

The Impact Of Village Funds On Enhancing Welfare Of North Maluku Communities Using *Falah* Approach

ChuzaimahBatubara¹, Isnaini Harahap², Siti Marpuah³

Universitas Islam Negeri Sumatera Utara Medan^{1,2} Universiti Tun Hussein Onn
Malaysia³

chuzaimahbatubara@uinsu.ac.id, isnaini.harahap@uinsu.ac.id,
marpuah@uthm.edu.my

Abstract

The village fund is the government's effort to reduce poverty in villages in Indonesia, including in North Maluku. From the perspective of development funding, village funds play a major role in improving the quality of villages in North Maluku. But in fact, the poverty rate in North Maluku has actually increased. Based on these facts, this paper seeks to explain how the effectiveness of village funds is to reduce poverty and improve community welfare. To answer this problem, a qualitative research approach was carried out by the method of collecting in-depth interview data and focus group discussions with the village head, BPD and village communities. By conducting in-depth interviews and focus group discussions, this study found that village funds in Beringin Jaya and Akeguraci Villages in Tidore Kepulauan District and Ake Jailolo Village and Bobane Village, West Halmahera District, North Maluku, were able to improve the status of villages from disadvantaged to developing villages, but these changes are not followed by an increase in welfare (*Falah*). This is because village fund programs are more focused on infrastructure development but have not been able to meet economic and social aspects of life, such as providing life skills, enhancing harmony, and independence. The main problem is that human resources are still low both in terms of education level and quality of expertise so that village funds are managed as is. This study recommends that village funds are effective in reducing poverty, the village government needs to prepare a village development blueprint (*renstra*) in the next 5 years with clear indicators based on village achievements and the amount of village funds received. Village governments also need to send village fund managers to attend training on planning and reporting village financial

Keywords: village funds, index, empowerment, *Falah*, North Maluku

ChuzaimahBatubara¹, Isnaini Harahap², Siti Marpuah³

A. INTRODUCTION

Village funds are funds sourced from the State Revenue and Expenditure Budget allocated to Villages which are transferred through the district / city Regional Revenue and Expenditure Budget (Government Regulation Number 60 of 2014). This village fund is used to finance, governance, development, implementation, community development, and community empowerment. Asni et. Al (2013) found that village funds play an important role in village development. Paellorisky (2019) also found a positive correlation between the amount of village funds and poverty reduction. Meanwhile Wahyuddin (2019) reports that village funds are effective in reducing poverty in Nagan Raya.

Indonesia as a developing country has a village funding programme to develop rural areas. This village funding program has been implemented since 2015 as an effort to reduce poverty in underdeveloped villages. The following is the data on the number of villages in Indonesia in 2014 - 2018:

Table I
Number of villages in Indonesia

Year	Number of Underdeveloped Villages	Number of Developing Villages	Number of Advanced Villages	Number of Villages
2014	19.750 (26.81%)	51.026 (69.26)	2.894(3.91)	73.670
2018	14.461 (19,17%)	55.369 (73,4%),	5.606 (7,43%).	75.436

Source: BPS, data processed, 2019.

Table I shows that there is a trend that the number of underdeveloped villages has decreased from 2014 to 2018. This shows the success of this Village Fund Program in reducing poverty in disadvantaged villages. This success is the basis for increasing village funds in 2019 to build village infrastructure. Based on data from the Secretary General of the Ministry of Disadvantaged Villages and Transmigration, the 2018 village budget of RP 60 trillion was allocated for 74,910 villages. The distribution of 80% of the total village funds is evenly distributed across all villages, while the remaining 20% is divided by taking into account four variables, namely population, village area, poverty conditions, and geographical location. With the village fund divider ratio, the amount of village funds that will be received by each village is not the same. For villages that are already independent, their village funds will be reduced and allocated to underdeveloped villages.

Even so, based on table I above, the facts show that the number of villages increased by around 2.4% from 2014 to 2018. This means that there are areas in Indonesia that have decreased in status and have not even developed properly even though they have been given the Village Fund Program. In fact, the use of Village Funds in a number of areas has not been optimized in reducing poverty levels (Republika, 2019). Based on a report by the Central Statistics Agency (BPS) on Indonesia's poverty profile as of March 2018, inequality in villages is increasing.

The high rate of rural poverty shows that although the allocation of village funds can improve the status of the village, this increase is not actually followed by an increase in the economic capacity of the community (Afifah: 2017). This means that the village fund program is not as smooth as that provided by the government, there are weaknesses in the indicators that are used as an index for improving village status, namely the index only measures aspects of infrastructure and services and has not touched on the aspects of fulfilling the employment needs (Ramly: 2018), while Aziz, (2016) sees that village funds are still ineffective in reducing poverty due to the lack of capacity of the village government and the lack of community participation in managing village funds.

One of the regions of Indonesia that has a low IPD is Maluku Island, where this region has an index value of 46.89 which indicates that there are many underdeveloped villages here (Bappenas: 2015). Based on the IPD in 2014, 27.22% of Indonesian villages are still in the category of underdeveloped villages, including North Maluku which has 59.67% of the total villages are underdeveloped villages. Likewise, the increase in the number of poor people in North Maluku where the percentage of poor people in urban areas were 4.21 while in rural areas in September 2018 it was 7.58 percent (malut. Bps, 2019). The high disparity of poor people in villages and big cities in North Maluku is an interesting problem, given that North Maluku's population is only 1.3 million or 0.5% of the total population of Indonesia, The high disparity of poor people in villages and big cities in North Maluku is an interesting problem, given that North Maluku's population is only 1.3 million or 0.5% of the total population of Indonesia, which raises a big question whether village funds are only used by a few people who have access to the regional elite.

This fact shows that there are still many undeveloped villages in the Maluku and North Maluku islands, although there are several villages in this region that have developed such as Desa Beringin Jaya, Akegurasi and Desa Ake Jailolo. These three villages are the few villages that have developed because of the Village Funding

ChuzaimahBatubara¹, Isnaini Harahap², Siti Marpuah³

Program. This is interesting to examine further, especially since the findings regarding village funds have not been analyzed from the perspective of Islamic welfare (*Falah*).

By using a qualitative approach, and collecting in-depth information from village fund managers and the people of Beringin Jaya and Akeguraci Villages in Tidore Kepulauan Subdistrict and Ake Jailolo Village and Bobane Village, West Halmahera Regency, North Maluku, this study will describe the village's impact on welfare (*Falah*) in four villages in North Maluku. By using a qualitative approach, and collecting in-depth information from village fund managers and the people of Beringin Jaya and Akeguraci Villages in Tidore Kepulauan Subdistrict and Ake Jailolo Village and Bobane Village, West Halmahera Regency, North Maluku, this study will describe the village's impact on welfare (*Falah*) in four villages in North Maluku. Is it true that village funds change the profile of underdeveloped villages in North Maluku to become independent villages? How are village funds used by the village government to improve the *Falah* (welfare) of village communities in North Maluku?

B. THEORITICAL

Villages, rural or hamlets have been known for a long time and have undergone various changes, starting from the period before the Dutch occupation until now (Anonymous: 1891). Conceptually, there are actually difficulties in defining villages, because villages terminology difficult to describe because of the many variables used to describe them (Hawley: 2016). But sociologically, it can be said that the village is a unity of people who live in an area where the people have almost the same style that is dependent on nature, simple, know each other, have close social ties and strong traditions (Jamaluddin: 2015). Based on this characteristic, the village community generally has a bond of togetherness and honesty, but it is also synonymous with backwardness and simplicity.

In Indonesia, general provisions regarding villages are regulated by Law Number 22/1999, in conjunction with Law No. 32/2004, in conjunction with PP No. 72 of 2005, in conjunction with Law No. 6/2014. According to the above law, the village is a legal community in one region, has the authority to manage and regulate its community in accordance with the origins and customs in the region, and administration is part of the sub-district and district. Thus, the state explicitly recognizes that the village is a governmental organization authorized to regulate its citizens, both in full (pure autonomy) and semi-autonomous.

Even though the state has rules about villages, it turns out that village development is not as fast as cities. Villages that are identical with agriculture and farming

communities, apparently do not have good infrastructure, adequate facilities, access to information, superior human resources and high incomes, not to mention the relatively low quality of human resources. These weaknesses become the basis for the government to provide village funds. The goal to be achieved is the village is able to catch up with the development of the city both infrastructure and welfare (Falah).

To measure the effectiveness of the use of village funds, the government developed the Village Build Index (IDM). IDM is an index that is used to measure village development, so that the village can be classified as lagging, developing or advancing (Kementrans: 2016). The IDM actually demands that the community initiate development in the village in the areas of social, economic and ecological resilience. Based on these factors, village progress and independence are classified into five, namely: Mandiri village or sembada village, developed village or pre-semabada village, developing village or madya village, underdeveloped village or pre-intermediate village, and very underdeveloped village or village pratama (permendesa: 2016). The village status classification above is the basis for establishing development policies for each village.

Measuring the effectiveness of village funds in Islamic economics can be done using the concept of Falah. Falah is a long-term concept of luck, success, happiness, glory or victory in life in the world and the hereafter. In the world context, Falah includes survival, freedom of desire, and strength and honor. As for the afterlife, Falah includes eternal survival, eternal welfare, eternal glory, and eternal knowledge (free from ignorance). In the context of village fund management, the 3 aspects of Falah above are divided into micro and macro. Specifically, the three elements of Falah will be used to measure the effectiveness of village funds as follows:

Table 2
Dimension of Falah

ASPECT	INDICATOR
Micro	
biological survival	Health - Use of village funds for sanitation, health services, pregnant women and toddlers - Use of village funds to cover persons with disabilities
	Freedom of life
	Hereditiy
Economic	ownership of economic factors of production

ChuzaimahBatubara¹, Isnaini Harahap², Siti Marpuah³

survival	
Social survival	brotherhood and harmony of social relations
	political survival
	freedom in political participation

C. METHODOLOGY

This study was conducted to determine the impact of village funds on community welfare in disadvantaged villages in Indonesia. This research uses in-depth interviews with Focus Group Discussion. Covers aspects of 5W I H with a list of questions arranged in such a way. Apart from in-depth interviews and FGDs, research data were also obtained through documents such as reports on the use of village funds, photos and banners showing the use of village funds. Research is an exploration of information according to what it was at the time the research was conducted (Ellram, 1996) and was conducted in North Maluku. Interviews were conducted and continued until theory absorption was achieved (Glaser and Strauss: 1967).

The informants selected for personal interviews were the Village Head, the Village Consultative Body (BPD) and the BUMDES (Village-Owned Enterprise) Management. The researcher explains the purpose of the interview questions to informants to ensure that informants feel comfortable, and are not offended by the questions asked. These interviews can provide rich information about village funds, their management (Stake: 1995). The questions are given using the 5W + I H aspects with a list of questions related to village funds and village development.

Data collection was carried out by using the in-depth interview method where FGDs were conducted to see the progress of the Village Fund Program. Then several informants who did have credibility were selected to conduct in-depth interviews. The interview technique was carried out in depth by collecting primary research data (Charmaz: 2014). Semi-structured interviews were conducted in person using a voice recorder. Interviews with open questions so that they get answers in detail using the participants' own language and a balanced and unbiased perspective (Corbin and Strauss: 2014) and participants are free to answer their questions (Berg: 2001). The results of the interview were then transcribed word for word to form a conclusion.

The steps for conducting an in-depth interview are as follows:

Preparation and transcription, namely interview preparation and transcription using notes and making key words, then describing each interview question in the form of a transcript. Each interview transcript will be coded to make it easier to identify the results of this interview (Miles and Huberman: 1994).

Verify the interview report, ie double-checking the transcript to identify whether or not there are inconsistencies in the questions. Participants will be asked questions related to village funds and their development and then interpret the results of this interview so that they get reliable conclusions.

The research data processing method is a qualitative descriptive method with the following sequence of activities: Data reduction. Data Display, Data Analysis and conclusion. To ensure that the research results are really valid, at the final stage of the research, verification and validation of the research results are carried out through credibility testing, namely comparing the research results with data from other sources and the concept of *falah*. Meanwhile, transperability testing is done through a research logbook at each stage and dependency testing by reporting the entire research process from start to finish (Miles and Huberman, 1994).

D. RESULT AND DISCUSSION

Ake Jailolo Village is included in the Old Village in the southern part of the eastern part of West Halmahera Regency. Before 1959 the area of Ake Jailolo Village was very broad, which included; several villages in the West, Domato Village in the South. While to the east to the territory of Akearah village, namely Biamahi and Tuguraci villages, in the north the protected forest and the southern border with the sea. In 1997 the village of Ake Jailolo was divided and in 2000 the area of Ake Jailolo Village was changed to the South Jailolo Sub-district area, the center of which was located in the Sidangoli Dehe Village. Ake Jailolo Village is administratively included in the South Jailolo District area, West Halmahera Regency and is located in the south of West Halmahera Regency with a distance of 5 Km from the sub-district office. The distance of Ake Jailolo Village from the regent's office in the West Halmahera district is around 54 Km. The travel time to the center of the sub-district is around 15 minutes, while the travel time to the district capital is approximately 1.5 hours.

Bobanedano Village was originally a Neighborhood (RT) from the Biamahi Village in 1982, and was transformed into a hamlet of the Biamahi Village in 1989. However, due to an increase in the population of Biamahi, according to West Halmahera District Regulation No. 7/2012 concerning the Expansion of the Biamahi Village, in 2013 the Bobanedano Hamlet officially established itself and became the Bobanedano Village (Mekar). The Bobanedano Village area is bordered to the north by the Village Forest, to the South by the mangrove forest; West side with Biamahi Village, and East side with Tuguraci Village. Bobanedano village has an area of 7 ha, 7 ha of land, 12 ha of forest, 1 ha of schools and offices, and a road area of 40 ha.

ChuzaimahBatubara¹, Isnaini Harahap², Siti Marpuah³

The distance to the district capital is 9 km with a distance of about 15 minutes, while the distance to the district is 45 KM with an distance of 1 hour. Currently Bobanedano Village is inhabited by 68 households spread across 2 RTs where Christianity is the majority religion. The life of the people of Bobanedano Village is the majority of farmers with the main commodities are coconut, clove and cassava.

The Beringin Jaya Village was originally Beringin Jaya Hamlet and became part of the Pemekaran Village, Akelamo Village, Oba Tengah District, Tidore Kepulauan City. Although North Maluku is an island province surrounded by oceans, and the village of Beringin Jaya is on the coast, the culture of the people is more dominant on land. In terms of population, the population of the Beringin Jaya village has 390 people with a composition of male (203) and 187 women. With an area of 100 (km), a low population density level is 3.9. Before there was a village fund, the village was sub-village of Akalamo village, but in 2013 Baringin Jaya was divided and became a village.

The Akeguraci Village is one of the villages in Oba Tengah, Oba Tengah District, Tidore, North Maluku Islands. Akeguraci Village has an area of 2.3 km with a height of 24 meters above sea level. The Distance of the Village / Kelurahan Office to the Oba Tengah District Office is 6 km. Akeguraci village has 4 RT and 2 RW. This village was divided in 2013, with a composition of the population (90%) as farmers, both monthly and annual farmers. Before the division, the village had educational facilities up to high school, but after the division, the educational facilities owned were only at the level of elementary school.

As mandated by Law No. 6 of 2014, the four villages above to receive village funds from PADesa (Original Village Income), APBN (State Budget) allocation, part of the district / city PDRD, ADD (Village Fund Allocation), financial assistance from the provincial / APBD district / city, third-party grants and donations, as well as legal income. Kota Tidore Kepulauan Regency and West Halmahera, the number of villages and the allocation of village funds are as in the following table:

Table 3
Village Fund Allocation

No.	Regency/City	Number of villages	Village Fund Allocation (in billions of rupiah)			
			2015	2016	2017	2018
I	Kota Tidore Kepulauan	49	14	32	41	40

2	Kab. Halmahera Barat	169	45	101	130	117
Amount		218	59	133	171	157

Sources: kemendes, 2019

The village funds above are managed by each village in accordance with the designation determined by the government. To achieve the DD goal of reducing poverty and increasing Falah, village funds are managed in a self-managed and labor-intensive manner so that people's income and purchasing power are increased and welfare can be realized.

I. Village profile prior to village funds

The villages of Ake Jailolo, Akeguraci, Beringin and Bobane Dano are villages in North Maluku that can be accessed via the crossing from Ternate City. Access to villages that have to cross islands is a challenge because to connect with various villages must be done by sea transportation (boat or speed boat), and must be followed by land transportation (car or motorcycle), so it is not surprising that villages in Maluku North are relatively isolated and difficult to access (Bappenas: 2014).

To improve connectivity, then with the existing village funds, the government in the four villages above built village infrastructures. Village roads that were previously still in the form of land or footpaths have been improved to include roads (sand and stone) and some of them, especially roads that connect between villages on asphalt. Respondents from the village of Ake Jailolo revealed *"yesterday the village was a remote / underdeveloped village, there was no road access. Yesterday before I became village head, this road did not yet exist, it was still a dirt road, then the community was meeting, wanting an asphalt road."*



Image I

The Condition of the Village Before the Village Fund in Beringin Jaya Village

ChuzaimahBatubara¹, Isnaini Harahap², Siti Marpuah³

From this aspect, village roads are relatively better, though not all of them are on asphalt, but motorized vehicles can be passed even though it is the rainy season. Road infrastructure development is a priority, so there are no more villages with no access. The construction and improvement of village roads are expected to create strong connectivity between villages, thereby reducing logistics costs, reducing inequality, improving quality of life and eliminating economic disparities between villages. In addition, with the improvement of road infrastructure, psychologically people whose villages are difficult to access because they are located deep in the interior or in the middle of the forest will feel their status better because they are no longer isolated.

In addition to roads, the construction of infrastructure is also carried out in the form of construction of river streams, ditches, fences and village gates, so that the appearance of villages in North Maluku looks neater, because the residents' houses on the edge of the highway are given a fence colored in color interesting. Even though, according to respondents there was a misunderstanding, where the fence was considered to be financed from village funds even though it did not include infrastructure funded by village funds. *"This concrete fence, if it is not included in the village fund, I participate in the socialization. Other than that it's finished. That was when I joined, all the village heads were involved. When I was shocked, because the fence as far as I know, apparently it wasn't"*

In addition to the construction of road infrastructure, the four research villages also built clean water pipelines. Based on the results of the Village Potential Survey (PODES) in 2018, there are still 48 villages in North Maluku Province, where some of their families still use rainwater as their drinking water source. In addition, BPS through SUSENAS 2018 noted that 64.73 percent of households in North Maluku had access to clean drinking water sources. There is no one district that reaches 100 percent of its households can access clean drinking water sources, including Ternate City which can only provide access to clean drinking water sources as much as 91.95 percent of their households. This fact is also found in Bobane Village. As a pemekaran village, a new village, Bobane village needs clean water for daily needs, *"the water has been obtained, but the place is not good, so we need repairs."*

For the Bobane Dano community, the existence of village funds is very helpful in providing clean water, so that they do not have to take water to highlands that are located far from settlements. *"The change is that there is now drinking water, the rainy season is still good, but if it is summer, we cannot get it near the port. Hope the water is smoother "*

The villages of Bobanedano, Akeguraci, Ake Jailolo and Beringin Jaya are split villages formed in 2013-2015. As a village separated from its parent, infrastructure in these

villages is still very minimal, including healthy toilet facilities. Respondent Bobanedano revealed *"Now there were MCKs built by 5 units, in the past, there were only 1 healthy latrine near the school."* Even though there is an MCK, the water facilities for the MCK are inadequate, so when the dry season comes, the MCK cannot be used. Some of the infrastructure that was built with village funds is shown in the following table:

Table 4
Village Infrastructure Profile

Infrastructures	Before	After
Street	Damaged, small and inadequate so it is difficult to transport agricultural products	Good, and easy access for the community although not entirely paved
River	Flood Often	The river is normalized so that it does not flood again
Communication	There is no internet	Village Internet
Ditch	There is no house moat	There is already a home moat
Security pos	Not permanent	Permanent
Healthy latrines	There is no healthy toilet	There are public toilet facilities, but the water is not yet adequate

Sources: Data Processed, 2019

Building a communication network for disadvantaged villages is very important. The development of this communication network will open people's access to information so that the work done can be faster and more efficient. In disadvantaged villages in North Maluku due to its far location, communication access is often an obstacle. The difficulty of this communication network causes reporting on the use of village funds to be done in the sub-district. But with the village fund, now the four villages above can enjoy the village internet even though it must be accessed close to the village office.

Various infrastructure developments above, in the long run are expected to be able to move the economy more effectively and efficiently, cheaply and able to be competitive (Harahap, 2019). Extremely high logistical costs caused by poor infrastructure will result in villages becoming underdeveloped, not competitive and even potentially leading to social injustice, for example, it is difficult for some residents to visit health facilities, or the difficulty of children going to school because the journey is too

ChuzaimahBatubara¹, Isnaini Harahap², Siti Marpuah³

difficult or expensive. In addition, from an economic standpoint, a good infrastructure will absorb the greater flow of goods and people circulating or circulating throughout the economy.

2. The form of the use of village funds is allocated to community members

Basically, the use of village funds is based on the provisions set by the government, namely for infrastructure development and empowerment activities. The empowerment program aims to increase the capacity and ability of rural communities and be able to use their potential and resources to achieve independence. Some of the empowerment programs are undertaken:

a) BUMDes (Village-Owned Enterprises)

BUMDes is a Village Business Institution managed by the community and village government to strengthen the village economy. Theoretically, BUMDES has an important role in empowerment programs, because through BUMDES economic activities such as providing productive loan assistance to the community can be done. But of course, for the economic role to be carried out, BUMDes must be managed by workers who have been trained in that field. Of the several areas that became the research area, villages in North Maluku have not managed to manage the BUMDes properly due to limited human resources, as stated by the Head of Akeguraci Village: *"Bumdes already exists, but it has not yet worked. From 2017 at that time we budgeted for the procurement of aqua water, but we didn't buy the machines, we returned to the village."*

The village head and village official Beringin Jaya also said that BUMDes management did not develop. HR is a major obstacle for the Beringin Jaya Village to develop BUMDes. The relatively low level of community education and the characteristics of the community as traditional farmers are a barrier to using BUMDes as an economic institution: *"Bumdes already exists, but that is our human resources, bumdes are not yet mostly farmers. The obstacle yesterday was a lot of sales of coconuts, but yesterday the price dropped ... "*

The village of Ake Jailolo also failed to utilize the BUMDes as a means of developing the people's economy. The reason is the relatively low level of education (quality) of human resources, the lack of creativity and the role of the village bumdes not yet understood, and the absence of BUMDes development program plans. *"Bumdes is there, but it doesn't work, yesterday it was allocated 194 million, there was settling in the village account. Yesterday I thought, when we spent the funds for the Bumdes, this business entity had a chairman and members, but I saw that it did*

not appear on the surface, so what would the bumdes want to do. For example, with the budget 194 also bumdes want to do. But up to this point there hasn't been. If we take there are findings."

The inability of the villages above in managing BUMDes is an important note on the management of village funds. The relatively low level of education (quality) of human resources, lack of creativity, the role of the village bumdes has not yet been understood to build economic resilience and the allocation of funds for BUMdes which is considered to be insignificant by BUMdes managers shows that creativity to create economic programs is still very low. Whereas for the development of the village community, small allocations should be able to be utilized by making small activities first, well managed so that in the future the allocation can be enlarged. For example, if a bumdes wants to make a garbage bank, if the funds are small, the garbage collection can be made from burlap in advance according to the available funds. Then, if the program is successful, the new garbage collection is made with a garbage bin. If this can be done, then the community will get additional income and the village economy can be more developed.

b) Provision of assistance for seeds and agricultural and fishery equipment

Farming communities as a general characteristic of villages have an important role in creating food security. To improve quality of farming product, the village funds allocated to the farmers through the provision of assistance with agricultural seeds. The implementation of this assistance was found in the village of Ake Jailolo: *"This year there is greater empowerment, 30% physical empowerment, 70% empowerment. Empowerment from all professions in the village, agriculture is given a grated machine, from fisheries given a fiber with a complete engine."*

Providing equipment in the village of Ake Jailolo is given to individuals so that the community is expected to feel the benefits more. *"I am more inclined to individuals. For example, if we give it to a group of goods for a short time, sometimes if it is the chairman of the item belonging to the chairman, no one is responsible, so I give it to individuals."* The system of giving is carried out in rotation, so that the community does not envy each other or feel denied by the village government: *"For example, our fishermen are 20 people, 10 this year, 10 next year Agriculture tends to cassava and sago, the same as grated machines. For sago 15 people."*

While in Akeguraci village, this assistance was given to groups, for example for groups of peanut farmers, they were given bean seed assistance: *"There is, but it is a group, there is no personal gift. The group only has the responsibility of the proposal, then the village reports are made. For example, the request is for seedlings of beans, we*

ChuzaimahBatubara¹, Isnaini Harahap², Siti Marpuah³

buy beans and then we take photos, the report is complete, we fail to harvest or do not grow beans, we don't include them in the report ... While agricultural equipment such as tractors is a group of 15 people."

Provision of assistance on behalf of this group is carried out to facilitate monitoring of its implementation and reporting. For groups that failed to be given some kind of punishment, they did not receive village funding for the following year. Seedlings or equipment assistance is provided free of charge, but for effectiveness, there is supervision of the village.

c) Honorarium

Community empowerment in the field of education can actually be done in various forms, such as training, infrastructure facilities and scholarships. However, this study found that the empowerment was mostly in the form of honorarium payments. *"...There are still gifts, paid fees, posyandu fees, kindergarten teachers, mosque priests. If training I item in PKK ..."*

Empowerment in the form of giving honorariums can actually be understood in terms of improving the quality of education and health services in villages. During this time activities such as night payroll and posyandu depends on the sincerity of the community. With the honorarium, it is expected that these activities can run better, because these activities are efforts to improve the quality of community resources

3. Impact of village funds on *Falah* increase

The Village Fund was first allocated in the 2015 State Budget, aimed at improving the welfare and quality of life of rural communities. During the 2015-2019 period, the village funds allocated were Rp. 257 trillion. Along with its development, the village fund policy continues to be refined. To improve equity and improve the quality of life of rural communities, in 2018 a reformulation of village fund allocations will be carried out by increasing the allocation for poor and disadvantaged villages. Some of the impacts of village funds felt by the community are:

a. Reduction in unemployment rate (seasonal)

One of the priorities in managing village funds is village development activities through a cash-intensive system that empowers villagers to work on village development projects. The cash-intensive model requires the absorption of large numbers of local workforce from villages and the payment of wages on a daily or weekly basis. This cash creation program automatically creates jobs, increases income

and purchasing power parity, and reduces poverty and disparity between villages. But in fact the reduction of unemployment with labor-intensive capital is temporary, as stated by research respondents: *"It depends on the community, we are immediately informed that this year we will make it, at night we will identify it. How much is the amount, the community determines how many people do it. for the physical village assistance team from the district ... Yes, using the villagers to work on the ditch, ... if there is no infrastructure work, then the unemployed ... "*

The use of village funds has indeed succeeded in reducing the amount of seasonal unemployment, but because of its seasonal nature, when the village fund infrastructure projects have been exhausted, the people involved in labor-intensive projects have faltered. This is in line with the report on the impact of village funds in North Maluku, which states that the use of labor-intensive programs significantly reduced the number of unemployed people in villages in Central Halmahera by 55.7%, Taliabu, Morotai and South Halmahera by around 40%, but ineffective in the Sula Islands District and Tidore City.

b. Improved Village Index

One of the impacts felt by the community in the presence of village funds is the improvement in the village index. This can be seen from the decreasing income inequality (Gini ratio) in rural areas. In 2018, the Gini ratio in the North Maluku district is relatively low, which is below 0.3. However, with the existence of village funds, the poverty depth index increased to 1,498, indicating that population expenditure is increasingly moving away from the poverty line. The quality of human development (HDI) in all districts also increased to a medium category (value 60 to 70). The change in the village index was stated by respondents from Akeguraci Village. *"This village was previously a backward village and then became a developing village. That caused the index to rise from 37 to the 50s. "*

The same thing was felt by the people of the Beringin Jaya Village, which was previously a remote village, turned into a backward village. *"The village index, the status of the village in 2014, a remote village, in 2016, is no longer determined remote, lagging. Our village is also the best village in the Tidore Islands District. Welfare impact: according to the mayor's regulation, more for honorarium. Often pruned, jealousy is very high, so that only public facilities are built. Local wisdom must be added with local wisdom, only PKK is active in every field. "*

ChuzaimahBatubara¹, Isnaini Harahap², Siti Marpuah³

Table 5
Change in Village Index

Villages	IDM		Explanation
	2015	2018	
Akeguraci	38.36	53.49	Changed from a remote village to a backward village
Beringin Jaya	44.05	0,5158	Improvement of Village Index
Bobane dano		0.5078	Improvement of Village Index
Ake Jailolo		0,5342	Improvement of Village Index

Source: Data Processed, 2019

But actually the villagers also felt uneasy with the change in the status of the village: *"But this is like this, if the village has increased, the funds are immediately reduced, when the village is lagging behind."* From the explanation there is actually what the government must anticipate, namely the dependence of the community on village funds. The emergence of dependency on village funds is realized or not due to an increase in the allocation of village funds. For example, the allocation of village funds to North Maluku Province increased by 13% from Rp786.22 billion in 2018 to Rp891.60 in 2019, so that people were competing to obtain village funds.

c. Improved village infrastructure

The village fund is one of the fiscal instruments to encourage economic growth in the village. Through the village fund, several outputs have been successfully built such as village roads, bridges, public facilities, BUMDes. This output is expected to be able to support the village economy so that people's welfare increases. This increase in the form of improving infrastructure was recognized by all villages that received village funding such as Beringin Jaya.

Before there was a village fund, the Beringin Jaya village was a hamlet of Akalamo village in 2013. On January 3, 2013 the Beringin Jaya Hamlet was expanded and upgraded to a village. With its status as a village, Beringin Jaya Village then obtains village funds, while before it is divided, the Beringin Jaya Village receives assistance in accordance with the budget given to villages, the amount of which depends on the APBDes. *"Thank God, after 2015 we got village funds ... We really depend on infrastructure needs, rations from the city government, roads budget from the city government. Alhamdulillah, with village funds we can build them. "*

Specifically, infrastructure improvements felt by the community are changes in village roads that are becoming better, so that the community is easy to enter and exit the village. Throughout the villages in North Maluku that were the locus of this study, researchers also saw road infrastructure as very good. The houses are given a fence with attractive colors, the trenches are also neatly arranged. "

The high allocation for infrastructure is actually not too surprising because of the priority use of village funds before 2017 and the Technical Guidelines for the Use of Village Funds in 2018. 88.96% for physical development and only 11.04% for community empowerment and development. While currently there are provisions on the use of village funds for village infrastructure development activities (69%), while community empowerment is only (16%). But on the other hand, this shows the lack of innovation of village officials in designing the use of village funds, so that village funds are still managed as is.

d. Increased Community Revenue

Welfare (Falah) is the ultimate goal of economic development. Materially speaking, welfare is shown by increasing income and improving public consumption. Village funds are actually the government's effort to make this happen. Based on research conducted, village funds can increase community income. This income increase was obtained through a labor-intensive program: *"Yes, Buk, for example, lifting sand, people lifting sand, we use the cubic "It hasn't been shed yet, because we are siblings."*

Income increases also occur in those implementing religious activities such as the Koran teachers and bilal mayit, health service providers (posyandu). The village manager also experienced an increase in income that was expected to be more uplifting and perform: *"... it only really develops if outside, the village head has a lot of money, sometimes people assume that, there is a village head, try to ask the village head. Even though we only get paid 10 million / quarterly ... The priest, the RT, kaur, and village secretary are from ADD. Yesterday, it was intended for TPQ, after 6 months it was stagnant. "*

Based on the above, village funds are indeed able to increase community income. But of course the pattern of increasing income through honorariums does not touch all members of the community. In addition, the increase in income through the honorarium is actually temporary because it is consume. In an economic perspective, this has not been able to solve long-term community problems. If the measurement of effectiveness of village funds is carried out using the Falah concept, the following findings are obtained:

ChuzaimahBatubara¹, Isnaini Harahap², Siti Marpuah³

Table 6
Falah Achievement

ASPECT	INDICATOR	ACHIEVMENTS	CONCLUSION
MICRO			
biological survival	Health	There is a village fund program for posyandu activities, sanitation improvement and so on, but it has not become a priority program	Fulfilled but not yet effective in the long run
	Freedom of life	The community is given the freedom to manage their lives, but it is not included in the village funding program	Fulfilled but not yet effective in the long run
	Heredity	In the case of North Maluku, the village manager did not have a program that was related to a program to improve descent, for example a program to deal with stunting	Not fulfilled
Economic survival	ownership of economic factors of production	The provision of assistance with agricultural seeds and fishing equipment	Fulfilled but not yet effective in the long run
Social survival	brotherhood and harmony of social relations	Providing assistance to professional groups such as farmers and fishermen	Fulfilled but not yet effective in the long run
	political survival	Participation in village activities	Fulfilled but not yet effective
	freedom in political participation	Community participation in budgeting and village funding programs	Fulfilled but not yet effective
freedom of desire	poverty free	The existence of honorariums to the posyandu organizers, kindergarten teachers, bilal	Fulfilled but not yet effective

		mayit and Nazir	
	life independence	There is training from the PKK	Fulfilled but not yet effective
ASPEK MAKRO			
life sustainability	ecological balance and the environment	making ditches and rivers	Fulfilled
	natural resource management	Mangrove tourism plans, making ditches and rivers	Fulfilled
	providing business opportunities for all residents	The existence of labor-intensive programs so that people earn income	Fulfilled but temporary
	social togetherness	Providing assistance to groups	Fulfilled but not yet effective
	absence of conflict between groups	Provision of assistance in rotation according to need	Fulfilled but not yet effective
	identity and independence	HR training	Fulfilled but not yet effective
freedom of desire	provision of resources for the entire population	There is a labor-intensive program	Fulfilled
	provision of resources for future generations.	There are SDA improvement programs	Fulfilled but not yet effective
strength and self esteem	pride	There is an independence program	Fulfilled but not yet effective
	independence	The freedom of the community to participate in the village	Fulfilled but not yet effective
	protection of life and honor		Fulfilled but not yet effective
	economic power and freedom from debt	The existence of BUMDes	Not Effective Yet

Source: Data Processed, 2019

ChuzaimahBatubara¹, Isnaini Harahap², Siti Marpuah³

Based on several positive impacts felt by the community, it can be seen that the village fund is very helpful for the village in developing village infrastructure. However, the community actually expects that village funds are really well managed so that they can reduce poverty. Based on interviews and in-depth interviews with village managers, all village managers explained that the planning of village activities was carried out after village meetings involving community members. But in its application, the programs compiled in the village medium term development plan are not always as expected by the community. Construction of village offices; making village gates, for example, is still questionable as to what direct impact it has on people's welfare.

Likewise about the allocation of funds and empowerment programs. Empowerment is an effort to change the community from being helpless to being empowered (independent). Based on interviews with community members, the community actually expects the skills training needed to increase income. However, in its implementation the use of village funds for empowerment is still understood for training activities or increasing the capacity of village heads and village officials (official travel allocation). The bimtek activity should ideally be carried out to solve problems in promoting village productivity by seeing best practices from other villages. According to the survey of informants, this activity did not really affect the management of village funds, even though the allocation for bimtek was quite large, because each village sent its apparatus as many as 4 people coordinated by the sub-district.

Empowerment is also still understood as providing incentives / honorariums for Bilal, recitation teachers. It is true that all this time Bilal, recitation teachers, posyandu officers, does not receive incentives, but in fact the granting of honorariums must be accompanied by independence training. In addition, empowerment is also still at the stage of procurement of goods and services such as tents and has not yet reached the community soft skills training to be economically independent: *"Not training but there is procurement. 2019 there is no training for the community, only training for village officials. Trained performance from the village government. In 2019 it hasn't been done. 2020, 60% of empowerment has been delivered repeatedly."*

The ineffectiveness of the empower program can be seen from the level of poverty in North Maluku which has actually increased. Based on data on urban poverty rates and rural poverty levels, the use of village funds over the past four years has not been accompanied by a reduction in poverty rates. Population in poverty, both urban and rural areas has an increasing trend. The poverty rate in rural North Maluku

in 2018 will reach 7.58 percent. This figure is higher than the urban poverty rate of 6.62 percent. This shows that efforts to reduce poverty through village funds have not been effective. This finding is supported by the results of research that shows that village funds are not optimal in improving welfare (Haning: 2018).

Responding to this, Kamran, a resident of the Beringin Jaya Village said: "*Here the road is good, mam, life is still difficult.*" This is due to the use of village funds that are not in accordance with priorities. The village government still focuses on infrastructure development, while the allocation of village funds to empower village communities is far below the allocation for village government activities.

The ineffectiveness of community empowerment programs can be due to the relatively low level of education of rural communities (Savitri, 2019). The level of education of village fund managers in the villages that were the focus of this study was mainly SMU, which influenced the mindset of village fund management including reporting on the use of village funds through the application of the *siskeudes*. Not infrequently because of the inability to control the *siskeudes*, reporting must be done in sub-districts and even districts. Therefore, in the future the empowerment program can be directed to improve the quality of education and expertise of village fund managers.

Other factors which become obstacles are the way of thinking of people who have not experienced change, waning social capital and the lack of optimal community participation. Community participation is also a key factor for village fund management. Participation is the active participation of the community in contributing voluntarily from planning to evaluation. The higher the community participation, the higher the level of program success (Kartika, 2015). The level of community participation was indeed shown by the village in program planning through village development planning meetings carried out by the village government: "*From the district, there is a ceiling, after receiving the ceiling the RT level musrembang is carried out, gathering input from the input of each RT, to explore the programs at the RT level, assisted by BPD and Kades. The Musrembang results are submitted to the RT Musrembang, then discussed at the village level Musrembang, to follow up..*"

Community participation in the form of mutual cooperation to develop villages are also very important because mutual cooperation is a social capital that is able to move the community to achieve prosperity/Falah (Yafiz, 2015). Unfortunately, this social capital is fading in the countryside, especially after the existence of village funds. Bobanedano Village has felt how the spirit of mutual cooperation faded: "*The level of community self-help has decreased, because they see*

ChuzaimahBatubara¹, Isnaini Harahap², Siti Marpuah³

the village is capable. The community lacks respect, the level of self-help, mutual assistance disappears, they must do mutual assistance, because the village has funds, like before PNPM was still working together, village funds were labor-intensive, poverty alleviation was intermittent, so the impact was also temporary, like before, we have a month of voluntary service but that was earlier. "

The fading spirit of community cooperation has become its own concern. Mutual cooperation which has been the glue for community fading because of a shift in the paradigm of society has become more materialistic. Prioritizing meeting personal needs rather than shared needs, so people do not want to do anything unless there are financial benefits that can be obtained. Society tends to be consumptive, individualistic, and capitalist so that the sense of togetherness slowly disappears in the community.

Some of the issues above are important notes on the management of village funds. Community participation must be increased not only formally in the form of musrenbagdes, but also in programs based on community needs. Programs must be designed to be able to independently overcome the problems faced by the community so as to improve the welfare (*Falah*) of the community.

E. CONCLUSION

Based on the research findings, it can be concluded that the village fund is able to change the village profile for the better, especially in the aspects of road infrastructure, water, sanitation through the construction of ditches or normalization, construction of latrines, and other public facilities. The form of the use of village funds allocated to community members is based on the conditions set by the government, namely for infrastructure development and empowerment activities. However, empowerment programs are more dominant in honorarium granting and are not yet in the form of life skills that build community independence. The impact of village funds of increasing *Falah* is shown through the reduction in the seasonal unemployment rate carried out with labor-intensive programs, improving the village index, increasing community income. Unfortunately, these developments and improvements cannot yet be measured for effectiveness in the long run.

REFERENCES

- Afifah, D. F., Kartini, D. S., & Yuningsih, N. Y. (2017). Village Independence In Village Funds (A Case of Village Fund Management in Traditional and Modern Villages). *Advances in Social Sciences Research Journal*, (425) 134-145.
- Anonim, *The Asiatic Journal and Monthly for British India and Its Dependecies*, Vol VII from January to June 1819 (london: Kingbury, 1891)
- Ash-shidiqqi, E. A., & Wibisono, H. (2018). Corruption and Village: Accountability of Village Fund Management on Preventing Corruption (Problems and Challenges). *JILS (Journal of Indonesian Legal Studies)*, 3(02), 195-212. <https://doi.org/10.15294/jils.v3i02.27524>
- Asni, F., Maryunani, Sasongko, Dwi Budi, M., (2013). The Management of the Village Fund Allocation as an Instrument towards Economic Independence Village (Case Studies in 2 villages in Siak Regency, Province Riau), *IOSR Journal of Business and Management*, Volume 10, Issue 4, pp. 1-9.
- Aziz, N. L. L. (2016). Otonomi Desa dan Efektivitas Dana Desa (The Village Autonomy and The Effectiveness of Village Funds). *Jurnal Penelitian Politik*, 13 (2), 193-211. <https://doi.org/10.14203/jpp.v13i2.575>.
- Bappenas (2020) Rencana Pembangunan Jangka Menengah Nasional IV 2020-2024: Indonesia Berpenghasilan Menengah-Tinggi Yang Sejahtera, Adil, Dan Berkesinambungan
- Bappenas, (2015) Rencana Pembangunan Jangka Menengah Nasional (RPJMN) 2015-2019
- Bappenas, (2015). Indeks Pembangunan Desa, Tantangan Pemenuhan Standar Minimum Pelayanan Desa. Kementerian Perencanaan Pembangunan Nasional
- Berg, B. L. (2001). *Qualitative Research Method For The Social Science*. Tokyo: California State University, Long Beach
- Charmaz, K. (2014). *Constructing grounded theory*. Sage publications.
- Corbin, J., & Strauss, A. (2014). *Basics of qualitative research: Techniques and procedures for developing grounded theory*. Sage publications.
- Ellram, L. M. (1996). The use of the case study method in logistics research. *Journal of business logistics*, Vol. 17 No. 2, pp. 93.
- Glaser, B., & Strauss, A. (1967). *The Discovery of Grounded Theory: Strategies for Qualitative Research*. Mill Valley, CA: Sociology Press.
- Haning, Mohamad Thahir. Mashuri H. Tahili (2018). Strengthening the capacity of village government in the implementation of village fund policy at Maros regency of South Sulawesi province. Asian Association for Public

Chuzaimah Batubara¹, Isnaini Harahap², Siti Marpuah³

- Administration Annual Conference (AAPA 2018) in *Advances in Social Science, Education and Humanities Research*, volume 191,
- Harahap, Isnaini. (2019). *Ekonomi Pembangunan: Pendekatan Transdisipliner* (Perdana Publishing)
- Hawley, Leslie R. (2016). Defining and Describing Rural: Implications for Rural Special Education Research and Policy. *Rural Special Education Quarterly* \ Volume 35, No. 3—pages 3-11
- Jamaludin, Adon Nasrullah. (2015) *Sosiologi Pedesaan*. Pustaka Setia Bandung
- Kartika, R. (2015). Partisipasi Masyarakat Dalam Mengelola Alokasi Dana Desa (Add) Di Desa Tegeswetan Dan Desa Jangkrikan Kecamatan Kepil Kabupaten Wonosobo. *Jurnal Bina Praja: Journal of Home Affairs Governance*, 4(3), 179-188. <https://doi.org/10.21787/jbp.04.2012.179-188>
- Khan, Muhammad Akram. (1984) Islamic Economics: Nature and Need. *Journal of King Abdulaziz University: Islamic Economics*, Vol. 1, No. 2
- Miles, M. B., & Huberman, A. M. (1994). *Qualitative data analysis: An expanded sourcebook*. Sage publications.
- Paellorisky, M. Olgiano. Akhmad Solikin (2019). Village Fund Reform: A Proposal for More Equitable Allocation Formula. *Jurnal Bina Praja*. Vol II No I (2019)
- Peraturan Menteri Desa, Pembangunan Daerah Tertinggal, Dan Transmigrasi Republik Indonesia Nomor 2 Tahun 2016 Tentang Indeks Desa Membangun Permendesa PDTT Trans Nomor 2 Tahun 2016 tentang Indeks Desa Membangun
- Ramly, Ar Royyan et al. The Implementation of Village Fund Policy in Improving Economy of Village Society. *Jurnal Ilmiah Peuradeun*, [S.l.], v. 6, n. 3, p. 459-478, sep. 2018. ISSN 2443-2067.
- Stake, R. E. (1995). *The art of case study research*. Sage publications.
- Savitri, Enni; Andreas, Andreas; Diyanto, Volta. Accountability Of Village Funds Management. *Jurnal Aplikasi Manajemen*, [S.l.], v. 17, n. 3, p. pp. 515 - 521, aug. 2019. ISSN 2302-6332.
- Tulis Y., Utami L., & Hapsari A. N. (2018, November 30). Village Fund Management Transparency: A Lesson Learned. *Journal of Accounting and Strategic Finance*, 1(2), 122-132. <https://doi.org/https://doi.org/10.33005/jasf.v1i02.19>
- Wahyuddin, Arroyan Ramly, Muslim A. Djalil, Mirna Indriani. (2016) Efektivitas Pemanfaatan Dana Desa dalam Mengentaskan Kemiskinan di Kec Kuala Kabupaten Nagan Raya. *Nuansa: Jurnal Penelitian Ilmu Sosial dan Keagamaan Islam*. Vol. 16 No. 2 Juli – Desember 2019

Yafiz, Muhammad. Azhari Akmal Tarigan, Marliyah Marliyah, Isnaini Harahap (2015). *Membangun ekonomi kejamaah berbasis modal sosial (Studi Kasus Pada Desa Matfa Kabupaten Langkat)*. Fakultas Ekonomi dan Bisnis Islam UIN SU

<https://malut.bps.go.id/pressrelease/2019/01/15/377/tingkat-kemiskinan-maluku-utara-september-2018-adalah-sebesar-6-62-persen-.html>

<https://malut.bps.go.id/pressrelease/2019/01/15/377/tingkat-kemiskinan-maluku-utara-september-2018-adalah-sebesar-6-62-persen-.html>

https://www.bappenas.go.id/files/5514/4704/6044/Buku_Indeks_Pembangunan_Desa_2014.pdf, hal 39

<https://www.republika.co.id/berita/nasional/umum/19/01/26/ply75q349-gubernur-sumut-pemanfaatan-dana-desa-belum-maksimal>

The Impact Of Village Funds On Enhancing Welfare Of North Maluku Communities
Using *Falah* Approach

ChuzaimahBatubara¹, Isnaini Harahap², Siti Marpuah³