



The Influence of Utilizing Village Funds on Development, Empowerment and Its Implications for Community Welfare

Ansar Sahabi¹, Roni Mohamad², Syawaluddin³, Luqmanul Hakiem Ajuna^{4*}

^{1,2,3,4} Institut Agama Islam Negeri Sultan Amai Gorontalo, Indonesia

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ABSTRACT

This study aims to determine the effect of village fund utilization on increased development, empowerment and its implications for welfare (Studies on Village Communities in Posigadan District and South Bolaang Mongondow Regency). The population in this study is the people of Posigadan District, while the sample is 150 respondents. Data collection techniques employed observation, questionnaires, and documentation. The data analysis method in this study used Structural Equation Modeling (SEM) technique with using SPSS AMOS Version 23.0 application. The results of the study show that (1) utilization of village funds has a positive and significant effect on the development, (2) utilization of village funds has a positive and significant effect on the empowerment, (3) utilization of village funds has a positive and significant effect on the welfare, (4) village development has a positive and significant effect to welfare, (5) community empowerment has a positive and significant effect on welfare as well. As for the indirect effect, it indicates that the utilization of village funds has a positive and significant effect on welfare through development, and community empowerment as an intervening variable in Posigadan District.

Keywords: Village Fund, Development, Empowerment, Welfare

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Author correspondence:

E-mail: luq.h.ajuna@iaingorontalo.ac.id

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INTRODUCTION

Village development plays an important role as it is an integral part and in essence synergizes with regional and national development (Ali Sahbana, 2018). This can be seen through many development programs designed by government for village development. Almost all agencies, especially local governments, accommodate village development in their work programs (H. Herman, 2019). It is based on the understanding that the village is the foremost geographic unit where the majority of the population lives (Sapri, Muhammad Iqbal & Sulfikar, 2020). In the government structure, the village occupies the lowest position, but it is at the forefront and directly in the midst of society (Dewi Sartika, 2022). Therefore, it can be ascertained that any form of development program from the government will always lead to the village (Hermen Malik, 2019).

Posigadan District is one of the sub-districts in South Bolaang Mongondow Regency with an area of 18,145.6 KM² and a population of 18,145.6 people, with a fairly large village fund. Posigadan District consists of 16 villages namely Iloheluma Village, Inosota Village, Lion Village, Luwoo Village, Manggadaa Village, Meyabanga Village, East Meyabanga Village, Molo-sipat Village, Momalia I Village, Momalia II Village, Momalia III Village, Pilolahunga Village, Siabuah Village, Sakti Village, Sinombayuga Village, and Tonala Village.

Prior to the flow of village funds which had been programmed by the government as a whole, the village government program had not been able to run properly due to limited funds, thus the programs implemented by the village government had not been able to provide maximum results for village development and to the community in terms of effective empowerment which affecting the improvement of social welfare.

Empowerment of the village community in Posigadan District is still far from

the expectations of the community where the village fund has not been able to be accommodated to the community as a whole. In addition, infrastructure condition as one of supporting factors for community activities in various fields is not well managed. This can be seen from the condition of several connecting roads between villages in several areas which are still damaged, as well as bridges, and there is still a lack of developments aimed at increasing community empowerment. It is hoped that with this village fund the community will feel positive impact built from government and community cooperation in increasing the development of village facilities and infrastructure such as the construction of roads, bridges, culverts, repair of village facilities and empowerment activities which aimed at improving the economy of rural communities (Zuana, MMM, & Rahmawati, D. 2020).

Of the large number of villagers in Posigadan District, the Village Government is demanded to be optimal in managing and utilizing the village fund for all programs implemented can be enjoyed by the entire population in general. Priority use of village funds in Posigadan District is utilized to finance the implementation of programs and activities in the field of village development and village community empowerment. According to (Rozandi, M., & Digdowiseiso, K. 2021) prioritizing the use of Village Funds will provide benefits to village communities in the form of improving quality of life, increasing welfare, reducing poverty, and improving public services, as well as maintaining farming roads.

However, in reality the Village Fund is still considered good enough to carry out development and community empowerment based on its own government. This opportunity allowed the development of village facilities and infrastructure to be deemed not yet in accordance with the needs of each village in Posigadan District. Whereas one of the objectives of village

fund is to used by the community to carry out empowerment activities in encouraging productivity. The existence of such activities can encourage exploration of community potential that can improve the welfare of the community in Posigadan District.

village exhibitions, increase in food crop production, capacity of village officials improvement, and facilities and infrastructure for Micro, Small and Medium Enterprises, based on factual field observation, are still fully implemented.

Table 1.
Realization of the Village Revenue and Expenditure Budget, APBDes 2021 - Tonala Village

Village Income	Rp	1,444,085,940	%
Village Funds	Rp	949,341,000	65.74
Financing Sector:			
1. Implementation of Village Development	Rp	396,214,480	27.44
2. Community Empowerment	Rp	282,705,800	19.58

Source: processed data, 2022

Table 2.
Realization of the Village Revenue and Expenditure Budget, APBDes 2021 - Tonala Village

Village income:	Rp	1,505,149,176	%
Village funds	Rp	1,013,200,000	67.32
Financing Sector:			
1. Village Development Implementation Sector	Rp	293,319,050	28.95
2. Community Empowerment Sector	Rp	358,946,950	35.43

Source: processed data, 2022

Table 3.
Realization of the Village Revenue and Expenditure Budget, APBDes 2021 - Molosipat Village

Village income:	Rp	1,132,861,998	%
Village Funds	Rp	684,892,000	60.46
Sector of Financing:			
1. Sector of Implementation of Village Development	Rp	510,189,300	45.04
2. Sector of Community Empowerment	Rp	10,045,416	0.89

Source: processed data, 2022

Not only village development but there is also community empowerment which is funded by the village fund for certain sectors with absorbed budget priorities such as in trade and industry sub-sector, marine and fisheries sub-sector, agriculture and animal husbandry sub-sector, training BUMDesa management, facilities, productive economic business training,

Table 1 shows Momalia I Village, the amount of Village Funds obtained was 65.74% with a total of Rp. 949,341,000,-. The greater use of Village Funds was absorbed in the field of village development by 27.44% with a total of Rp. 396,214,480,-, while the field of community empowerment was 19.58% with a total of Rp. 282,705,800.

Table 2 shows Tonala Village, the amount of Village Funds obtained was 67.32% with a total of Rp. 1,013,200,000,-. The greater use of Village Funds was absorbed in the development sector by 28.95% with a total of Rp. 293,319,050,-, while in the field of community empowerment it was 35.43% with a total of Rp. 358,946,950,-.

Table 3 shows Molosipat Village, the amount of Village Funds obtained was 60.46% with a total of Rp. 684,892,000,-. The greater use of Village Funds was absorbed in the field of village development by 45.04% with a total of Rp. 510,189,300,-, while in the field of community empowerment it was 0.89% with a total of Rp. 10,045,416,-.

The use of Village Funds for village development, community empowerment in Posigadan District is still quite good on average because there is still use of Village Funds that is still not optimal, one example is the case of using Village Funds namely in Molosipat Village for the empowerment sector which is still relatively low, as is the case with Tonala village where village development is small when compared to community empowerment. Cases like this should be the concern of the government in terms of meeting the needs of society with the aim of increasing people's welfare. Therefore, from the several indicators listed, there is still utilization of Village Funds with less criteria which if observed leads to village development, community empowerment that aiming at improving community welfare. Therefore, if these funds are utilized and managed properly, honestly and with a sense of responsibility in accordance with the budget plan, then the results of development, empowerment and improvement of community welfare will be better as expected. Thus, that development, community empowerment and improvement of people's welfare in the Posigadan District which in fact are considered less optimal, yet based on the

objectives of the Village Fund which are considered quite good, need to be studied scientifically and in depth.

The above problems are supported by research conducted by Dwi Sudaryati and Sucahyo Heriningsih (2019) in the International Journal of Progressive Sciences and Technologies (IJPSAT), that the implementation of Village Funds in Bantul Regency was used for physical development more widely used for community empowerment. Development in Bantul Regency, both physical and non-physical development, was in accordance with the needs of the community.

Another research conducted by Solichin (2018) showed that the public's perception of the use of Village Funds is relatively good in infrastructure development, but there were still several obstacles such as a lack of information about the Village Fund budget along with details of expenditures which cannot be minimized as much as possible, because management of village government was not yet optimal.

As for Krsitina's research (2017), the results showed that community empowerment in Miau Baru village was not running smoothly. As in the planning process which did not involve the Miau Baru Village community and did not go through a deliberation forum (village musrenbang), the budget/activity implementation process was not realized in accordance with the predetermined plan.

Thus, based on the problems and previous research above, there is interest in researchers, because the Village Fund program is a well-run program that has a very large influence on village development, community empowerment which has an impact on improving the welfare of the community in every village, especially villages in Posigadan Districts, South Bo-laang Mongondow. This program is also fully handled independently by the village government and also the community, with the hope that the Village Funds distributed

can improve people's welfare.

Based on the background description above, the researchers are interested in conducting in-depth research by taking the title of the thesis "The Influence of Utilization of Village Funds on Increasing Development, Empowerment and Its Implications for Welfare (Studies on Village Communities in Posigadan District, South Bolaang Mongondow Regency)".

METHODOLOGY

The main objective of this study was to examine the effect of using village funds on increasing development, empowerment and their implications for welfare (Studies in Village Communities in Posigadan District and South Bolaang Mongondow Regency).

Type and Sources of Data

This is a quantitative type of research. Quantitative research is a process of finding knowledge that uses data in the form of numbers as a tool for analyzing information about what you want to know (Mila Sari, et al, 2022). This research was conducted in Posigadan District, Bolaang Mongondow Selatan Regency with a duration of approximately 10 months, starting from August 2021 to May 2022.

Population and Sample

The population in this study were the Village Community of Posigadan District, in which three villages were used as the locus for conducting research because the pattern of village funds utilization tended to be similar, so researchers took these locations based on villages with large, medium and small populations in the center of Posigadan District. Total population of 3 (three) villages in Posigadan District, namely, Molosipat Village totaling 378 inhabitants, Tonala Village numbering 1,262 inhabitants, Momalia I Village totaling 1,420 inhabitants, so that the total population in this study amounted to 3,060 inhabitants.

The sample taken was 150 respon-

dents with a population of 3060. Determination of samples from the population used error rate of 5%, and has a 95% confidence level for the population. Sampling technique in this study was using Multi-Stage Sampling (Promotional Sampling and Purposive Sampling). Multi-Stage Sampling is the use of various random sampling methods together as efficiently and effectively as possible. Proportional sampling is sampling that takes into account the elements or categories in the study population. Purposive sampling is sampling with certain considerations or criteria.

Data Collection Techniques

In obtaining the necessary data with certain methods or techniques is often referred to as data collection techniques. As for methods or techniques, data collection techniques can be carried out by observation, interviews, questionnaires, and a combination of the three.

Method of Analysis

The method of analysis used was validity and reliability test, normality test, partial test (t). Whereas hypothesis testing used the Analysis of Moment Structure (AMOS), assessing criteria of Good-of Fit. The data analysis technique used SEM with the help of the SPSS AMOS Version 23.0 application with stages of model specification, identification, estimation, evaluation, and modification.

RESULTS AND DISCUSSION

Results

This discussion is directed to provide an overview of research results, especially regarding the influence of village funds utilization on increasing development, empowerment, and its implications on welfare (study on village communities in Posigadan District, Bolaang Mongondow Selatan Regency).

Validity Test

Validity test aims to find out whether or not questionnaire is feasible enough

to be used so as to produce accurate data in accordance with the purpose. With a significant level of 5% and number of respondents as many as 150 people, then critical number of the r-table (r product moment) obtained is 0.1603. Questionnaire items can be said to be valid if $r_{count} >$ from r-table. The following is the result of an analysis using SPSS 21. From all the question items in each variable, it shows the value of $r_{count} >$ from r-table. Thus it can be said that all the instruments used in this study were all valid.

Reliability Test

The reliability of an instrument can be seen through Crombach Alpha. An instrument is said to be reliable if it gives a Crombach Alpha greater than 0.60 (Ghozali, 2011). Crombach's Alpha value of all variables is greater than 0.6. Thus, it can be said that all of the instruments used in this study were all reliable.

Normality Test

According to Ghozali (2011) in output of Amos, the normality test was carried out using the CR (critical ratio) skewness

of ± 2.58 in the assessment of normality with a significant level of 0.01. The data is said to be normally distributed if the critical skewness ratio is ± 2.58 . If there is a score greater than 2.58 or less than -2.58 (normality of the distribution at alpha 1 percent) it indicates that the data distribution is not normal. Conversely, if the c.r is below 2.58 or greater than -2.58, then the data is normally distributed.

The criteria above are used to draw the conclusion that of the 12 indicators, there are 4 indicators that are not normally distributed, where there are 2 indicators whose cr is less than -2.58 and 2 indicators whose cr is greater than 2.58. Based on the assumption of normality, then using SEM analysis is not too critical if the observation data reaches 100 or more because based on the Central Limit Theorem of a large sample, sample statistics that approach a normal distribution can be produced (Solimun, 2002). Because this study used a total of 150 observational data, thus the data can be assumed to be normal.

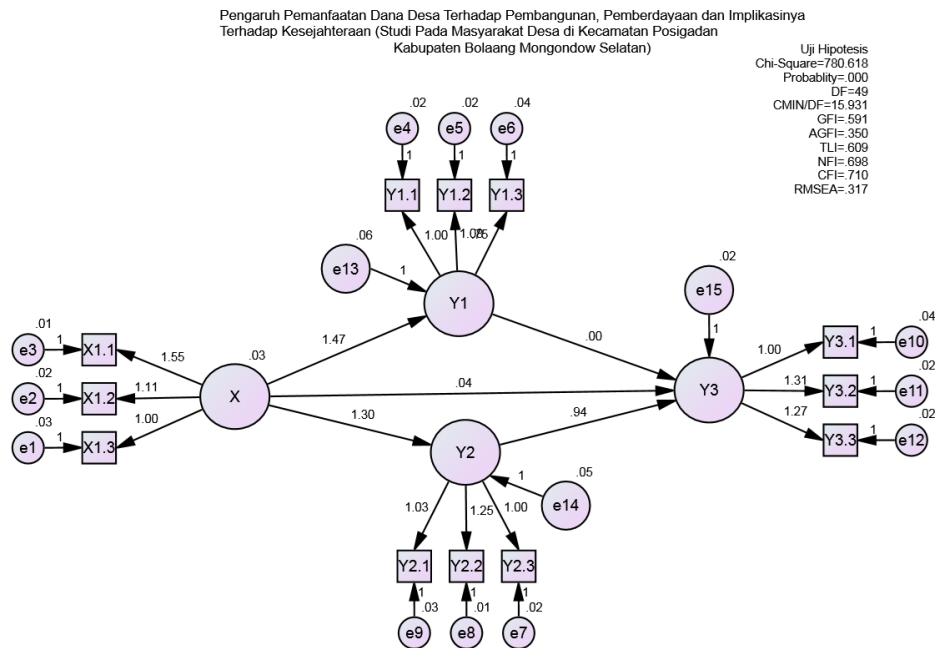


Figure 1.
Initial Model Test Results

Table 4.
Evaluation of Goodness of Fit Indices Criteria Overall Model (Initial)

Goodness of Fit Index	Cut-off Value	Result Model*	Information
χ^2 - Chi-Square	Expected Small	780,618 \leq (0.05:49=0.2759)	Good
Probability	≥ 0.05	0.000	Not Good
CMIN/DF	≤ 2.00	15.931	Not Good
RMSEA	≤ 0.08	0.317	Not Good
GFI	≥ 0.90	0.591	Not Good
AGFI	≥ 0.90	0.350	Not Good
TLI	≥ 0.92	0.609	Not Good
NFI	≥ 0.92	0.698	Not good

Source: Arbuckle in Ferdinand (2002)

SEM Analysis Results of Model Testing

Based on method of determining values in the model, the variables tested in this first model are grouped into exogenous variables and endogenous variables. Exogenous variables are variables whose values are determined outside the model. While endogenous variables are variables

whose values are determined through equations or from the relationship model formed. Included in the exogenous variable group is utilization of village funds while those classified as endogenous variables are development, empowerment, and welfare. The model is considered good when the theoretical development of the

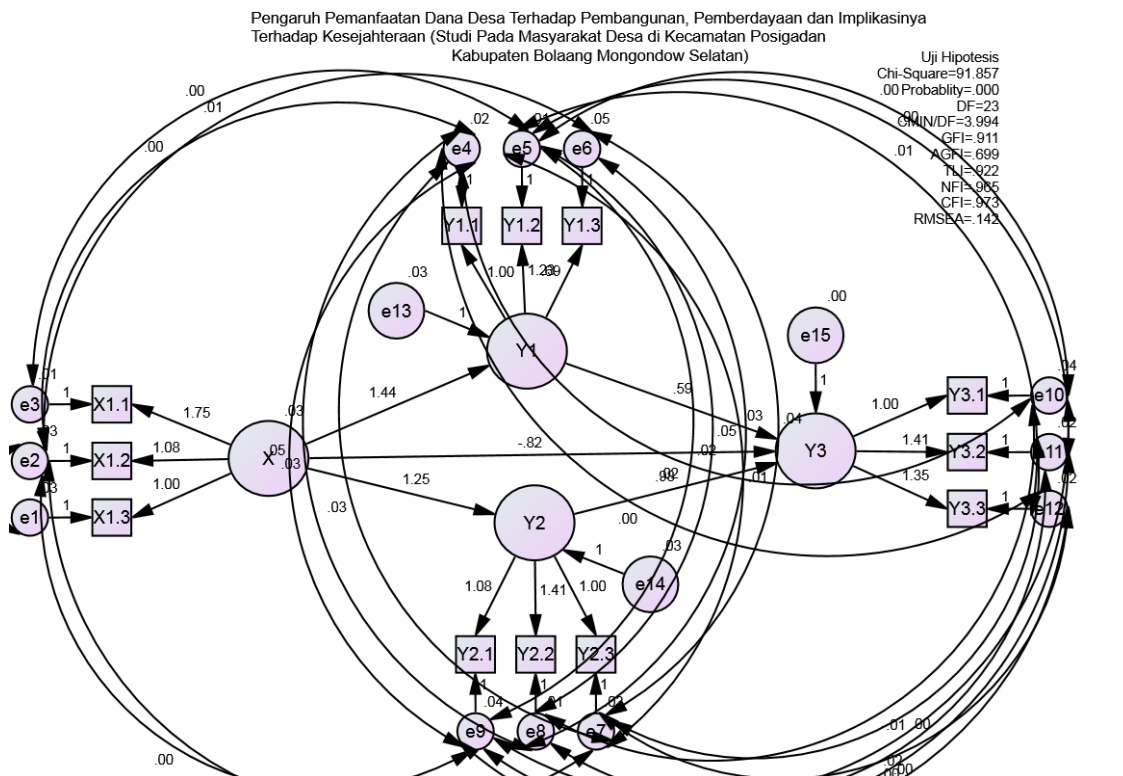


Figure 2.
Final Model Test Results the Final

Table 5.
Evaluation of the Goodness of Fit Indices Overall Criteria Final Model

Goodness of Fit Index	Cut-off Value	Model Results*	Information
χ^2 – Chi-Square	Expected Small	91.857< (0.05:23=0.3961)	Good
Probability	≥ 0.05	0.000	Less Good
CMIN/DF	≤ 2.00	3.994	Poor
RMSEA	≤ 0.08	0.142	Poor
GFI	≥ 0.90	0.911	Good
AGFI	≥ 0.90	0.699	Poor
TLI	≥ 0.92	0.922	Good
NFI	≥ 0.92	0.965	Good

Source: Arbuckle in Ferdinand (2002)

hypothetical model is supported by empirical data. The result of SEM analysis can be seen in Figure 1.

Model test results are presented in Figure 1 above, evaluated based on goodness of fit indices in table 4 along with presented model criteria and their critical values that have data compatibility.

From the evaluation of the model, it shows that of the eight criteria of goodness of fit indices, it can be seen that only one meets the criteria, but looking at the number of samples and indicators in this research which is small, it is necessary to prove whether there is suitability between the model and the data by fulfilling the value of the goodness of fit indices so that the model is modified by performing a correlation between error indicators according to instructions from modification indices with modification requirements are carried out without changing the meaning of relationship between variables. The results of the analysis after the final model are obtained are as follows table 4.

Model test results presented in Figure 2 above are evaluated based on goodness of fit indices in table 5 below with the model criteria and their critical values that have data suitability.

Evaluation of the model (Figure 3) shows that of eight criteria of goodness of fit indices there are 4 that has meet the criteria. Based on the principle of parsimony theory, the model is said to be good, so it can be concluded that the model as a whole can be said to be in accordance with the data and can be analyzed further.

Hypothesis Testing

Based on the empirical model proposed in this study, it is possible to test the proposed hypothesis through path coefficient testing in the structural equation model. Table 6 is a hypothesis test by looking at the p value, if the p value is less than 0.05 or 5% then the relationship between the variables is significant. The test results are presented in the following table 6.

The overall five-path hypothesized model are significant. The interpretation of table 6 can be explained as follows:

First, utilization of Village Funds has a significant effect on development with $p = 0.000 < 0.05$ with a coefficient value of 0.209, this coefficient indicates that the factor of Utilization of Village Funds provides a beneficial contribution to the field of village development.

Second, utilization of Village Funds has a significant effect on empowerment with $p = 0.000 < 0.05$ with a coefficient value

Table 6.
Research Hypothesis

HIP	Variable Independent	Variable Dependent	Direct Effect			
			Standar dized	CR	p-value	Description
H1	Utilization Village	Development	0.209	6.855	0.000	Significant
H2	Utilization Village Funds	Empowerment	0.204	6.114	0.000	Significant
H3	Utilization Village Funds	Welfare	0.253	-3.240	0.001	Significant
H4	Development	Welfare	0.108	5.469	0.000	Significant
H5	Empowerment	Welfare	0.095	10.358	0.000	Significant

Source: primary data (processed), 2022

of 0.204, this coefficient indicates that the Utilization of Village Funds factor benefits its contribution to the field of community empowerment.

Third, utilization of Village Funds has a significant effect on welfare with $p = 0.001 < 0.05$ with a coefficient value of 0.253, this coefficient indicates that the factor of Utilization of Village Funds provides a benefit contribution to the level of community welfare.

Fourth, village development has a significant effect on welfare with $p = 0.000 < 0.05$ with a coefficient value of 0.108, this means that the more village development increases, the community welfare will also increase.

Fifth, community Empowerment has a significant effect on welfare with $p = 0.000 < 0.05$ with a coefficient value of 0.108, this means that the more community empowerment increases, the community welfare will also increase.

Furthermore, table 7 shows their indirect effect which is the influence of a variable on other variables through intervening variables. As table 7 shows that.

First, the indirect effect of the Village Fund utilization variable on welfare through development is 1,051. This indicates that the Village Fund utilization variable can improve people's welfare through development as an intervening variable.

Second, the indirect effect of the Village Fund utilization variable on welfare through empowerment is 1.148. This indicates that the Village Fund utilization variable can improve community welfare through empowerment as an intervening variable.

Total amount of influence (total effects). The total effect is the result of sum of direct effect and indirect effect as shown in the following table 8.

Based on table 8 above, it can be explained that the total effect of using Village Funds cannot increase the welfare of the community through a combination of direct and indirect effects of 1,257.

Discussion

The Effect of Village Fund Utilization on Increasing Development

Based on the results of the path

Table 7.
Estimation of Indirect Effects Between Variables According to the Model

Variable Independent	Variable Dependent	Variable Intervening	Standardize	Information
Village Fund utilization	Welfare	Development	1,051	Significant
Village Fund utilization	Welfare	Empowerment	1,148	Significant

Source: primary data (processed), 2022

Table 8.
Total Effect of Exogenous Variables on Endogenous According to the Final Model

No	Description	Parameter	Value
1	Total effect of X on Y3	$\beta_1 + \beta_4\alpha_1$	1,257

Source: primary data (processed), 2022

analysis obtained from submission of the structural model, it shows that the use of village funds has a positive and significant effect on village development in Posigadan District. Based on the results of the analysis, the utilization of village funds and village development has a positive relationship. This is evidenced by the coefficient of 0.209, which means that every increase in village fund utilization will be followed by an increase in village development. Utilization of village funds allocated to village development activities is in accordance with the priority scale that exists in each village in the Posigadan District area, and the needs of village community.

First, the development of village facilities and infrastructure, which consists of the development of good infrastructure such as transportation and infrastructure, adequate public facilities, non-formal education facilities and infrastructure, transportation, information and communication facilities, rehabilitation of street lighting. Second, village development includes village economic business facilities and infrastructure, namely, construction of production and processing for agricultural and

fishery business products, development of service facilities and infrastructure as well as small industrial and home industries, construction focused on forming and developing superior products village. Third, village development includes the improvement of basic services, health facilities and infrastructure, educational and cultural facilities.

The effect of village fund utilization on village development is directly proportional, it can be seen that the greater the village funds allocated for village development, the greater the benefits derived from the development of the village. The results of this study are in accordance with the theory according to Hanif Nurcholis (2011) that the village fund allocation is a fund sourced from the Regency Regional Revenue and Expenditure Budget (APBD) which is allocated, one of its objectives, to fund development and community services.

The results of this study are also in line with the theory expressed by Leonard D. White in Siagian (2008) that development is a series of efforts which are consciously carried out by a nation. This

means better conditions, which are covered by a society, and the expected growth will continue. Meanwhile, according to Restiyani (2013) village development goals include improving and increasing the standard of living of the communities, directing community participation in village development, and growing the ability to develop independently in order to be able to identify various needs and problems faced, and to develop plans to meet these needs and solve problems, so that they can be implemented effectively and efficiently.

This research is in line with research conducted by Dydha, Dimas Okta (2017), that village funds have positive effect on village infrastructure development and are directly proportional to 87.7%. Furthermore, this is also in line with the results of research conducted by Egah Nadia (2021) that the village fund allocation variable affects infrastructure development. Meanwhile, the current research explains the variable, namely utilization of village funds for increasing village development where the use of village funds significantly has positive effect on village development. Therefore, the greater the funds budgeted by the village government for village development is, the greater the influence and benefits on village development.

The Influence of Village Funds Utilization on Empowerment

Based on the results of the path analysis obtained from the submission of structural model, it shows that the use of village funds has positive and significant effect on community empowerment in Posigadan District. Based on the results of the analysis, that village fund utilization and community empowerment have a positive relationship. This is evidenced by the coefficient of 0.204, which means that every increase in village fund utilization will be followed by an increase in community empowerment. Utilization of village funds allocated to community empowerment activities is in accordance with the prior-

ity scale that exists in each village in the Posigadan District area and relevant to the needs of village community.

First, community empowerment in capacity building, namely an increase in the capacity of citizens in developing entrepreneurship and increasing income, village funds are used for empowerment through community economic business training, education and training for village apparatuses as a form of increasing village planning capacity, increase in management capacity of Posyandu, Poskesdes, Polindes, and the functioning of medical staff. Second, community empowerment includes development, namely, existence of development of small and medium business sector to encourage community potential, empowerment in the management of BUMDes which can boost the community's economy, community economic enterprises focused on developing village and regional superior products. Third, community empowerment includes management namely, village funds are utilized in the management of community health service activities, village funds are used to run village programs in terms of empowerment in the fields of fisheries, marine, agriculture, animal husbandry, and trade, and are also used in managing economic businesses productive as well as management of economic facilities and infrastructure.

The effect of using village funds on community empowerment is directly proportional, it can be seen that the greater the village funds allocated for community empowerment, the greater the benefits derived from community empowerment. The utilization of village funds for community empowerment has significant and positive influence that the village community provides great support and expectations regarding the use of village funds. The better the utilization of the village fund is, the higher the community empowerment is.

The results of this study are in line with the theory expressed by Munawar

Noor (2011) which says that community empowerment is carried out through 3 efforts; namely, creating an atmosphere or climate that enables the community to develop (enabling), increasing capacity by strengthening potential or power possessed by the community (empowering), and protecting interests by developing a protection system for the community that is the subject of development (protecting). As stated by Ginandjar (1996) empowerment process takes the form of creating an atmosphere that allows human potential to develop, strengthening potential or power possessed by humans, the empowerment process must prevent the weak. According to Sumodiningrat G, (1999) the concept of empowerment shows two tendencies, namely: "Empowerment emphasizes the process of giving or transferring some power, strength or ability (power) to communities, organizations or individuals to become more empowered.

This research is in line with research conducted by Aditya Achmad Fathony (2019) that village fund allocations have positive and significant influence on community empowerment. Furthermore, this is also in line with the results of research conducted by Dimas Okta (2017) that village funds for community empowerment are directly proportional to 85% and there is a positive and significant influence. Meanwhile, the current research explains the variable, namely utilization of village funds for community empowerment where the utilization of funds has significant positive effect on community empowerment. Therefore, the greater the funds budgeted by the village government for community empowerment, the greater the influence and benefits on community empowerment. Utilization of village funds for community empowerment is in the form of capacity building, development, and management in increasing the potential capacity of village communities in Posigadan District.

Effect of Village Fund Utilization on Welfare

Based on the results of the path analysis obtained from the structural model submission, it shows that the use of village funds has positive and significant effect on welfare in Posigadan District. Based on the results of the analysis, the fund utilization and community welfare have positive relationship. This is evidenced by a coefficient of 0.253, which means that every increase in the utilization of village funds allocated to community welfare improvement activities is in accordance with the priority scale that exists in each village in the Posigadan District area and in accordance with the needs of the Village community.

First, the use of village funds provides assistance to educational facilities, health facilities, welfare of the community, and opportunities for villages to develop activities that can improve people's welfare. Second, the use of village funds provides assistance to the economic condition of the community and can be fulfilled properly, and are no longer an obstacle. The three village funds provide access to broad information relating to community welfare. Therefore, to improve the welfare of the people in Posigadan District, one of the factors that needs attention to be improved is the use of village funds both in terms of the village fund program/budget plan, village fund priority size.

This research is relevant to the theory stated by Todaro and Stephen C. Smith (2006) that community welfare shows a measure of the results of community development in achieving a better life which includes: first, capacity building and equitable distribution of basic needs such as food, housing, health, and protection; secondly, increasing living standards, income levels, better education, and increasing attention to culture and human values; and third, expanding economy scale and the availability of social choices for individuals

and nations. According to Law No. 11 of 2009 concerning Community Welfare, in which the conditions meet the material, spiritual, and social needs of citizens so that they can live properly and are able to develop themselves to carry out their social functions.

This research is in line with research conducted by Erni Tahir (2018) that (1) village fund allocation has positive and significant effect on community empowerment. (2) Allocation of village funds has positive and significant effect on improving people's welfare. Furthermore, this is also in line with the results of research conducted by Irmawati (2015) that the hypothesis stated village fund allocation has positive and significant effect on community welfare. While the current research explains the variable, namely the utilization of village funds in increasing community welfare where the utilization of the funds has significant positive effect in increasing community welfare in the Posigadan District. Therefore, the better the use of village funds is, the higher the welfare of the community is, and the greater the influence and benefits for improving people's welfare. Utilization of village funds for increasing community welfare is projected in the form of increasing community welfare in a fair manner in terms of social, economic, and democracy related to activities that are able to improve the welfare of village communities in Posigadan District.

The Influence of Village Development on Community Welfare

The results of analysis through the structural model show that village development has positive and significant effect on the welfare of the people in Posigadan District. This implies that village development is one of the factors that plays an important role in determining the level of community welfare in Posigadan District. This is evidenced by the coefficient value of 0.108. the increase of village development in the Posigada District will increase the welfare

of the people in the Posigadan District. According to Suparno (2001) village development is carried out within the framework of a reasonable balance between the village government and the community. According to Afifuddin (2012) the essence of development is to build a society or nation as a whole in order to achieve people's welfare.

The results of the analysis through the structural model show that village development has positive and significant effect on the welfare of the people in Posigadan District. This implies that village development is one of the factors that plays an important role in determining the level of community welfare in Posigadan District. Increasing village development in the Posigada District will increase the welfare of the people in the Posigadan District.

This is in line with the theory according to Suharto (2010), namely realizing community welfare in the context of creating a better standard of living for the community is by ensuring that the conditions for people's living standards increase, improving the level of empowerment of the community by creating political, cultural, economic and social institutions and systems which is oriented towards human dignity and values, increasing the quality of freedom in society by providing opportunities for people to access and comply with standards, aspirations, and humanitarian capabilities that have been agreed upon globally.

This is also in line with the theory according to Riyadi in Totok Mardikanto, and Poerwoko Soebiato (2017) that development is an effort or process of change in order to achieve a level of welfare or quality of life of a society and the individuals in it who wish and carry out that development. The results of this study are in line with research conducted by Sugiannor (2020) that the effect of physical infrastructure development has positive and significant impact on people's welfare. This is similar to the research conducted by Marianto

(2022) that infrastructure development has an effect on the level of community welfare. This is also in line with Sagala's research (2019) that infrastructure development has significant and significant effect on people's welfare.

The Effect of Community Empowerment on Welfare

The results of the analysis through the structural model show that community empowerment has positive and significant effect on the welfare of the people in Posigadan District. This is evidenced by a coefficient value of 0.095 meaning that community empowerment is one of the factors that plays an important role in determining the level of community welfare in Posigadan District. Increasing on community empowerment in the Posigada District will increase the welfare of the community in the Posigadan District. Village funds that are managed properly by the village government can have positive impact in the field of community empowerment which aims at the welfare of village communities. Given the large amount of funds provided by the central government to the village government in the context of realizing community empowerment in villages in the Posigadan district, the village government has a great opportunity to use and manage village funds according to the priority scale in the village according to the needs of the community. The village government in the Posigadan district has used or utilized village funds to implement village community empowerment programs in terms of improving community welfare.

This is in line with the theory, namely as quoted by Alfitri (2011), according to Craig and Mayo the concept of community empowerment consists of elements of independence, participation, networking, and equity. This concept has a broad scope, not only to meet basic needs to prevent further impoverishment but also to cover development as a whole, starting from human, social, and economic aspects.

Meanwhile, according to Adisasmita (2011) empowerment is an effort to increase the professionalism and performance of development agents in the region, including apparatus, social organizations, non-governmental organizations, businesses and community members to overcome various problems faced and realize the aspirations and diversity of society to realize increased quality of life and social welfare. According to Fahrudin (2012) welfare is the orientation of empowerment, namely a condition in which a person can meet basic needs, such as food, clothing, shelter, clean drinking water and the opportunity to continue education.

The results of this study are in line with research conducted by Albertus La-laun and Agus (2015) that the impact of community empowerment programs has positive and significant impact on community welfare. The same thing, this research is in line with research conducted by Ana Maria (2020) that there is positive and significant effect of the variable implementation of community empowerment programs on the level of community welfare.

Indirect Effects of Village Funds Utilization on Community Welfare through Village Development

The results showed that the coefficient of influence of Village Fund utilization on community welfare in Posigadan District through village development had positive and significant effect with a standardized of 1.051. Thus, it can be said that there is an indirect effect between the use of Village Funds on the welfare of the people in Posigadan District through village development as an intervening variable. This means that people's welfare will increase when it is supported by the use of village funds and village development.

Empirically, when compared to the results of the indirect analysis of the Village Fund utilization variable on the community welfare variable, it shows high consistency with the calculation of the direct

effect of Village Fund utilization on community welfare. When compared, it can be seen that there is an influence of the use of Village Funds on community welfare through village development. However, there is a direct relationship between the use of village funds and the welfare of the community, therefore, the relationship between the use of village funds and community welfare is stronger in an indirect relationship than in a direct relationship.

In this study, village development variables were able to mediate the use of village funds for community welfare. This is what the government and the community can pay attention to, that with the use of Village Funds through programs in the development sector, they are able to mediate and have an impact on community welfare through development such as good infrastructure development, adequate public facilities, development of production and processing, agriculture and fisheries, development of facilities and infrastructure focused on forming and developing superior village products.

Indirect Effects of Village Funds Utilization on Community Welfare through Community Empowerment

The results showed that the influence coefficient of Village Fund utilization on community welfare in Posigadan District through community empowerment had a positive and significant effect with a standardized of 1.148. Thus, it can be said that there is an indirect effect between the use of Village Funds on the welfare of the people in Posigadan District through community empowerment as an intervening variable. This means that people's welfare will increase through the use of Village Funds and community empowerment.

Empirically, when compared to the results of the indirect analysis of the Village Fund utilization variable on the community welfare variable, it shows high consistency with the calculation of the direct effect of Village Fund utilization on community wel-

fare. When compared, it can be seen that there is an influence of the use of Village Funds on community welfare through community empowerment. However, there is a direct relationship between the use of Village Funds and the welfare of the community. so the relationship between the use of Village Funds and community welfare is stronger in an indirect relationship than in a direct relationship.

In this study the community empowerment variable was able to mediate the use of Village Funds for community welfare. This is what the government and the community can pay attention to, that with the use of Village Funds through programs in the field of empowerment, they are able to mediate and have an impact on community welfare through community empowerment, such as increasing the capacity of citizens in developing entrepreneurship, and increasing income, empowerment through economic business training. community, education and training (training) for Village Apparatuses as a form of capacity building for planning, capacity building for management of Posyandu, Poskesdes, Polindes, and the functioning of medical personnel, development of the small and medium business sector to encourage community potential, empowerment in the management of BUMDes which can boost the community's economy, development of community economic enterprises focused on developing village and regional superior products, management of community health service activities, village programs in terms of empowerment in the fisheries, marine, agriculture, animal husbandry and trade, management of productive economic enterprises and management of economic facilities and infrastructure, education and health facilities, providing assistance for community welfare, providing opportunities for villages to develop activities capable of improving community welfare.

CONCLUSIONS

Based on the results of the discussion above regarding the influence of utilization of village funds in increasing development, empowerment and its implications on welfare (study on village communities in Posigadan District, Bolaang Mongondow Selatan Regency), it can be concluded that:

1. Utilization of Village Funds has a positive and significant effect towards development. This shows that the factor of Utilization of Village Funds provides benefits for its contribution to the field of village development in Posigadan District
2. Utilization of Village Funds has a positive and significant effect on empowerment. This shows that the Village Fund Utilization factor provides benefits for its contribution to the field of community empowerment in the Posigadan District.
3. Utilization of Village Funds has a positive and significant effect on welfare. This shows that the factor of Utilization of Village Funds contributes to the level of community welfare in Posigadan District.
4. Village Development has a positive and significant effect on the welfare of the people in Posigadan District. This shows that the more village development increases, the welfare of the community will also increase.
5. Community Empowerment has a positive and significant effect on the welfare of the community in Posigadan District. This shows that the increasing community empowerment, the welfare of society will also increase.
6. Utilization of Village Funds has a positive and significant effect on welfare through development. This indicates that the Village Fund utilization variable can improve people's welfare through development as an intervening variable.
7. Utilization of Village Funds has a positive and significant effect on welfare through empowerment. This indicates that the Village Fund utilization variable can improve

community welfare through empowerment as an intervening variable.

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