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Resources Efficiency Based on Village-Fund for Local Economic Development



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ABSTRACT: Local economic development to achieve increased welfare, encourage economic growth through the use of village funds. One of the villages that needs to be developed is Panji Village, Buleleng Regency. The local community has local potential and resources, most of the people work in the agricultural sector, so in order to optimize the use of village funds, the community has the potential and resources to develop local economies based on village funds in creating sustainable economic growth. Through the use of village funds in Panji Village, the government and the community develop water facilities between the rice fields with the aim of increasing community income and boosting tourism in Panji Village. The domino effect can help products in Panji Village starting from organic rice and products from Family Welfare Empowerment through Panji Village's Women Farmers Group (Kelompok Wanita Tani; KWT) such as Sari Jahe Merah, Panji Herbal Sari Temulawak, Tamba Waras Sari Kunyit and Tamba Sane Sari Rhizome

KEYWORDS- Motivation, Socio-economic conditions, Interests

I. INTRODUCTION

Village fund-based local economic development is one of the efforts made by the government in making an important contribution to economic growth from the periphery. Village fund-based local economic development also involves building the economic strength of a region by optimizing local resources and capacity. The main force or prime mover is the economic stakeholders in the community and village ¹. The concept of local economic development is a process carried out by local governments and community organizations to encourage, stimulate, maintain and develop business activities to create jobs, it is also a process that involves the formation of new institutions, the development of new industries, the development of the capacity of workers to produce products that are better quality, identification of new markets and the establishment of new businesses ^{2–5}.

Village fund-based local economic development is an effort to increase people's welfare and encourage economic growth in the village through the use of village funds ^{6,7}. According to the Directorate for Development of Special and Disadvantaged Areas of the National Development Planning Agency (2004), regional development is an effort to improve the level of welfare in certain areas, reduce growth gaps and inequality of welfare between regions. Regional development is a strategy to utilize and combine internal factors, namely strengths and weaknesses, while external factors are opportunities and challenges to increase regional production of goods and services. Internal factors include natural resources, human resources and technology resources, while external factors include opportunities and threats that arise along with the interactions that occur in the development process ^{8,9}.

The concept of Local Economic Development (LED) based on village funds is one strategy that can create economic growth and at the same time encourage economic independence and resilience through the use of village funds. Through the LED concept, the government, the private sector and the community can work together to form better economic conditions and create jobs. The four main aspects that need to be considered in the LED concept are physical resources, human resources, economics, and partnerships ^{10,11}. Through village funds, villages have the opportunity to manage development, governance and village community social affairs in an autonomous manner. Village funds can encourage the improvement of living standards and the welfare of village communities if it is done intensively and effectively ¹². Rural development as a development target to reduce

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various rural and urban gaps and increase the economy in the village. The provision of village funds is a form of fulfilling village rights to carry out village growth based on diversity, participation, democratization and community empowerment ¹³. The 2016 Village Fund Financial Operational Technical Guidelines are also regulated in the Minister of Finance Regulation PMK Number 257 / PMK.07 / 2015 concerning procedures for funding and / or cutting balancing funds for areas that do not meet village funds, and PMK Number 247 / PMK.07 / 2015 concerning procedures for allocating, distributing, using, monitoring and evaluating village funds. In accordance with the regulations referred to as village finance, thus Village funds should be managed in an orderly manner, obeying laws and regulations, efficient, economical, effective, transparent and responsible by paying attention to the sense of justice and compliance and prioritizing the interests of the local community ¹⁴.

Meanwhile, currently Indonesia is being hit by the Corona Virus pandemic or what is called COVID-19, in various media whether it is recognized or not, sometimes it causes anxiety for the public. Based on this logic, all parties should actually feel called as a human being charged with solving the COVID-19 problem. Our great mission at this time is to overcome the spread of COVID-19 while fighting this virus through a form of joint commitment with the hope that activities and the economy can recover to normal. Because of a shared task, the government and society together build a sense of care in solving the Corona Virus problem. On the one hand, there are many losses that we experience from the spread of COVID-19, starting from the large number of people, especially small people who cannot work and lose their jobs so they are unable to support their families ¹⁵.To prevent the spread of COVID-19, villages were instructed to form Village Volunteers against COVID-19 which consisted of all elements of village officials, community leaders and partnered with Babinkamtibmas, Babinsa and Village Assistants. Later, Volunteers will have the task of preventing the spread, handling residents who are victims of COVID-19, and coordinating with local governments. For the economic resilience of rural communities in the face of this pandemic, the central government has made a PKTD (Village Cash Workforce) program which includes, (1) Village Funds are used under the PKTD pattern, through selfmanagement, and utilization of natural resources, appropriate technology, innovation village human resources; (2) Priority for workers to be members of poor, unemployed and underemployed families, as well as other members of the marginalized community; (3) Payment of working wages is given every day; and (4) The implementation of PKTD activities follows the provisions of applying a minimum safe distance between one worker and another worker and for workers who are coughing or have a cold, they must wear a mask. This is stated in the Circular (SE) of the Minister of Villages, Development of Disadvantaged Areas and Transmigration Number 8 of 2020 concerning COVID-19 response villages and confirmation of PKTD.

Villages are also given the authority to change the Village Revenue and Expenditure Budget (APBDes) in the two main focuses of the current government, namely PKTD activities and handling of Covid-19. The Provincial and Regency Governments, through the Community and Village Empowerment Service, Regional Inspectors and Heads of Sub-district, continue to provide guidance and supervision so that the amended budget is carried out properly and on target, so that the role of the village in preventing the spread of Covid-19 can be more optimal. The allocation of Village Funds increases the capacity of village community institutions in participatory planning, implementation and control of villages, as well as increasing income distribution, opportunities for work and business for the village community as well as encouraging increased self-help community cooperation ^{16,17}. Every community development is a major force in realizing development success with community involvement to participate (Chasanah et al., 2017; Kurrohman, 2015). Development and agriculture in rural areas can achieve success if all traditional forms such as social, cultural and traditional practices in the village are empowered ¹⁸.

One of the villages that needs to be developed is Panji Village in Buleleng Regency, Bali Province. The local community has local potential and resources, where most of the people in Panji Village work in the agriculture and plantation sector, so in order to optimize the use of village funds, it is deemed relevant by the community community who have the potential and resources in growing and developing a local economy based on village funds. to create sustainable economic growth. Given that the Covid-19 pandemic which is affected in Bali Province has increased every day based on data from the Bali Province Covid-19 Handling Acceleration Task Force, of course it will have an impact on various sectors, this is where the importance of the agricultural and plantation sectors so that people can take advantage of local resources. For this reason, in this situation, it is important for the central and village governments to restore the economy both during the Covid-19 pandemic and in a sustainable manner by evaluating and concentrating and strengthening the agricultural sector to be optimized because the agricultural sector has a high probability in the midst of Covid-19 so that we does not always depend on imported products, especially in the midst of the Covid-19 pandemic which is currently endemic in Indonesia. The role of the central and village governments in collaboration with the community and stakeholders in the use of village funds is very important in order to restore and grow the local economy and resources and through PKTD is expected to continue to be implemented. This is important for the economic resilience of rural communities because it can increase income, reduce poverty and improve the welfare of rural communities, so it is interesting to study Local Economic Growth based on Village Funds for Efficiency of Local Resources in Panji Village, Buleleng Regency.

II. METHOD

This research is a type of Applied Research. Applied research aims to find solutions to problems directly faced by the community, or industrial / business organizations. The aim of applied research is to improve the human condition. It focuses on analyzing and solving real-life and social problems. The new knowledge gained from applied research has a specific commercial purpose in the form of a product, procedure or service. Applied research is a way to find out reality with scientific evidence (Cordero, 2008). The stages carried out in this research are as follows. (1) Evaluation, which is to conduct an assessment at each stage carried out in research, starting from planning, implementation, to results. (2) Action, namely research that focuses on social action. The aim is to develop the life and conditions of the research subjects. (3) Assessment of social impacts, which discusses what consequences might arise from planning and the choice of several policy.

The data used in this study were collected through several methods, namely as follows. (1) Literature study is a data collection method by studying several decisions that are relevant to research and aims to obtain supporting data in order to strengthen arguments. By doing this library method is expected to be able to compare the existing theories in literature and practice in the field. (2) Observation is a complex process composed of various biological and psychological processes. In this study, what was observed was an activity in the use of village funds in growing the community economy in the village of Panji, Buleleng Regency, especially in the condition of Covid-19 which is currently endemic in Indonesia. (3) Interview, which is to understand the description or painting in a systematic, factual and accurate manner regarding the facts, properties and relationships between the phenomena being investigated and to understand the obstacles encountered. (4) The questionnaire is used to examine the extent to which village funds are used in growing the community's economy and in increasing the efficiency of local resources, especially the use of village funds, especially in the condition of Covid-19 which is currently endemic in Indonesia using a Likert scale of 1 to 5.

Quantitative descriptive analysis was used to determine a general description of the demographic and socio-economic characteristics of the Panji Village community. Quantitative descriptive analysis describes the data and information presented in narrative form. Descriptive method is a method in examining the status of human groups, an object, a set of conditions, a thought or a class of events in the present which aims to make a systematic factual and accurate description, description or painting regarding facts, characteristics and the relationship between the phenomena under investigation. In other words, descriptive research is research that describes and describes a phenomenon by describing a number of variables relating to the problem under study. The purpose of descriptive research is to make descriptive assertions about a population that finds the distribution of several attributes.

III. RESULT AND DISSCUSSION

Instrument Validity Test

This study tested the validity of each statement item was carried out statistically, namely calculating the correlation between each question and the total score using Product Moment Pearson Correlation. The criteria for decision making to determine the validity of the data is if the value of rcount> rtable is at a significant level of 0.05 (5%). Conversely, if r count <r tabel, then the instrument is said to be invalid and set aside for the next analysis. Based on the number of respondents, namely 114 respondents, the r table is 0.1535. The results of the validity test are presented in Table 1

Table 1. Instrument Item Validity Test

Variable	Item	R	R Tabel	Coclusion
Economy	Question 1	0,843	0,1535	Valid
Development	Question 2	0,885	0,1535	Valid
	Question 3	0,925	0,1535	Valid
	Question 4	0,939	0,1535	Valid
	Question 5	0,936	0,1535	Valid
Utilization of Village Funds	Question 6	0,925	0,1535	Valid
	Question 7	0,883	0,1535	Valid
	Question 1	0,837	0,1535	Valid
	Question 2	0,873	0,1535	Valid
	Question 3	0,891	0,1535	Valid
	Question 4	0,889	0,1535	Valid
	Question 5	0,854	0,1535	Valid

		Question 6	0,900	0,1535	Valid
		Question 7	0,917	0,1535	Valid
		Question 8	0,934	0,1535	Valid
		Question 9	0,828	0,1535	Valid
Local	Resource	Question 1	0,654	0,1535	Valid
Efficiency		Question 2	0,806	0,1535	Valid
		Question 3	0,844	0,1535	Valid
		Question 4	0,865	0,1535	Valid
		Question 5	0,868	0,1535	Valid
		Question 6	0,831	0,1535	Valid
		Question 7	0,823	0,1535	Valid
		Question 8	0,734	0,1535	Valid

Valid decision criteria are stated if the value of r> r table. Based on the output in Table 1, it shows that all statements on each variable have a value of rcount> rtable, so that all statement items on the questionnaire on human resource competence, public services, and management of village fund allocation are declared valid.

Instrument Reliability Test

The reliability of the research instrument was assessed by means of the Cronbach Alpha coefficient, which shows the internal consistency of the items underlying a variable. In summary, the results of the reliability test are presented in Table 2.

Table 2. Instrument Reliability Test

No	Variable	Alpha Cronbach	Alpha	Conclusion
1	Economy Development	0.807	0.6	Reliable
2	Utilization of Village Funds	0.835	0.6	Reliable
3	Local Resource Efficiency	0.790	0.6	Reliable

The value of an instrument is said to be reliable if the Cronbach Alpha value is greater than 0.60 (Sujerweni, 2014). The reliability test results in Table 4.5 show that each variable is 0.807, 0.835, 0.809, 0.790 having a Cronbach Alpha greater than 0.60. So, it can be concluded that the questionnaire on the competence of human resources, public services, and the management of village fund allocations is reliable.

The efforts made by the Government in developing the local economy in Panji Village, Buleleng Regency through local economic development is a process in which local government and community organizations are involved to encourage, stimulate, maintain, business activities to create jobs. In Panji Village, Buleleng Regency itself, local economic development has been carried out by looking at the existing potentials to be further developed into superior products. Leading potential can be seen based on GRDP so that it can be seen which products are the base sector and which are not the base sector.

Through the use of village funds in Panji Village, the government and the community are also jointly developing water tourism with the concept of river slides and water rides between rice fields with the aim of increasing the economic income of rural communities as well as boosting tourism in Panji Village. The domino effect can help products in Panji Village starting from organic rice rice in Panji Village and also products from Family Welfare Empowerment (PKK) through Panji Village's Women Farmers Group (KWT) such as Sari Jahe Merah, Panji Herbal Sari Temulawak, Tamba Waras Sari Kunyit dan Tamba Waras Sari Rimpang.

Development through empowerment and local economic development is carried out by generating community-based local economic potential. The current economic potential is the target of being able to build and revive the economy and community participation. Government support for economic improvement and development has been manifested in its implementation, this is related to Law Number 6 of 2014 concerning Villages, which is a decentralized bureaucracy which has undergone sufficient changes so that policies can be channeled and help reduce problems faced by the community. Development at the village level has long been initiated with assistance from the government, namely by allocating village funds taken from 10% of the APBD funds, since the issuance of Law Number 6 of 2014 concerning Villages, village development can be carried out with the Village Fund.

As for the method for preparing the potential and resources in Panji Village, the government and the community through the use of Village funds to form a Women Farmers Group (Kelompok Wanita Tani; KWT), through KWT in Panji Village all potential resources in Panji Village can be processed into products. which has economic value and can help increase community income, the government provides training and skills to KWTs in Panji Village, as for the training provided, namely; training in making various dishes and cakes, so that some women in Panji Village have a trading business (various dishes and cakes), training and understanding the importance of disposing of garbage in its place so that they have a Garbage Bank and training in managing resources in Panji Village

The method of cooperation in Panji Village is sought to lead to synergy or collaboration between the local government, stakeholders and the community in the use of village funds. So as to create harmony in local economic development in a sustainable manner. In developing the local economy, this cannot be separated from the role of the government. Local Economic Development (LED) is a process that tries to formulate development institutions in the regions, increase the capacity of human resources to create better products and foster industry and business activities on a local scale. So regional development is seen as an effort by the local government together with the community in building economic opportunities that are suitable for human resources, and optimizing the utilization of natural resources and local institutions. In Buleleng Regency, local economic development begins with the government, the government sees that there are several potentials in Panji Village, especially the potential in the agricultural sector, for this reason the government carries out local economic development in Panji Village by looking at the existing agricultural potential, it is known based on research results Panji Village has the potential, namely coconut which is then produced into pure oil which is called Virgin Coconut Oil (VCO), VCO is a local product, it is also the result of local economic development that can be produced sustainably because Panji Village has quite a lot of natural resources, especially in the coconut agricultural sector which is able to contribute economically to society with optimal utilization.

With regard to business activities, more than 80% of business actors have confidence that their business has promising prospects in the future. This indication gives confidence that the prospects for the business being carried out are good enough so that business actors have the courage to take risks to expand their business in the future. So, opening a business will provide an opportunity to absorb labor. According to respondents, on average, the competence of human resources was quite high, namely 23.00. For the aspect of public services, on average, the respondents stated that it was quite high, namely 11.39, with the statement that the village fund allocation was 27.11 which was categorized as quite high on average. This is because the form of business is generally in the trade sector so that it functions more to distribute goods at the end consumer level. The role of the village government in facilitating product marketing and provision of public services is also quite good. So that the community is able to feel the performance in the management of village funds by the Panji Village government.

Entering a new era of the government system in Indonesia, especially since the adaptation of new normal in the midst of the Covid-19 pandemic, policy making in the form of regional regulations provides a huge opportunity for regions to develop regional potential, especially in the health sector, the economy in order to strengthen the local economy. which is useful for regional economic growth and especially for increasing the income and welfare of the community. The economic sector, which is the central point of this study, wants to highlight how the development of policies carried out by local governments to improve programs related to the local economy. In the midst of the COVID-19 pandemic, the government continues to implement new steps to deal with and prevent the increasing number of people affected by both the health and economic sectors. The Ministry of Home Affairs, the Ministry of Villages, Development of Disadvantaged Areas and Transmigration, and the Ministry of Finance have established a Direct Cash Assistance (Bantuan Langsung Tunia; BLT) Policy in the context of handling COVID-19 for village communities whose funds come from the Village Fund. The Ministry of Finance through the Directorate General of Fiscal Balance has stipulated PMK 40 / PMK.07 / 2020 concerning Amendments to PMK 205 / PMK.07 / 2019 concerning Village Fund Management where there has been a change in priority for the use of Village Funds which were previously used for development implementation, community empowerment and so on. became the provision of Village BLT. In Panji Village, BLT is the provision of cash to poor or poor families to reduce the economic impact due to the COVID-19 pandemic. In an effort to handle and prevent the spread of the Covid-19 Virus, various preventative steps were taken by the Panji Village government, in the form of installing billboards, socialization and direct appeals to the public, as well as spraying disinfectants and distributing masks in public places and in people's homes.

The amount of BLT given was Rp. 600 thousand per person. BLT sourced from the Village Fund can be the right solution in dealing with the impact of Covid-19, this budget can also strengthen the role of government in Panji village. In addition, it can also be evidence of the concern and responsibility of the government in Panji village for policies in dealing with the impact of the Covid-19 Pandemic. Other efforts were also carried out in order to prevent the Covid-19 Virus, the community and Panji Village officials worked together to care more about the surrounding environment, starting from spraying disinfectants in each Banjar

and the homes of each community, adopting a healthy lifestyle and obeying the rules. the rules given by the government. The people of Panji Village also have awareness in providing information if there are people who come from abroad so that village health officers can approach them to prevent the Covid-19 virus from spreading in Panji Village. Apart from providing BLT, activities that can be financed from the Village Fund in handling Covid-19 are the Cash For Work (PKT) program. This program is aimed at maintaining people's purchasing power, especially the poor in rural areas. This cash-intensive work greatly supports the village's productive economy which aims to maintain the income of rural communities and support food production activities for food security during the Covid-19 pandemic. Activities carried out can support the prevention and handling of Covid-19 in Panji village such as clean water management, a village sink for washing hands, a quarantine room for ODP, making masks, hand sanitizers and other activities that can prevent the spread of covid-19. The implementation of the Cash for Work program is expected to open new jobs for the community, resulting in economic equality in Panji village, as well. to fill the gap. The implementation of the Cash For Work program in Panji village is expected to increase people's purchasing power, reduce malnutrition, reduce poverty, drive the village economy, and develop rural tourism areas. Two things are the targets of the Cash for Work program, namely infrastructure development and improving the community's economy. The main principle of implementing the Cash For Work program in Panji Village is the budgeting for labor-intensive activities (cash for work scheme), which is required to be funded by the Village Fund in the Village Income and Expenditure Budget (APBDes).

IV. CONCLUSION

Local economic growth is one strategy that can be applied to improve the welfare of rural communities. The management of village funds as a local economic resource must be carried out efficiently. The reference basis for the use of village funds must refer to improving community welfare.

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