmagan Karya Village, Lumar District" that was carried out by Lili (2018). This study found that village fund allocations have a significant impact on the community's economic development in Magmagan Karya Village, which is located in the Lumar District.

## **Conclusion**

Infrastructure development is influenced by village funding. The availability of village finances allows villages to carry out their own development and administration. This chance enables the betterment and development of local facilities and infrastructure in Manyeti locality, Dawuan District, and Subang Regency. The research suggests that the Manyeti Village Government hold open socialization so that the community knows the allocation of village funds that will be managed for village development, so that the

community can also play an active role in village development, and the community is expected to be able to make material and formal contributions for mutual progress.

### Acknowledgment

The Author wants to thank to all parties involved in this research, especially supervisor and colleagues from Pasundan University for their invaluable contributions to this research.

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