

The Effectiveness of Village Fund Policy in Increasing Economy of The Village Community at Karangjaya District Tasikmalaya Regency West Java Province

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Abstract. This study aims to describe the effectiveness of village fund policy in increasing economy of village society in Karangjaya District. The theory used is effectivity, public policy, village fund, and economic development. The approach in this research is qualitative method. Research location in four villages, namely: Village Citalahab, Sirnajaya, Karangjaya and Karanglayung, at Karangjaya District, Tasikmalaya Regency, West Java Province. Technique of collecting data is done by interview, observation and document review. Descriptive analysis is used as a technique of data analysis and analysis stages using McNabb model. The results show that the policy of village fund in increasing economy of village society in Karangjaya District has been implemented effectively. The indications of that are : (1) the village society income increase significantly; (2) Job opportunity open widely; (3) The ammount of businessman increase constantly; and (4) The good and service distribute more efficiently.

Keywords: Effectiveness, Village Fund Policy, Economic Development.

1 Introduction

The arrest of the Regent of Pamekasan for allegedly accepting bribes for misappropriation of the village fund in August 2017 [1] made the village fund again an important issue and got the attention of the wider community. This is because the village fund is sourced from public money, in this case the State Budget, with a very large amount of Rp. 60 Trillion for 2017 with an average per village of Rp. 800 million. The large amount of village funds is prone to political interests in elections, post-conflict local elections and the high potential for corruption in the regions [2].

The village fund is fund for villages, transferred through the Regency/City budget (APBD) and is used to finance governance, development, community development, and community empowerment [3] The village fund is a form of commitment of the state to the village, as an support for village outonomy and community welfare. It is implemented transparently, accountably, deliberatively and in a participatory manner to ensure the implementation of development goes well according to the will of the people and oriented to the welfare of society.

However, based on the results of studies and coordinating activities and supervision of the prevention of the Corruption Eradication Commission [4], it turns out that the effectiveness of

village fund policies is very doubtful to improve the economy of rural communities, because accountability in financial management in the regions is still low. In accordance with Permendagri No. 113/2014 articles 3 and 4, the village head is the holder of authority over village financial management and in carrying out village financial management. According to the regulation, village funds must be managed with the principles of transparency, accountability, participation and budget discipline [5]. However, in reality the principle has not been able to be implemented well by the village, so the village fund policy has not been effective.

The results of Farida's research [6] show that the issue of human resource of funds management is still a major obstacle in making accountability for financial administration in Sidogedungbatu Village, Sangkapura District, Gresik Regency. Therefore, the assistance is still needed from the Regional Government officials.

The same study was also found by Irma [7] in Dolo Selatan District, Sigi Regency. Although the problems of planning, implementation and accountability both technically and administratively have been going well, but in the accountability of financial administration, assistance is still needed from local government officials. In addition, there are still indications of financial management that are not in accordance with regulatory requirements. The issue of accountability for the implementation of the village fund also indirectly impacts the effectiveness of the village fund's policies. In addition, Utama's research [8] also said that the activities in Kateng Village, Praya Barat District, Loteng Regency funded by the village fund were not optimal and the implementation of village economic facilities development was not yet effective.

The issue of village financial management which has not been effective, shows that the government (central and regional) is not yet serious in developing villages. Nevertheless, there are also villages that receive training and assistance from the district government and NGOs, the capacity and effectiveness are relatively good with infrastructure and the village economy are growing well. While villages that do not receive adequate training and assistance, capacity and effectiveness are very low [9].

Therefore, research on the effectiveness of village fund policies is still relevant for review. Much of the research so far has focused on Village Fund Allocation (ADD) rather than Village Fund (DD). In addition, the effectiveness of the research by other researchers does not correlate with the economic improvement of rural communities and does not use the effectiveness indicators proposed by Mahmudi. While this research actually looks at the effectiveness of the link between the village fund policy and the improvement of the economy of the village community.

Tasikmalaya Regency has received village fund in the amount of Rp 227 billion at 2017 for 351 villages spread in 36 Sub-districts [10]. In the previous year, the district also received village funds in 2015 and 2016. Tasikmalaya Regency products were well known to the wider community, such as : bordir crafts, dried banana, and tutug oncom rice which is also one of the foods originating from this regency.

From this issue, it is interesting to study further with the title "Effectiveness of Village Fund Policy in Improving the Economy of Village Communities in Karangjaya District, Tasikmalaya Regency, West Java Province." The problems of this research can be formulated as follows: (1) How is the implementation of village fund policy at Karang Jaya District, Tasikmalaya Regency, West Java Province? (2) How is the effectiveness of village fund policy in improving the economy of village communities in Karangjaya District, Tasikmalaya Regency, West Java Province? The approach in this research is a qualitative method, with data collecting technique : observation, documentation, and interview.

2 Literature Study

2.1 Effectiveness

The word of effectiveness comes from “effective”, indicating the level of achievement of the results. Siagian says that effectiveness is the utilization of a certain amount of resources, facilities and infrastructure that are consciously determined in advance to produce a number of goods for the services that it carries out [11]. Effectiveness also shows success in terms of whether or not the targets set have been achieved. If the results of the activities are getting closer to the target, then the higher the effectiveness.

Mahmudi defines effectiveness as the relationship between output and goals. The greater the output produced from the specified goals, the more effective the organization program or activity [12]. Thus, effectiveness can be described as an input, process and output cycle that refers to the results of an organization, program or activity that states the extent to which goals have been achieved. Thus, it can be concluded that effectiveness relates to the achievement of all the objectives set, is associated with timeliness, cost (efficiency) and involves active participation from relevant stakeholders.

There are several indicators of effectiveness namely : policy contribution, goal achievement, intensity achieved, evaluation achievement of goals and level of satisfaction[13]. Muasaroh says aspects of effectiveness, including: (1) Aspects of the task or function, namely the institution is said to be effective, if implemented duties or functions, as well as a program will be effective, if the tasks and functions can be carried out properly; (2) Aspects of a plan or program, if all plans can be implemented, then the plan or program is said to be effective; (3) aspects of the provisions and regulations, the effectiveness of a program can also be seen from the functioning or failure of the rules that have been made in order to maintain the ongoing process of its activities; and (4) Aspect of goals or ideal conditions, a program of activities is said to be effective from the point of view if the goals or ideal conditions of the program can be achieved [14].

Based on the description it can be concluded that effectiveness is a condition that shows the extent to which plans can be achieved. The more plans can be achieved, the more effective the activity will be. Thus, effectiveness can be interpreted as the level of success that can be achieved from a certain way or business in accordance with the objectives to be achieved.

2.2 Public Policy

Anderson said that public policy is a policy developed by government bodies and officials. The following characteristics of public policy included: purposive, courses or pattern of actions, what government actually do, either positive or negative, based on law and authority [15]. Dye in Islamy explained that public policy is whatever the government's choice to do something or not do something [16]. Henry said that public policy can be analyzed from two angles, namely: in terms of process and in terms of results and effects [17]. From some point of views it can be concluded that public policy is the decision of government to do or no to do.

2.3 Village Fund

Village fund is fund sourced from the State Revenue and Expenditure Budget (APBN) which is intended for villages to finance government administration, infrastructure

development, community development and community empowerment. The purpose of the village fund is to improve the welfare and equity of village society through improving public services, advancing the village economy, overcoming development disparities between villages and strengthening rural communities as the subject of development. Village fund should be managed based on transparent, accountable, participatory and budgetary discipline principles [18].

2.4 Economic Improvement

Economic improvement can be analyzed from : (1) Income improvement and moving from low income to middle or high income, (2) Absorption of villagers' workforce which is a certain amount of labor used in a particular business unit or employment is the amount of labor that works in a business unit [19]. (3) Increase in number of traders means that more and more people are trading or more and more numbers of traders are arriving in the village. The point is that both internal and external traders increase in number in the village. (4) Merchandise distribution is an economic activity that bridges production and consumption activities. (5) Price stability, is the maintenance of a general price level that does not change from time to time in an economy [20].

3 Implementation of the Village Fund Policy in Karangjaya District

3.1 Sirnajaya Village

In 2015, Sirnajaya Village had received a village fund around Rp. 284,865,537 which was directly allocated to build road infrastructure that was needed by the community, namely the road in Cinangsi with Rp. 57,065,537 and the road in Cibeunteur Rp. 227,800,000. In 2016, Sirnajaya Village obtained village funds more than double the previous year at Rp. 622,819,986. The village funds were re-used for the construction of road infrastructure with four development points and there was only one other activity, training the village head and his apparatus. More complete use of the village fund are: a). Construction of Sukajaya - Cibeunteur Road Rp.124,550,000; b). Cinangsi Road Development Rp. 234,750,586; c). Construction of Legoksitu Road in Sukajaya, Rp. 115,807,000; d). Road Development RT 16-18 Awiluar Rp.133,334,000. Village Head and Devices Training Rp. 14,378,400.

Then in 2017, the village funds allocated to Sirnajaya Village again increase to Rp. 804,207,850. The funds continue to be prioritized on infrastructure development, namely: a). Construction of Gunungsangkur Road in Sukasirna Rp. 101,779,200; b). Construction of Balisuk Road in Sukasirna Rp. 93,518,100; c) Construction of RT 15 Road at Kampung Awiluar Rp. 158,036,500; d). Construction of Gunungjantra-Ciwareli Road Rp. 65,444,200; (e). Construction of Jalan Pasirtamiang, Cibeunteur Rp. 63,746,000; (f). Construction of Pasirjengkol - Girimekar Road Rp. 251,683,850. Small portion was allocated to non-infrastructure road activities namely the investment of Village Owned Enterprises (BUMDes) of Rp. 70,000,000, for the business of party equipment.

3.2 Karangjaya Village

Since the village fund policy was first issued in 2015 by the central government through the State Budget, Karangjaya Village obtained a village fund of Rp. 281,276,532. The same with Sirnajaya Village, the village funds were directly allocated for the construction of road infrastructure in five points, namely the development of the village roads of Rancagembor Hamlet, Setiamulya Hamlet, Ciaren Hamlet, Sukarapih Hamlet and the construction of the Cisarana Hamlet. Of course, road infrastructure development has a very strategic role for people's lives in order to encourage the economy and welfare of the community.

Village funds in 2016 were obtained by Karangjaya Village in the amount of Rp. 479,064,245. The funds are re-allocated to the construction of road infrastructure, namely: continuing the construction of roads in Curuglandung, Sukarapih, Rancagembor, and Cisarana. Likewise in 2017, from the village funds obtained by Karangjaya Village in the amount of Rp. 791,216,900 were prioritized to continue road infrastructure, namely: the construction of roads in Curuglandung, Setiamulya, Ciaren, construction of pesantren road in Ciaren, Sukarapih, Cisarana, Rancagembor, Pacargantung Bridge Development, and the construction of the Pesantren (TPA) RT 24 and 002, and BUMDes Capital investment.

3.3 Karanglayung Village

In 2016, Karanglayung Village obtained a village fund of 618,910,297. Some of these funds are like other villages, their use is still prioritized in the construction of road infrastructure, namely: the construction of roads in Karangpaningal, Citambal, Kertajaya RT 09, Kertajaya RT 11, and Kertajaya RT 12. There is one non-road development activity namely the construction of Citambal Kindergarten, which is also a community proposal to improve quality of community education.

Meanwhile in 2017, the priority for the use of village funds in Karanglayung remains on the construction of road infrastructure. From the total village fund of Rp. 792,427,800, the majority is allocated to road construction, namely: the construction of the road Karangsirna, Ciharang, Citambal, Pananjung RT 07, and Karangpaningal. To support the resilience of the road, a land buffer wall was also built namely : Citambal RT 17, Kertajaya RT 09, Kertajaya RT 11 and Karangsirna . Non-road infrastructure development activities, there are only two points, namely: the construction of the Citambal Posyandu and the Karangpaningal Posyandu.

3.4 Citalahab Village

In 2016, Citalahab Village obtained a village fund of Rp. 602,360,384, with the same priority as other villages namely road infrastructure development. Road construction was carried out in three buildings, namely the construction of roads in Sukamaju, Cintaasih and Kalangsari. In 2017, Citalahab Village obtained a village fund of 726,840,000. The funds are again prioritized to continue infrastructure development in the three branches combined with economic development through investment for BUMDes. In addition, posyandu, waterways, sports facilities and funeral facilities were built.

4 Effectiveness of Village Fund Policies in Improving Village Community Economy

To analyze the effectiveness of the Village Fund Policy in improving the Village Community Economy, it is examined through the achievement of the Village Fund Policy objectives which include: 1). Increased Community Income, 2). Absorption of Village Workers, 3). Increased Number of Traders, 4). Smooth Distribution of Economic Goods and 5) Price Stability.

4.1 Increased Community Income

Income is the amount of income received by members of the community for a certain period of time as compensation or factors of production that have been donated. From the results of interviews with key informants and direct observations, it shows that the village fund is used to develop road infrastructure, so that the benefits of it can be felt by societies directly, including in increasing community income. It is also increasing people's income indirectly in carrying plantation products such as cloves, banana, rice, abasiah wood and mahoni wood. Before the road is built, the community must spend the transportation costs are very expensive. Whereas now, vehicles can easily and smoothly bring the product of community plantations, so transportation costs are cheap and profits as net income are greater. This is supported by the results of an interview with Citalahab Village residents Komar and Eri Mandra, Secretary of the Citalahab Village. Infrastructure development (roads) makes it easy for people to bring their product to the market and obtain information about agriculture. In addition, Mamat Surahmat, Village Head of Sirnajaya Village said that road development can also automatically increase community income [21].

4.2 Absorption of Village Community Workers

Absorption of labor is a certain amount of labor used in a particular business unit or project. In development projects financed by the village fund in Karangjaya District gives benefits to the village communities because the road projects are done by local workers. So automatically village fund projects has absorbed workforce from the community. Komar a resident of Citalahab Village said "that the community is involved in developing infrastructure project and the community also does it" [22]. Absorption of labor from the community is actually mutually beneficial because the development carried out is the aspirations of the community and the end result for the community as well. In addition, by using local workers, it is even easier to access said Mamat Surahmat, Regional Head of Sirnajaya Village [23]. It means that local labor is easy to obtain, efficient and cheap.

Village Government in Karangjaya District has made policy that construction work is not done by outsiders, so all process in the project come from the villagers themselves. It shows that the level of community participation in development is good, especially based on the value of mutual cooperation with the community to do a development. This mutual cooperation was also confirmed by Pepen Suhendi, head of Karanglayung Village [24].

4.3 Increase in the number of traders in the village

The amount of increase in traders in the village means that more and more people are trading or more and more numbers of traders are arriving in the village. The point is that both internal and external traders increase in number in the village. The implications of the development of infrastructure (roads) are greatly felt by the people of the village of Karangjaya district, including the increase in the number of traders as one indicator of an increase in the community's economy. This can be seen from the number of stalls in Citalahab Village. According to Eri Mandra S, Village Secretary [25] "stalls added a lot from 25 in 2014 to 85 in 2017", so the number increase. This increase is supported by road improvements that are better and smoother.

The effect of transportation smoothness on traders, both small and large was stated by Komar, Citalahap Village residents [26] that "with good roads the number of traders also increased. Increasing the number of traders not only internally from the village community, but also from many outside traders who came to the village, such as tahu bulat traders, cilok traders, vegetable and furniture traders with motorbikes". After the good village roads, according to Mayasarimanah a Head of General Affairs Section and Haji Khomaruddin a informal leader which stated that "with good road in Karangjaya District to day, the number of people who had trading and entrepreneurship more increased" [27]. Thus, the village fund is effective in increasing the economy of the village community, especially there is an increase in the number of traders in the villages of Karangjaya district as a result of infrastructure development.

4.4 Smooth Distribution of Economic Goods

Distribution is an economic activity that bridges production and consumption activities. The good distribution of goods and services it can reach consumers. Thus the usefulness of goods and services will be increased after it can be consumed. Smooth Distribution of economic goods can mean goods and services needed by rural communities easily or quickly obtained when needed. One of the goals of road infrastructure development is to make economic distribution smooth and in Karangjaya Subdistrict villages, the goal has been achieved, as stated by Komar a Citalahap Village resident. The smooth transportation is also recognized by the Citalahap Village Secretary, that to day everyone in the village can sell and buy goods and serve everytime and everywhere" [28]. The results of the interview showed that the smooth running of transportation could also affect the smooth distribution of economic goods to the village community, because the damage road will hamper distribution and increase transportation costs to be more expensive . Therefore the Village Fund Policy is very effective in helping the community in improving the economy of the village community in Karangjaya District, specifically in the smooth distribution of economic goods.

4.5 Price Stability

Price stability is the maintenance of a general price level that does not change from time to time in an economy. It needs a balance between supply and demand of goods. For that the existence of road infrastructure is vital. So, with the construction of infrastructure funded by village fund in the Karangjaya district, otomatically the distribution of goods become more smoothly and it will help stabilize prices. Pepen Suhendi said that in Karangjaya today, everyone can go to the fullday market in the city everytime, so that there is no a price issue of

goods in local level. There would be no price increase or decrease, which would affect the price stability. The impact of road construction is that transportation problems are quickly discovered. We can go everywhere to meet many kinds of need easily, because we can get a vehicle quickly. Traveling from village to village is fast. Komar, a resident of Citalahap Village said that road improvement actually affected price stability. For example the price of fuel and gas, the price in the village is almost the same with the fuel and gas station [29]. This means that there is a significant influence between road construction and price stability.

5 Conclusions

From the results of research on the Effectiveness of Village Fund Policy in Improving the Economy of Village Communities in Karang Jaya District, it can be concluded as follows:

1. Village funds received by the Citalahab Village, Karangjaya, Karanglayung and Sirnajaya, in Karang Jaya District, Tasikmalaya Regency, West Java Province are used for infrastructure development of road consisting of village main roads, village roads and footpaths.
2. Village fund of Citalahab Village, Karangjaya, Karanglayung and Sirnajaya Village, Karang Jaya District, Tasikmalaya Regency, West Java Province can be categorized effective to improve the economy of village communities, with argument (a). There has been an increase in income in rural community, although it has not been measured quantitatively. (b). There is a workforce absorption of villagers which is pretty much more or less between 50-100 people. (c). There is an increase in the number of traders in the village, both from within and from outside to the village. (d). There is a smooth distribution of economic goods, so transportation costs become easy, smooth and cheap. (e). It can affect price stability, although it hasn't been measured quantitatively.

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