

The Role of Village Funds on Village Infrastructure Conditions and the Welfare of Low income Communities in Klungkung Regency, Bali Province, Indonesia

¹A A I N Marhaeni, ²I KetutSudibia

¹Development Economic of Economic and Business Faculty of Udayana University, Denpasar Bali, Indonesia,

²Development Economic of Economic and Business Faculty of Udayana University, Denpasar Bali, Indonesia,

ABSTRACT: The objectives of this study are: 1) to assess the level of readiness of village officials (village apparatus resources) in managing village funds; 2) analyze the intensity of CIE (communication, information, and education) that has been carried out by the government to the village community for the Village Fund Program; 3) analyze the influence of village funds on the condition of village infrastructure and the welfare of low-income communities; 4) examines the role of infrastructure in mediating the influence of village funds on the welfare of low-income community groups.

This research study took place in Klungkung Regency with 259 respondents in all districts, where in each village there were 7 respondents, with details of 3 village officials, 3 community members, and 1 community leader each in 37 villages. In this study two sampling techniques that are classified as non-probability sampling are used, namely a combination of snow ball sampling and accidental sampling. In addition, purposive sampling will also be used for informants. There are 3 data collection methods that will be used, namely observation, interview, indepth interview. Data analysis techniques used are descriptive statistics and Path Analysis.

The results of the data analysis showed that the majority of respondents namely an average of more than 95 percent who stated that village officials were able and ready to manage village funds; 2) CIE conducted by the government to the village community about village funds is quite intensive, although there are still quite a lot, namely an average of about 10 percent which states that the intensity of CIE needs to be increased; 3) Village Funds have a positive effect on village infrastructure, and village funds and village infrastructure have a positive effect on the welfare of low-income people; 4) Village infrastructure partially mediates the influence of village funds on the welfare of low income people.

KEYWORDS: *village funds, infrastructure, welfare*

I. INTRODUCTION

Various poverty alleviation programs have been carried out by the government, but the problem of poverty still exists. In the past development process, although it was realized that poverty was mostly in rural areas, but that most of the investment was channeled into urban areas. The problem of disparity in investment distribution will make it difficult to achieve the expected poverty reduction. Thus it can be expected that poverty alleviation in absolute terms can be more quickly achieved, if rural areas are assisted in the development process that is carried out, through a more equitable distribution of resources to all rural areas in Indonesia. If economic growth cannot be enjoyed by all people (have not inclusive), there will be a tendency for higher economic growth, for example, reflected by per capita income, the higher inequality will occur. The disparity in the results of development between rural and urban areas is clearly visible, one of which can be seen from the number of poor people who are mostly in agricultural sector which are generally located in rural areas. The important question that follows these conditions is why in rural areas or in the agricultural sector there is have higher number of poverty rate. There are several factors related to these conditions, namely: 1) relatively low productivity in the agricultural sector caused by underemployment in the agricultural sector (more labor in the agricultural sector compared to what is needed), capital, technology, and land are limited by relatively low education too; 2) the exchange rate of agricultural sector commodities compared to other sector commodities is relatively low; 3) the diversification of agricultural products is more limited than the non-agricultural sector, as summarized from the writings of Nehen (2012).

Kuznets hypothesis states that economic growth can cause an increase in income inequality among people up to a certain point, then it will decrease by increasing of economic growth (Isnowati, 2007). Nowadays, the government is very hopeful for more equitable distribution of resources, especially to rural areas in Indonesia, through the village fund program. The purpose of this program is to balance and evenly distribute the development process throughout the country, so that the prosperity achieved is also more equitable, in line with the expectations of the national development goals. One characteristic of poverty is that they are generally found in rural and coastal areas (Nehen, 2012). This shows that the poor people who are mostly in rural areas reflect that there is a lack of resources in rural areas to carry out the development process, so to accelerate poverty alleviation, rural areas must receive priority in the distribution of resources needed in the development process. Poverty level is also used to measure the distribution of income (Mankiw, 2002). If poverty is high, it means that there is an unequal distribution of income. Village funds can be said to be one of the focuses of the government to accelerate the reduction of inequality in development outcomes between urban and rural areas. If been waiting for private investors who are more oriented to the benefits of investing in rural areas, it might be very difficult, so in these conditions the government is indeed obliged to do so, so the program launched is very important to evaluate whether it is in accordance with the objectives of the program.

Various studies have been carried out in other areas such as Java, and in other provinces to evaluate the existence of village funds so that benefits can be identified for the community. One of the uses of village funds in accordance with the regulations on village funds is to increase the empowerment of village communities. The results of research conducted in one village in Lumajang Regency show that village fund management has a significant effect on the empowerment of village communities (Syafii, et al, 2018). The results of the study also showed that the empowerment of the village community was determined by the village policy applied. The results of the study reflect that the village funds received were able to increase community empowerment as one of the objectives of the village funding.

The budget of the village fund has actually been made before the village fund program came from the state budget, that is, the village fund budget came from the General Allocation Fund (GAF) or the Special Allocation Fund (SAF). The Village Fund Allocation from the GAF and SAF has also been evaluated by linking it to the village welfare variable which is assessed with the income per capita of the village community. The results of a study conducted in Takalar Regency, South Sulawesi, showed that there was a significant positive effect on the allocation of village funds to the welfare of the community as measured by per capita income (Rusydi, 2012). The results of this study also indicate that the allocation of village funds provided by the district has a significant influence on the welfare of village communities (Tangkumahat et al, 2017; Turere et al, 2018).

If we look at conditions in the agricultural sector such as productivity, exchange rates, and diversification of agricultural products, then the village fund program that launched by the government is now an important source in accelerating development in rural areas in order to improve the welfare of rural communities, so that the poor can be reduced or completely eliminated. In connection with village funds, various studies have been carried out in other areas such as Java, and in other provinces to evaluate the existence of village funds so that benefits can be identified for the community. In order to find out the existence or effectiveness of village funds in improving the welfare of the community in rural areas, an evaluation of the planning, implementation and results of the village fund program is needed in various appropriate studies to obtain adequate information for the future improvement process.

This research is very important because there is insufficient information about the effectiveness of the village fund program that has been launched by the government. In addition, the weaknesses and obstacles encountered in the realization of the use of village funds can also be known, so that it can be planned and improved the implementation of the village fund program in the future so that it can be done more effectively. This research purposes are: 1) Assessing the level of readiness of village officials (village apparatus resources) in managing Village Funds; 2) Analyzing the intensity of CIE (communication, information, and education) that has been carried out by the government to the village community for the Village Fund Program; 3) Analyzing the influence of village funds on the condition of village infrastructure and the welfare of low-income community groups; 4) Examine the role of village infrastructure conditions in mediating the effect of village funds on the welfare of low-income community groups.

II. SOME RELEVANT THEORIES

In research conducted by researchers, it is very important to be based on certain theories, to better understand a phenomenon that exists in society. The first theory that can be said to provide inspiration or understanding that the welfare of the nation or state is very important and is a goal that must be achieved so that the community or the people also get welfare. This goal was originally written by economists who are often referred to as the Father of Economics namely Adam Smith who wrote a book entitled *The Wealth of Nations* in 1776, to break the conventional views held by mercantilists who controlled economics and politics at that time (Skousen, 2006). This book aims to persuade or to motivate and replace existing systems with systems that

produce wealth and tangible growth that can bring the world towards efforts to improve the lot of ordinary people. This concept clearly wants equal distribution of income and welfare for the community, especially for the lower classes who are still not prosperous, with the term now is for those who are still classified as poor.

Streeten in Todaro and Smith (2006) states that the concept of development must be defined as an effort to eliminate various forms of human problems, such as malnutrition, disease, illiteracy of slum areas, unemployment, and income inequality. Development is not only related to development in the economic field, but development related to all aspects of human life. Development must be understood as a multidimensional development that involves the reorganization and reorientation of economic and social systems as a whole (Todaro and Smith, 2006). Thus development is not only related to increasing income and output, but also related to overall changes such as changes in institutional structure, social structure, and community attitudes.

The Capital Fertilization Theory from Adam Smith in relation to economic growth or economic development, states that capital fertilization must be done first compared to the division of labor, meaning that stock fertilization in the form of goods or capital must be done before division of labor, then work can only be divided more continue in a balanced way if the stock is enlarged first (Jhingan, 2008). According to Adam Smith, capital fertilization is an absolute requirement for the economic development of a nation. By looking at this theory, it can be said that capital originating from village funds as a capital accumulation will be very beneficial in increasing village development so that it can improve the welfare of rural communities such as in the form of improving the quality of villagers.

The theory of economic development presented by John Stuart Mill is related to the factors of production. Economic development as a function of land, labor, and capital. Land and labor are the original factors of production, while capital is the factor of production that is accumulated from the results of previous labor. So capital is derived from deposits from previous labor (Jhingan, 2008). An increase in people's welfare only occurs if the productivity of capital rises faster than the increase in productivity. Thus the welfare of society will be improved if there is an increase in labor productivity and capital productivity. The rate of capital accumulation according to J S Mill depends on 2 things: the amount of funds that can produce savings / the amount of the remaining results of operations, and the strong tendency to save.

Myrdal's theory of the reverse effect, can also be referred to in this study relating to the area of this research is in rural areas. Myrdal with his theory states that economic development carried out by a country that can produce results, where the rich will get more and more benefits and those who are poor or those who are left behind or backward will become more hampered or worse (Jhingan, 2008). Myrdal states that backwash effects tend to increase, while spread effects spread smaller or tend to decrease. This condition will increasingly cause disparities in income between regions or between rural and urban areas. Inequality like this, especially between rural and urban areas is very much realized by the government, so that one of the ideals of the current President of Indonesia is to build from the periphery. This program shows that assistance to rural areas through village funds will be able to help increase the income of residents in the village so that the welfare of the village community can be improved. Village funds that are rolled out to villages can be considered as capital accumulations like these theories so that it becomes one of the factors of production in the development process.

The Harrod-Domar theory or model emphasizes the important role of investment in the process of economic growth. In the model it is said that investment has a double impact, namely the first investment creates income, and the second investment increases production capacity in the economy by increasing capital stock (Jhingan, 2008). Thus income will always be increased as a result of the employment opportunities created can be maintained in the long run, if investment is always enlarged. In conjunction with the utilization of village funds, their use for investment in village infrastructure can create employment opportunities both directly and indirectly to increase the income of village communities. Each village has different financial abilities so that its welfare is also different (Rusmin, et al, 2014; Afifah et al, 2017).

III. METHOD AND PROCEDURES

This study uses a quantitative approach. The research was carried out in Klungkung Regency by taking locations in all villages in the Klungkung mainland District, namely 3 districts with a total of 37 villages. There are 2 types of data used in this study, namely quantitative data and qualitative data. Quantitative data is data that can be stated in numbers, while qualitative data is data that cannot be expressed in numbers. In this study quantitative data includes the development of the amount of village funds obtained from the first year until now, the amount of village funds used to finance village infrastructure, and the population. Qualitative data used included the level of adequacy of village funds received, and perceptions about the ability of village apparatus resources in disbursing village funds. There are 2 data sources used by researchers, namely primary data and secondary data (Sekaran and Bougie, 2010). Likewise in this study using 2 data sources namely primary data and secondary data. The number of samples are 7 people in each village so that the total number of respondents are 259 people. Community leaders, village officials, and communities in 37 villages, with details of 1 person community leader, 3 persons village officials, and 3 persons community members so that the respondents in each village were 7 respondents. The sampling technique used is non probability sampling. The

method of collecting data in this research are observation, interview, and in-depth interview, with use two data analysis technique are Descriptive statistics and inferential statistics, is Path Analysis.

IV. RESULTS

1) The level of readiness of the ability of village officials (village apparatus resources) in the management of the Village Fund

Village fund management carried out by village officials originating from the State Budget (APBN) greatly requires the ability of village officials to hold the funds accountable. In this study the level of readiness of village officials in managing village funds was examined. Data collected to answer the purpose of this study is data about the perceptions of the respondents about the ability of village officials in managing village funds. Respondents' Perceptions About the Ability of Village Apparatus in Management Village funds are used 6 indicators.

Table 1 : Respondents' Perceptions About the Ability of Village Apparatus in Management Village Fund (in the number of respondents and percentages)

No	Statement	Strongly agree	Agree	Neutral/doubtful	Disagree	Strongly disagree	Total
1	Village apparatus human resources are able to realize village funds for various programs according to regulations	57 22,0	179 69,1	17 6,6	6 2,3	- 0	259 100,0
2	Village apparatus human resources are able to arrange accountability for the use of village funds according to the time and existing rules	62 23,9	182 70,3	14 5,4	1 0,4	- 0	259 100,0
3	Village apparatus human resources are able to arrange work programs that are right on target in accordance with the objectives of village funds	61 23,6	186 71,8	10 3,9	2 0,8	- 0	259 100,0
4	The HR of the village apparatus is able to compile the APBDEs which serve as a reference for channeling village funds	64 24,7	182 70,3	11 4,2	2 0,8	- 0	259 100,0
5	The HR of the village apparatus is able to compile the village medium term development plan by taking into account the existence of village funds	54 20,9	193 74,5	11 4,2	1 0,4	- 0	259 100,0
6	Village apparatus human resources have a high work spirit to carry out tasks related to the existence of village funds dana desa	63 24,3	186 71,8	9 3,5	1 0,4	- 0	259 100,0

Source: *Primary Data, 2019*

There are 5 classifications of resposns from existing statements, namely strongly agree, agree, neutral or doubtful, disagree and strongly disagree. For respondents who neutral or doubtful that they are not sure of a statement that is submitted, then classified into categories do not agree, so that respondents' answers can be divided into categories strongly agree and agree in one category then the next group is neutral/doubtful, disagree, and strongly disagree, included in one other category.

The data shows that only about 8.9 percent or less than 9 percent stated that the HR of the village apparatus was unable to realize village funds for various programs according to the existing rules. This means that more than 90 percent, that is, about 91 percent of respondents said or perceived village officials were able to even be very capable in realizing village funds for various programs in accordance with existing funds or this condition indicates that village officials were considered capable of realizing village funds for various programs in accordance with existing rules. The data also shows that less than 6 percent or precisely only 5.8 percent stated that the HR of the village apparatus was unable to arrange accountability for the use of village funds according to the time and existing rules. The remaining 94 percent stated that village officials were able to account for the use of village funds that they got. A research result at Cetral Kalimantan shows that the implementation of the use of village funds with the aim of increasing development in the village for the welfare and sustainability of development has not been able to be implemented properly because it is faced with several challenges such as the skills of the village apparatus in planning, budgeting and reporting the use of village funds, because the village apparatus does not have the ability to do it (Sutiyono, dkk, 2018). This condition is also supported by the results of Nurhakim and Yudianto's research in 2018 in Panyirapan Village.

Data from the results of this study also showed that less than 5 percent, precisely 4.7 percent of respondents stated that the HR of the village apparatus was not able to arrange work programs that were targeted according to the objectives of the village fund. This data also shows that about 95 percent of respondents stated that the village apparatus is able to arrange work programs that are right on target in accordance with the purpose of granting village funds. The results of the analysis of about 95 percent of respondents stated that the HR of the village apparatus was able to prepare The Village Income and Expenditure Budget (APBDes) which became the reference for channeling village funds. The remainder is only about 5 percent of respondents who perceive village officials as incapable of preparing APBDes. Around 4.6 percent of respondents stated that village apparatus human resources were not able to prepare village mid-term development plans with regard to the existence of village funds. This also means that around 95.4 percent of respondents stated that the village apparatus human resources were able to compile the village medium term development plan by taking into account the existence of village funds. This data also shows that around 96 percent of village apparatus human resources have high morale in carrying out tasks related to village funds. Based on the results of the analysis, it can be concluded that the village apparatus (village apparatus resource) has the ability and readiness in managing the Village Fund.

2) Intensity of CIE (communication, information, and education) that has been carried out by the government to the village community for the Village Fund Program

Implementation of Communication, Information and Education about village funds to the community is one of the ways that can be taken by the village government in conducting socialization about the existence of existing village funds. This also becomes important to further ensure community involvement in the use of village funds. To assess perceptions about the intensity of IEC (communication, information, and education) that have been carried out by the government to the village community for the Village Fund Program, 5 indicators are used.

Data shows that around 13 percent of respondents stated that communication and information from village officials to community members about the existence of village funds was inadequate, but around 87 percent of respondents stated the opposite. This research supported by the results of research by Tulis et al in 2018. Table 2 also shows that village officials need to intensify or increase the intensity of communication and information about village funds to the community. In giving an idea for the utilization of village funds the condition is worse than the previous data. Data shows that around 16.6 percent or almost 17 percent of respondents stated that the level of community participation in providing ideas for the use of village funds was inadequate.

Table 2: Respondents' Perceptions About Communication, Information, Education (CIE) undertaken by the Village Government towards Village Communities regarding Village Funds (in the number of respondents and percentages)

No	Statement	Strongly agree	Agree	Neutral/doubtful	Disagree	Strongly disagree	Total
1	Communication and information from village officials to the community members about the existence of village funds is adequate	51 19,7	174 67,2	32 12,3	1 0,4	1 0,4	259 100,0
2	The level of community participation in giving ideas to use village funds is adequate	37 14,3	179 69,1	38 14,7	5 1,9	0 0,0	259 100,0
3	Education from village officials to encourage community participation in the success of the village funding program is adequate	36 13,9	197 76,1	25 9,7	1 0,4	0 0,0	259 100,0
4	Education from village officials to encourage community participation in village musrenbang is adequate	38 14,7	200 77,2	20 7,7	1 0,4	0 0,0	259 100,0
5	Village officials always provide adequate information to villagers about village programs	65 25,1	173 66,8	20 7,7	1 0,4	0 0,0	259 100,0

Source: *Primary Data, 2019*

Data from this study also show that around 90 percent of respondents perceive that education from village officials to encourage community participation in the success of the village fund program is adequate and very adequate. About 8 percent of respondents in this study stated that education from village officials to encourage the level of community participation in village musrenbang was inadequate, the remainder was far more than around 92 percent perceiving education from village officials as adequate or very adequate in encouraging community participation to engage in activities village Musrenbang. Data shows that about 92 percent of respondents stated that village officials always provide adequate or very adequate information to villagers about village programs, and only about 8 percent said otherwise. Community participation becomes very important in a development process (Conyers,1990 in ShintaDewi et al, 2018). The first reason, with community participation will be known about the conditions, needs, and attitudes of the community towards the development. The second reason, with the participation of the community, they will trust the development program more because they feel involved from the beginning to the end so there is a feeling of belonging to the activity. The third reason, the community has the right to be involved in various development activities. A research result also showed that the allocation of village funds in DesaBangunJiwo was effective in developing village economic potential based on community participation (EkoAtmojo et al, 2017).

Other research results in the PasirPutih Village, Yapen Regency, Papua Province, showed that public participation was still ineffective in supporting development in the PasirPutih village. The poor performance of the PasirPutih village employees as seen in planning, implementation, and accountability reporting that was not on schedule. Social welfare in the village of PasirPutih through the management of village funds has not been fulfilled, because of the lack of cooperation between the village government and the community in development (Simangunsong dan Wicaksono, 2017).

3) The influence of village funds on the condition of village infrastructure and the welfare of low-income community groups

To examine the role of village funds and village infrastructure on the welfare of the community, including those on low incomes, an analysis using the following verification model is carried out.

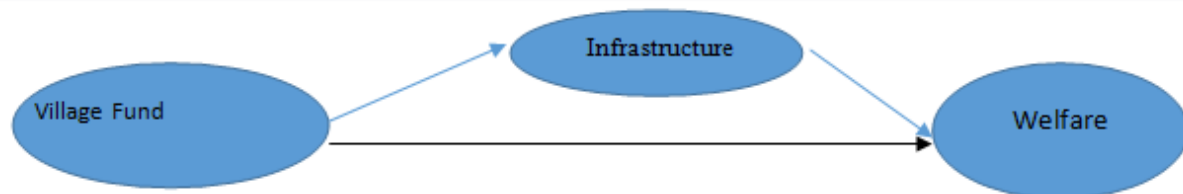


Figure 1: Effect of Village Funds and Infrastructure on Welfare

In Figure 1, it can be seen that the welfare of the community is determined by the village fund and the condition of the infrastructure in the village. By using path analysis can be studied this effect.

The first structural equation: $Y_1 = 0,442 X$
Probability = 0,000

The second structural equation: $Y_2 = 0,145 X + 0,606 Y_1$
With probability of 0.005 and 0,000, respectively

Remarks X = Village Fund, Y_1 = Infrastructure, and Y_2 = Welfare

Based on the first structural equation the statistical results mean that village funds have a significant positive effect on the condition of village infrastructure in Klungkung Regency. Based on the results of in-depth interviews with the village apparatus, up to now village funds have indeed been used for infrastructure because funds are more quickly absorbed and there is still a need for village infrastructure improvement. Thus the absorbed village funds significantly improve the condition of village infrastructure, both in the form of village roads, school facilities, health facilities, and irrigation facilities. Utilization of village funds for this infrastructure will quickly absorb the budget provided, compared to other activities such as for empowerment activities. A study in Medan concluded that the allocation of village funds perceived by the village community could improve the condition of village infrastructure or improve the physical infrastructure in the village (Novita Sari, 2015).

Initially, improving village infrastructure conditions is expected to increase access to other economic activities, such as the smooth process of producing goods and services, as well as the smooth access to other activities. Thus infrastructure improvements are expected to ultimately be able to improve the welfare of village communities in accordance with the expectations or goals of the village funding program. If it is understood more closely it seems that the need for facilities and infrastructure in the village as outlined in the form of infrastructure can be said to be the basis for accelerating and launching other efforts to improve the welfare of

rural communities. Infrastructure meant is not only village roads, but also other infrastructure such as in agriculture which can be in the form of irrigation improvements, school facilities, and facilities in the health sector. With the development of rural infrastructure such as roads, it will increase the access of the poor to basic rural infrastructure, so as to increase community empowerment (Cakrawijaya, 2014). Government expenditure in the form of expenditure on infrastructure is an important engine in the economic growth of these countries (Cakerri et al, 2014).

The results also show that physical infrastructure has a stronger influence compared to social infrastructure in increasing the average level of consumption of society, so also there is a positive relationship between physical infrastructure and people's welfare (Majumder, 2012). Likewise the results of research conducted in China also support the importance of infrastructure in the country's regional economic growth. Geographic location and infrastructure are recorded to significantly cause differences in growth performance between provinces in China, and transportation facilities are key factors distinguishing growth gaps between provinces (D'émurger, 2001). Other research conducted in Indonesia also shows the role of infrastructure in economic growth. In the study it was concluded that the availability of basic infrastructure such as electricity, roads, and sea transportation are the conditions needed to increase economic growth (Maryaningsih, 2014). Village funds are also used by the Thailand state to reduce poverty. The village funds in the research were seen to be used by those who were almost poor, and not really for the poor, so it could be said that it was not a poor program. The village funds are borrowed by near-poor communities whose income is slightly above the poverty line such as by landless farmers (Fongthong, 2014).

Based on the second structural equation obtained in the analysis that has been done it can be concluded that the two variables namely the Village Fund and Infrastructure have a positive effect on the welfare of the community in Klungkung Regency especially in the Klungkung mainland Region. The first structural equation has been explained previously where the village fund, especially in the Klungkung mainland region, is very instrumental in improving the condition of infrastructure in the village both road infrastructure, in agriculture, education, and in the health sector. In addition, given that in general Village Original Revenues (PADes) are much smaller than the Village Fund, the improvement of village infrastructure in each village in the Klungkung mainland region becomes very important the role of the Village Fund obtained.

Improvement of community welfare directly caused by village funds can be explained through utilization of village funds besides for village infrastructure. Village funds used to empower village communities can directly improve the welfare of village communities. Community empowerment can be done with business training, assistance for businesses and so on that can directly improve community welfare. By looking at the explanation and results of the second structural equation, it can be concluded that village funds can directly influence the welfare of the community, and can also indirectly affect welfare through village infrastructure development, where village infrastructure can involve road infrastructure, irrigation, and infrastructure in education and health. Research on village funds in Thailand shows that revolving fund programs for villages specifically aimed at the poor can improve welfare, reduce poverty and increase the independence of farmers (Boonperm, et al, 2017).

The statistical results of the second structural equation, seen the regression coefficient of the infrastructure variable is greater than the village fund variable (0.606 versus 0.145) and the probability of the infrastructure variable is smaller than the village fund variable (0,000 versus 0.005). Both statistical values from the regression results show that the condition of infrastructure provides a stronger direct effect on the welfare of village communities compared to the variable village funds. This means that the condition of village infrastructure will directly improve community welfare more quickly compared to village funds. If seen utilization of village fund till now in general, in all villages in the province of Bali more widely used for development or infrastructure development compared to community empowerment. This happens because of the village still needs infrastructure development, also the absorption of the village budget will be faster and more on infrastructure development compared to the absorption of the budget for empowerment.

4) The role of village infrastructure conditions in mediating the effect of village funds on the welfare of lowincome community groups

According to the budget absorbed between infrastructure development which is referred to as the field of development implementation with the absorption of the budget in the field of community empowerment, it can be understood statistically that the value obtained both on the standard regression coefficient and its probability shows that the infrastructure has a stronger direct effect on the welfare of the community compared to the influence village funds directly. Based on the statistical results of the influence of village funds on welfare both directly and indirectly through infrastructure variables, it can be said that village infrastructure plays a mediating variable in this study.

Based on the significance of the influence of village funds on village infrastructure and the influence of village funds and infrastructure on welfare, it can be concluded that the village infrastructure variable partially mediates the influence of village funds on community welfare (SuyanaUtama, 2016). The infrastructure

variable will be a full mediation variable (full mediation) if the village fund is directly insignificant in its influence, but indirectly through infrastructure it has a significant effect on the welfare of the community. However, from the results of the analysis in this study, both directly and indirectly through infrastructure variables, the variable village funds significantly influence the welfare of the community in Klungkung Regency. Thus in this study infrastructure plays a role as a partially mediating variable of the influence of village funds on welfare. The results of this analysis also show that the Village Fund plays a very important role in improving the welfare of the community in the village both its direct influence and its influence indirectly through the village infrastructure variable. This is understandable considering that in general villages in Bali, including in Klungkung Regency Original Village Income are much smaller than the Village Fund received by the village. With this reality, if the village is able to manage village funds well, then it is likely that the welfare of the village community can be increased more quickly, so that the imbalance of development results between urban and rural areas can be reduced.

To measure the statistical significance of the role of infrastructure in mediating the influence of village funds on the welfare of village communities, a Sobel Test or Sobel Test was used. The Sobel test is used to test the indirect effect of exogenous variables (X) on endogenous variables (Y) through intervening variables (M). To calculate the significance value using 2 formulas, namely the standard indirect error with the following formula (SuyanaUtama, 2016).

$$S_{ab} = \sqrt{a^2 S_b^2 + b^2 S_a^2}$$

$$Z = ab/S_{ab}$$

To calculate the standard error value used unstandardized regression coefficients for both structural equations that used. For the first structural equation the value of the regression coefficient or $a = 0.216$ with a standard error a ($Sd_a = 0.027$). For the second equation the regression coefficient value or $b = 0.967$ with a standard error b ($Sd_b = 0.081$). Using this equation, S_{ab} can be calculated as follows.

$$S_{ab} = \sqrt{a^2 S_b^2 + b^2 S_a^2}$$

$$S_{ab} = \sqrt{0,216^2 \times 0,081^2 + 0,967^2 \times 0,027^2}$$

$$S_{ab} = 0,031429125$$

After calculating the standard error, the indirect effect is then calculated.

$$Z = ab/S_{ab}$$

$$Z = (0,216 \times 0,967) : 0,031429215$$

$$Z = 0,208872 : 0,031429215$$

$$Z = 6,646$$

By comparing the Z value obtained with the Z value of the table used, it can be concluded about the significance of the indirect effect. The Z value obtained from the calculation results is 6.646 and the Z value of the table with alpha 0.05 is 1.96. By comparing the Z value which is Z count greater than Z table, it can be concluded that the infrastructure variable in this study is a significant variable mediating the influence of village funds on the welfare of low-income people.

Based on the results of indirect testing, it can be concluded that the infrastructure variable is a mediating variable in this study. These results give the sense that infrastructure will add strength to the influence of village funds on the welfare of low-income people in Klungkung Regency. Village funds can be used directly to improve the welfare of low-income people in research villages, for example through various empowerment programs that directly touch communities affected by empowerment or indirectly through the construction of village infrastructure first. Thus this infrastructure variable will increase the amount of influence of village funds on community welfare.

V. CONCLUSION AND SUGGESTIONS

Based on the results of the analysis that has been done before, then some conclusions can be drawn as follows.

- 1) The ability of village officials in managing village funds is very adequate, which is indicated by the perception of respondents where more than 95 percent stated that village officials were capable and very capable in managing village funds.
- 2) Communication, information, and education carried out by the government in this case by the village government is adequate, which is perceived by an average of around 89 percent which states that IEC is intensive and very intensive carried out by the village government.
- 3) Village funds have a significant positive effect on the condition of village infrastructure and village funds and village infrastructure each have a significant positive effect on the welfare of low-income people.
- 4) Village infrastructure partially mediates the influence of village funds on the welfare of low-income people.

Some suggestions that can be generated from this research are as follows.

- 1) Village officials still need to be given training or technical guidance on the accountability of village funds considering that up to now village officials are still being guided or assisted by Village Facilitators, so that the independence of village officials in accountability of funds needs to be increased.
- 2) Although the majority of respondents stated that the Communication, Information and Education (CIE) that had been carried out by village officials / village government to villagers about village funds was considered to be adequate, there were also those who viewed it as inadequate. Thus CIE intensity must still be done to be able to increase its coverage to 100 percent, so that all villagers can know and are also expected to participate.
- 3) Given the results of the discussion of village infrastructure as a significant mediating variable, development in the village to improve the welfare of the community, especially those with low incomes must start from the development of village infrastructure, both physical infrastructure such as roads, irrigation and other infrastructure in accordance with village needs, as well as non-physical infrastructure such as facilities in education or health to improve economic conditions, health, and education in all villages.
- 4) Since village funds are assistance to villages that may not be continuously provided by the central government, to change the classification or typology of villages from developing villages to developed villages, and from developed villages to independent villages, the use of village funds for infrastructure development villages must be chosen according to the needs of the village community, so that the participation of the village community is needed to determine what will be chosen for village development.

REFERENCES

- [1] AfifahDianFitriani, Dede Sri Kartini, NenengYaniYuningsih. 2017. Village Independence InVillage Funds (A Case of Village Fund Management in Traditional and Modern Villages). *Advances in Social Sciences Research Journal*.Vol.4,No.2; hal. 134-145.
- [2] Boonperm, Jirawan, Jonathan Haughton dan Shahidur R. Khander. 2017. "Does the the Village Fund Matter in Thailand?". *Journal ofNational Statistic Office of Thailand*.
- [3] Çakerri, Lorena; MigenaPetanaj ; OltianaMuharremi. 2014. The effect of government expenditures on economic growth. The case of Albania. *European.Journal of Social Sciences Education and Research*. Vol.2, No.1, p.242-254
- [4] Cakrawijaya, M A, BambangRiyanto, Nuroji. 2014. Evaluasi Program Pembangunan InfrastrukturPerdesaan di DesaWonokerto, KecamatanTuri, KabupatenSleman. *JurnalPerencanaan Wilayah dan Kota*, vol. 25, no. 2, hal. 137-156
- [5] D'emurger, Sylvie. 2001. Infrastructure Development and Economic Growth: An Explanation for Regional Disparities in China?.*Journal of Comparative Economics* 29, p.95-117
- [6] EkoAtmojo M, H. D. Fridayani, A. NurKasiwi, M.AdhiPratama. 2017. Efektivitas dana desauntukpengembanganpotensiekonomiberbasispartisipasimasyarakat di DesaBangunjiwo. *ARISTA*. Vol 5, Nomor 1. Hal. 126-140
- [7] Fongthong, Siwaporn andKomsanSuriya. 2014. Determinants of borrowers of the Village and urban Community Fund in Thailand. *ASR: CMUJ of Social Sciences and Humanities*. Vol.1 No.1. pages: 21-37.
- [8] Isnowati, Sri. 2007. PengujianHipotesisKuznets Di Wilayah Pembangunan I Jawa Tengah. *JurnalBisnis dan Ekonomi* Vol. 14 No. 1, hal 1-14.
- [9] Jhingan, ML. 2008. *Ekonomi Pembangunan dan Perencanaan*. Jakarta: PT RajaGrafindoPersada
- [10] Majumder, Rajarshi. 2012. Removing poverty and inequality in India: the role of infrastructure. MPRA Paper No. 40941. India: Department of Economics, University of Burdwan.
- [11] Mankiw, N.Gregory. 2002. Principles of Economics, PengantarEkonomiMikro. Jakarta: PenerbitSalembaEmpat
- [12] Maryaningsih, Novi; Oki Hermansyah; MyrnawatiSavitri. 2014. PengaruhInfrastrukturterhadapPertumbuhanekonomi Indonesia. *BuletinEkonomiMoneter dan Perbankan*, Volume 17, Nomor 1, hal: 62-97
- [13] Nehen, I Ketut. 2012. *Perekonomian Indonesia*. Denpasar: Udayana University Press
- [14] Novita Sari, Yunia. 2015. EfektivitasKebijakan Dana DesaDalam Pembangunan EkonomiDan InfrastrukturPedesaan. *LaporanPenelitian*. Medan: Universitas Sumatera Utara
- [15] NurhakimIrman, Ivan Yudianto. 2018. Implementation of Village Fund Management in Panyirapan Village, Sukanagara Village and Soreang Village, Soreang Sub-District, Bandung Regency. *Journal of Accounting Auditing and Business*. Volume 2, Issue 2, p.34-46.
- [16] Rusmin,Rusmin; Emita W. Astami; Glennda Scully. 2014. Local Government Units in Indonesia: Demographic Attributes and Differences in Financial Condition. *Australasian Accounting, Business and Finance Journal*, 8(2), pp. 88-109.

- [18] Rusydi, H. Muhammad. 2012. Pengaruh Alokasi Dana Desa (Add) Terhadap Kesejahteraan Masyarakat Desa Di Kabupaten Takalar. *Jurnal Ekonomi Balance*. Volume 8 No. 2, hal 152-176
- [19] Sekaran, Uma; Roger Bougie. 2010. *Research Method For Business*. United Kingdom: A John Wiley and Sons
- [20] Simangunsong, Fernandes dan Satrio Wicaksono. 2017. "Evaluation of Village Fund Management in Yapen Islands Regency Papua Province (Case Study at Pasir Putih Village, South Yapen District)". *Open Journal of Social Science Scientific Research Publishing* (5:250-268).
- [21] Shinta Dewi, D A; Habib Muhsyin Syafingi & Alan Bayu Aji. 2018. Paradigma Aparatur Desa dalam Penggunaan Dana Desa untuk Pemberdayaan Masyarakat. *Pandecta*. Volume 13. Nomor 2. hal 139-149.
- [22] Skousen, Mark. 2006. *Teori-teori Ekonomi Modern*. Jakarta: Prenada
- [23] Sutiyono, Guntur, Saeful Muluk, Tiza Mafira dan Randy Rakhmadi. 2018. "Indonesia's Village Fund : An Important Lever for Better Land Use and Economic Growth at the Local Level". *Journal of Climate Policy Initiative*. www.climatepolicyinitiative.org
- [24] Suyana Utama. 2016. *Aplikasi Analisis Kuantitatif Untuk Ekonomi dan Bisnis*. Denpasar: CV Sastra Utama
- [25] Syafi'i, Rina Indrawati, Abdul Wahid Mahsuni, Afifudin. 2018. Pengaruh Akuntabilitas Pengelolaan Keuangan Alokasi Dana Desa, Kebijakan Desa, Dan Kelembagaan Desa terhadap Pemberdayaan Masyarakat (Studi Kasus di Desa Pundungsari Kecamatan Tempursari Kabupaten Lumajang). *E-JRA Vol. 07 No. 02*, hal 81-90.
- [26] Tangkumahat, Feiby Vencentia; Vicky V. J. Panelewen; Arie D. P. Mirah. 2017. Dampak Program Dana Desa Terhadap Peningkatan Pembangunan Dan Ekonomi Di Kecamatan Pineleng Kabupaten Minahasa. *Agri-Sosio Ekonomi Unsrat*, Volume 13 Nomor 2A, hal: 335 - 342.
- [27] Todaro, M. and Stephen C Smith. 2006. *Pembangunan Ekonomi*, Edisi Kesembilan, Jilid 1. Jakarta: Penerbit Erlangga
- [28] Tulis, Y G, Intiyas Utami, Aprina Nugrahesthy Sulistyahapsari. 2018. Village Fund Management Transparency: A Lesson Learned. *Journal of Accounting and Strategic Finance*, Volume 1. Nomor 02, p.100-110.
- [29] Turere, Roy Stevensen Iver, Debby Ch. Rotinsulu, Een N. Walewangko. 2018. Efektivitas Dana Desa (Dd) Terhadap Peningkatan Kesejahteraan Masyarakat Di Kecamatan Pineleng Kabupaten Minahasa. *Jurnal Pembangunan Ekonomi dan Keuangan Daerah*. Vol. 9. No. 6, hal 1-18.....