

The Relationship Between Transparency, Accountability, and Participatory Management of Village Funds on Community Welfare in the Lintong Nihuta Sub-District, Humbang Hasundutan District

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ABSTRACT

This study aims to determine how much the relationship between transparent, accountable, and participatory management of village funds on community welfare in Lintong Nihuta District, Humbang Hasundutan Regency. The type of research used is quantitative. The population used in this study were village officials and community residents totaling 33,412 people. The sample was selected using the Nonprobability sampling method and calculated using the Slovin formula, which amounted to 100 people. This research data was obtained from observation, documentation, and distributing research questionnaires to respondents. The results showed that Transparent and Participatory variables had a positive and significant effect on Community Welfare, but Accountable had a positive and insignificant effect on community welfare.

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INTRODUCTION

According to Law No. 6/2014 on Villages, villages are villages and customary villages or what are called by other names, hereinafter referred to as Villages, are legal community units that have territorial boundaries that are authorized to regulate and manage government affairs, the interests of the local community based on community initiatives, origin rights, and/or traditional rights that are recognized and respected in the system of government of the Unitary State of the Republic of Indonesia.

The implementing regulations require the village government to carry out its duties in all aspects and strengthen its independence in the administration and development of the village in accordance with its authority. According to the Directorate General of Population and Civil Registration (Dukcapil) of the Ministry of Home Affairs, Indonesia currently has 83,381 villages in 34 provinces across Indonesia.

Law No. 6/2014 mandates the Government to allocate village funds in order to support the implementation of village tasks and functions in the administration and development of the village

in all aspects in accordance with its authority. Village Funds are funds sourced from the State Budget that are intended for villages that are transferred through the district/city Regional Budget and are used to finance governance, development implementation, community development, and community empowerment (Government Regulation of the Republic of Indonesia No. 60 of 2014 concerning Village Funds sourced from the APBN. The village fund is budgeted annually in the APBN which is given to each village as one of the sources of village income.

Problems in the implementation of the Village Fund that are often encountered are in the Village Fund Indicators referring to the Regulation of the Minister of Home Affairs of the Republic of Indonesia Number 113 of 2014 concerning Village Financial Management article 2 paragraph 1, which emphasizes that village finances must be managed based on the principles of: Transparent, Accountable, Passive.

In the management of Village Funds, the principle of transparency in the management of the transparency signifies that in its management, the Village Fund becomes a development force in which there is openness both in terms of budget and

Then the management of activities must be accountable in accordance with the orderly financial administration and the goals and objectives of providing assistance are accountable, and participation means the participation of a person or group of people in the development process both in the form of statements and in the form of activities by providing input of thoughts, energy, time, expertise, capital and / or material, as well as participating in utilizing and enjoying the results of development.

The purpose of the Village Fund in Lintong Nihuta Sub-district is to improve the quality of life of rural communities through the achievement of material and spiritual progress on an ongoing basis while taking into account equal rights and upholding the values of justice for the community as a whole.

Based on Law No. 11/2009 concerning Social Welfare, community welfare is a condition of fulfillment of material, spiritual, and social needs. The level of welfare can be measured by a person's ability to fulfill their material and spiritual needs. Material needs for community welfare are measured relatively easily and will involve the fulfillment of family needs related to materials, both clothing (clothes), food (food), and shelter (housing), and other needs that can be measured by materials. In the Lintong Nihuta sub-district in terms of material needs based on 22 villages, it is still not said to be feasible, because there are still people in terms of shelter who are very inadequate, where there is no Mck, lack of water supply at home in the form of well water or PDAM, the floor is still sand, and lack of room facilities at home.

The economic performance of a region can be seen from the value of its Gross Regional Domestic Revenue (GRDP) or economic growth. The economic growth of the region has an important role in creating community welfare, improving living standards and providing employment. The achievement of community welfare reflected in the quality of life of the people of Lintong Nihuta Subdistrict can be seen through the Gross Regional Domestic Product (GRDP) per capita of Humbang Hasundutan Regency which is dominated by Agriculture, Forestry. GRDP per capita is the average income of the population obtained from the quotient between GRDP and population in a region in a certain year. The higher the per capita income, the more prosperous the region.

LITERATURE REVIEW

1. Economic Growth Theory

Economic growth is one of the important indicators in analyzing economic development in a country. According to Todaro (2006), economic growth is defined as a process by which the production capacity of an economy increases over time to produce greater levels of income. According to Sadono (2010), the increasing production of goods and services in a country results from development in all respects, infrastructure, the number of schools, capital goods, and others which indicate that a country is experiencing economic growth. Economic growth is the difference in economic activity from one year to the next. Economic growth is said to increase if there is an

increase in the number of goods and services. Economic growth is not an economic condition in a particular year but a continuous process. The economy is seen as changing something over time or developing. Economic emphasis occurs on change or development (Boediono, 2018).

2. Village

According to R. Bintaro (2010), a village is the result of a combination of the activities of a group of people and their environment. The result of this combination is a form or appearance on earth due to physiological, social, economic, political and cultural factors that interact with each other and also in relation to the area within the region. In Regulation of the Minister of Finance No. 49/PMK.07/2016, a village is a legal community unit that has territorial boundaries that are authorized to regulate and manage government affairs, the interests of the local community based on community initiatives, origin rights, and/or traditional rights that are recognized and respected in the government system of the Unitary State of the Republic of Indonesia.

3. Regional Budget (APBN)

The State Budget (APBN) is a list that systematically contains the sources of state revenue and the allocation of state expenditure within a certain period of time. APBN is also an instrument to regulate state expenditure and income in order to finance the implementation of government and development activities, increase national income, achieve economic stability and determine the direction and priorities of development in general.

4. Village Fund

The Village Fund is one of the (largest) village revenues sourced from the APBN and channeled to village cash accounts through regional cash accounts and used to finance governance, development implementation, community development, and community empowerment. The use of Village Funds is prioritized to finance development and community empowerment aimed at improving the welfare of rural communities, improving the quality of human life and reducing poverty and is outlined in the Village Government Work Plan.

Law (UU) No. 6/2014 on Villages sourced from the State Budget (APBN), as well as Minister of Villages Regulations and Minister of Finance Regulations further regulate the budgeting, distribution, utilization and accountability of Village Fund reporting.

5. Community Welfare

According to Todaro and Stephen C. Smith (2006), community welfare shows a measure of the results of community development in achieving a better life which includes: first, increasing the ability and equitable distribution of basic needs such as food, housing, health, and protection; second, increasing the level of life, income levels, better education, and increased attention to culture and human values and third, expanding the economic scale and availability of social choices from individuals and nations.

According to Law No. 11/2009 on Social Welfare, community welfare is the condition of fulfilling the material, spiritual, and social needs of citizens in order to live properly and be able to develop themselves, so that they can carry out their social functions. The level of welfare can be measured by a person's ability to meet material needs, which is the fulfillment of family needs related to materials, both clothing, food, and shelter, and other needs that can be measured by materials, and spirituality is measured by the quality of non-physical life, including: piety, harmony, harmony, fighting power and other non-physical aspects.

RESEARCH METHODOLOGY

The approach used in this research is quantitative data. According to Sugiyono (2017), quantitative methods are research methods based on the philosophy of positivism which are used to research on certain populations or samples, data collection using research instruments, and data analysis is quantitative / statistical with the aim of testing predetermined hypotheses. The place where this research was conducted was the Lintong Nihuta sub-district of Humbang Hasundutan Regency.

This study will analyze the effect of transparent, accountable, and participatory management of village funds on community welfare. This research uses primary data.

RESULTS AND DISCUSSION

Community Welfare = 0.446 Transparent + 0.094 Accountable + 0.349 Participation + ζ

From the structural equation, it can be explained that the value of Transparent, Accountable, and Participative is positive. Then this means that when each increase in the value of the exogenous variable, the value of the endogenous variable will also increase by the value of the path coefficient of each exogenous variable, assuming that all exogenous variables are fixed.

Table 1. Hypothesis Test Results

Variabel	Original Sample (O)	Standard Deviation (STDEV)	T Statistics (O/STDEV)	P Values
Transparan – Kesejahteraan Masyarakat	0.446	0.136	3.280	0.001
Akuntabel – Kesejahteraan Masyarakat	0.094	0.158	0.593	0.277
Partisipasi – Kesejahteraan Masyarakat	0.349	0.141	2.477	0.007

Source: Hasil Penelitian

The path coefficient value for each variable can be seen in the Original Sample (O) column and the test results can explain the relationship between each variable:

1. The path coefficient of Transparency (ξ_1) on community welfare is positive, namely 0.466 with a significant P Value ($0.001 < 0.050$) so this means that there is a significant positive relationship between Transparency (ξ_1) on Community Welfare (η). Where the more transparent the management of village funds will be able to improve the welfare of the Lintong Nihuta sub-district community.
2. The path coefficient of Accountable (ξ_2) on community welfare is positive, namely 0.094 with an insignificant P Value ($0.277 > 0.050$) so this means that there is an insignificant positive relationship between Accountable (ξ_2) on Community Welfare (η). Where the more Accountable Village Fund Management will be able to improve the Welfare of the Lintong Nihuta District Community.
3. The path coefficient of Participation (ξ_3) on community welfare is positive, namely 0.349 with a significant P Value ($0.007 < 0.050$) so this means that there is a significant positive relationship between Participation (ξ_3) on Community Welfare (η). Where the more participation in the management of the Village Fund will be able to improve the welfare of the Lintong Nihuta District Community.

The R^2 value is used to explain how much the exogenous variables have to do with the endogenous variables. The higher the R^2 value, the better.

Table 2 Coefficient of Determination (R^2)

Variabel	R-Square
Kesejahteraan Masyarakat	0.620

Source: Hasil Penelitian

Table 2 shows that the R-square value for the Community Welfare variable is obtained at 0.620. Based on the existing criteria, because the coefficient of determination is greater than 0.67 ($0.620 < 0.67$), the variables Transparent (ξ_1), Accountable (ξ_2), and Participation (ξ_3) have a moderate relationship in the Community Welfare variable (η). This value can also be interpreted that Transparent (ξ_1), Accountable (ξ_2), and Participation (ξ_3) are able to have a relationship with Community Welfare (η) together by 62.0%, the remaining 38.0% is attributed to other factors that are not included in the research model.

CONCLUSION

In accordance with the formulation of the problem and research objectives and the results of the analysis that has been carried out, the following conclusions are obtained:

1. The path coefficient of transparency (ξ_1) on community welfare is positive, namely 0.466 with a significant P value ($0.001 < 0.050$) so this means that there is a significant positive relationship between transparency (ξ_1) on Community Welfare (η). Where the more transparent the management of village funds will be able to improve the welfare of the Lintong Nihuta sub-district community.
2. The path coefficient of accountability (ξ_2) on community welfare is positive, namely 0.094 with an insignificant P Value ($0.277 > 0.050$) so this means that there is an insignificant positive relationship between accountability (ξ_2) on Community Welfare (η). Where the more accountable the Village Fund Management will be able to improve the Community Welfare of Lintong Nihuta District.
3. The path coefficient of Participation (ξ_3) on community welfare is positive, namely 0.349 with a significant P Value ($0.007 < 0.050$) so this means that there is a significant positive relationship between Participation (ξ_3) on Community Welfare (η). Where the more participation in the management of the Village Fund will be able to improve the welfare of the Lintong Nihuta District Community.

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