



The Influence of Village Fund Management on the Village Economy in Southeast Minahasa District

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ABSTRACT

This study aims to determine the effect of village fund management in this case education and health, infrastructure, and local village economic development, on the village economy in Southeast Minahasa district. The data used in this study is secondary data obtained based on available data and sourced from reports from the Ministry of Villages and Development of Disadvantaged Regions and Transmigration, the Community Empowerment Service of Southeast Minahasa Regency, Southeast Minahasa Regency Regional Finance Agency, and South Minahasa Regency Central Statistics Agency.

The data included in this study is the 2016-2020 Village Fund data. This study aims to determine: 1) The effect of the allocation of village funds for education and health on the village economy in Southeast Minahasa Regency; 2) The influence of the allocation of village funds for the construction of facilities and infrastructure on the village economy in Southeast Minahasa Regency. 3) The influence of the allocation of village funds for the development of local economic potential on the village economy in Southeast Minahasa Regency; 4) The effect of the allocation of village funds for education and health, development of facilities and infrastructure and the development of local economic potential together on the village economy in Southeast Minahasa Regency.

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This study uses panel data regression analysis techniques, namely the combination of cross section and time series.

Based on the results of data processing and discussion, it can be concluded that: 1) The allocation of village funds for education and health has a positive and significant impact on the village economy in Southeast Minahasa Regency; 2) The allocation of village funds for the development of facilities and infrastructure has a positive and significant impact on the village economy in Southeast Minahasa Regency; 3) The allocation of village funds for the development of local economic potential has a positive and significant impact on the village economy in Southeast Minahasa Regency; 4) The allocation of village funds for education and health, construction of facilities and infrastructure and the development of local economic potential together have a positive and significant impact on the village economy.

INTRODUCTION

Background of the problem

Development in the village is a strategy of the government in creating overall national development. As mandated in Nawacita in the third point, namely "building Indonesia from the periphery by strengthening regions and villages within the framework of a unitary state" which is also a development strategy in the 2015-2019 RPJMN.

Village development towards independence is supported by financial sources originating from the central government in the form of Village Funds (DD), the provincial government in the form of Financial Assistance and the district government in the form of Village Fund Allocation (ADD) funds. Apart from coming from the central, provincial, and district governments, village finances can also come from village original income and village-owned enterprises. As the smallest government unit, it is hoped that the village can be independent, and support the progress of districts, provinces and ultimately the Republic of Indonesia as a whole.

Based on Government Regulation Number 60 of 2014 concerning Village Funds, State Revenue and Expenditure Budget (APBN), is allocated equitably based on the basic allocation, and the allocation is calculated taking into account the population, poverty rate, area, and the level of geographical difficulty of the village in each district/city. Village funds are allocated with priority for financing the implementation of local village-scale programs and activities with the aim of improving the welfare of rural communities and the quality of life of the community as well as poverty alleviation. The priority of the Village Fund is allocated to finance the field of community empowerment based on the conditions and potential of the village, in line with the achievement of the RPJMDes and RKPDes targets each year, through:

1. Village Funds are prioritized to fulfill basic needs including:

- a. Development of village health posts and polindes;
- b. Posyandu management and development; and
- c. Development and management of Early Childhood Education (PAUD).

2. The Village Fund is prioritized for the development of village facilities and infrastructure, which may include:

- a. Construction and maintenance of village road facilities and infrastructure;
- b. Construction and maintenance of farm road facilities and infrastructure;

- c. Construction and maintenance of village dam facilities and infrastructure;
- d. Development of new and renewable energy;
- e. Development and maintenance of environmental sanitation;
- f. Development and management of village-scale clean water;
- g. Tertiary irrigation development and maintenance;

3. The Village Fund is prioritized for the development of local economic potential in order to increase the capacity of rural communities in entrepreneurial development, increase income, and expand the economic scale of rural communities.

Education and health are a fundamental part of development. Health is well-being, while education is essential to achieving a fulfilling and worthwhile life, both of which are important for shaping the broader human capabilities that lie at the core of the meaning of development (Todaro, 2003).

Human resources are the basic capital of the wealth of a nation, because humans are factors of production that are active in collecting capital, exploiting natural resources, building social organizations, political economy and carrying out national development. To produce quality human resources, education is an important thing and for this reason, improving the quality of human resources absolutely must be done. Because quality human resources can provide a multiplier effect on the development of a country, especially economic development. In general, the level of education and health can represent the quality of the workforce because with education, a person will increase his skills,

Furthermore, infrastructure development is one of the village development programs that still needs to be addressed where there are still many areas in rural areas whose development has not been met with equitable distribution of infrastructure development, especially in villages that are still lagging behind. This situation makes it difficult for people to carry out activities. People certainly want a change in order to support the ease of doing activities and for the smooth running of the economy. Infrastructure development should be implemented and enjoyed by the community because the central government has provided a budget for each village to be used for the benefit of the community.

Meanwhile, rural community empowerment can also be said as human empowerment, which is a development whose main object is the aspect of developing and increasing abilities, skills and empowering people in rural areas as citizens, such as education and training, economic business development, and so on. Local economic development is an effort to strengthen the competitiveness of the local economy so that it has an impact on improving the welfare of the local community (Munir, 2017). In this effort, it is necessary to formulate policies that maximize potential development by using locality aspects. This is in accordance with the theory of local economic development itself, which suggests how to develop the local economy by utilizing the potential of its resources,

Southeast Minahasa Regency which consists of 12 sub-districts, 135 villages and 11 sub-districts, shows developments in various fields of development from year to year. This is supported by the existence of potential sectors owned by Southeast Minahasa Regency. Based on its location, Southeast Minahasa Regency is an area that has high natural resources because of its strategic location and human resources can develop in all aspects of society. If the existing potential is utilized properly, natural resources and human resources in Southeast Minahasa Regency will have a very strategic role in regional development because of regional autonomy. Southeast Minahasa Regency must be able to optimize the utilization and development of its regional potential.

Table 1.1 Partner Village Fund 2016-2020

Year	Village Fund (Rp)	Village Fund For Fulfillment Of Basic Needs (Rp)	Village Fund For The Development Of Market Facilities (Rp)	Village Fund For Development Of Local Economic Potential (Rp)
2016	81,357,923,000	5,695.054,610	53,696,229,180	3,254,316,920
2017	103,278,154,000	7,229,470,780	69,196.363,180	4,131,126,160
2018	93,325,083,000	6,532,755,810	63,461,056,440	3,733.003.320
2019	105,297,497,000	7,370,824,790	72,655,272,930	4,211,899,880
2020	105,344.772,250	7,374,134,058	72,687,892,853	4,213.790,890

Source: Village Community Empowerment Office, Southeast Minahasa Regency year 2021

The data in Table 1.1 shows that the largest allocation is used for the development of village facilities and infrastructure, followed by the allocation for meeting basic needs (education and health), and developing village economic potential. Village funds disbursed by the government since 2015 have had a positive impact on improving the community's economy in villages in Southeast Minahasa district, but there are still villages that have not utilized village funds optimally because the use of village funds is not well targeted and does not focus on what which should be a priority. So there are village heads who are disabled due to errors in the management of village funds.

Research purposes

Based on the formulation of the problem, the purpose of this study is to determine:

1. The effect of the allocation of village funds for education and health on rural economy in Southeast Minahasa Regency.
2. The effect of the allocation of village funds for the construction of facilities and infrastructure on the village economy in Southeast Minahasa Regency.
3. The effect of the allocation of village funds for the development of local economic potential on rural economy in Southeast Minahasa Regency.
4. Effects of allocating village funds for education and health, development facilities and infrastructure and the development of local economic potential together the same for the village economy in Southeast Minahasa Regency?

LITERATURE REVIEW

Regional Development Planning

According to Riyadi and Deddy (in Mhd Asrofi, 2005) regional development planning is a process of preparing stages involving various elements in it, in order to utilize and allocate existing resources in order to improve social welfare in a regional or regional environment in the long term. certain time. Regional development planning is an activity that is not easy because it will deal with various very complex and comprehensive problems covering various social aspects of the community from a situation that exists in the related area. So to keep the implementation of activities in accordance with predetermined plans, so that efficiency and effectiveness can be achieved, it is very necessary to carry out monitoring and evaluation of the implementation of regional development.

Monitoring and evaluation are interrelated management functions. Monitoring in practice is identified

with supervision, control, or monitoring of ongoing activities or activities, while evaluation is often defined as an assessment of the results of activities carried out after the activity is running. According to Siagian in (Riyadi, 2005) Supervision is the process of observing all organizational activities to ensure that all activities that are being carried out run according to a predetermined plan. Meanwhile, evaluation is defined as the process of measuring and comparing the results that should be achieved, and the objectives of monitoring the implementation of regional development planning are to:

- a. Knowing the extent to which the implementation of planning is carried out in accordance with what has been determined.
- b. Knowing whether the units carry out activities in accordance with their respective functions and roles.
- c. Knowing whether there is coordination carried out by each unit or agency or project implementers with related parties.
- d. Prevent and control deviations so that they can be avoided.

Local Economic Development

Local Economic Development is a process by which central and local governments and mass organizations are involved to further enhance, stimulate, maintain, business activities that create new jobs. In addition, the implementation of Local Economic Development (LED) is a process of compiling several development institutions in the region, increasing human resources to obtain better products, as well as fostering industry and business activities on a local scale. So, regional development is an effort by the regional government together with the local community to build an economy that is comparable to human resources, and maximize the benefits of natural and institutional resources (Munir, 2017). According to (Supriyadi, 2017) the success of implementing local economic development can be seen from several factors, namely as follows:

- a. Expanded employment and business opportunities for small communities.
- b. Increased income for the community.
- c. The development of micro and small businesses in the production and marketing process.
- d. Institutional empowerment of partnership networks between the government, the private sector, and local communities.

Village Economy

According to the Big Indonesian Dictionary, the definition of village economy is an economy based on production results from rural areas which are usually traditional. Production results from rural areas are generally in the form of agricultural products for village locations on the mainland and in the form of marine products for village locations on the coast. All production results will later aim to build the rural economy. Law number 6 of 2014 concerning villages states that the definition of village economy is activity, consumption, production, and investment in rural communities which are determined by the family simultaneously. Each adult member of the family contributes to the family income.

The essence of the snippet of the law is to explain about the wheels of the village economy originating from each family. That is, economic activity in rural communities has the aim of prospering the family. Therefore, activities that contain economic principles all start from the family sphere, and eventually can spread among non-family members. Such as traders, government circles, to factory workers, and so on. Furthermore, according to (Suhardjo, 2008), the village economy is a variety of activities containing

economic elements that can be the foundation for the economic cycle in a village. This means that the activities in question are not only limited to the profession of farmers.

This statement is considered in accordance with the description of current rural conditions. With the development of technology, rural communities do not only dwell on the profession of farmers and fishermen. Because various kinds of industrial sectors, such as tourism and creative industries, can now be the foundation for increasing the economy in a village. As this sector develops, employment opportunities in a village become more varied. The village economy is a village area that has economic activities with farmers as its foundation. The profession of a farmer in this case is not only someone who works in the fields. According to Scott, a fisherman who works in the sea is also a farmer. Village areas make farmers the foundation of the economy, because the center of the source of activity in the economic system (transactions, consumption, production, distribution) comes from farmers. This theory arises because the villagers generally work as farmers. Thus, the role of a farmer also affects the flow of the economy in a village.

RESEARCH METHODS

Data Types and Sources

Based on the source, the data is divided into two, namely primary data and secondary data. Primary data were obtained directly from original sources through interviews without intermediaries. Secondary data is data that has been collected by data collection agencies and published to the public as data users. In this study, the data used are secondary data sourced from relevant agencies, namely the Village Community Empowerment Service of Southeast Minahasa Regency, Regional Finance Agency of Southeast Minahasa Regency, Regional Development Planning Agency of Southeast Minahasa Regency and the Central Statistics Agency of South Minahasa.

Research Variables and Operational Definitions of Variables

The variables in this study are: village economy, Village funds for education and health, Village funds for the construction of facilities and infrastructure, government spending and labor and Village Fund for the development of local economic potential.

Operational Definition of Research Variables

1. Village economy: is a variety of activities containing economic elements that can be the foundation for the economic cycle in a village.
2. Village funds for education and health: village funds allocated for Development of village health posts and polindes, management and development of posyandu; and for the Guidance and Management of Early Childhood Education (PAUD) expressed in million rupiah.
3. Village funds for the development of village facilities and infrastructure: village funds allocated for Construction and maintenance of village road facilities and infrastructure; Construction and maintenance of farm road facilities and infrastructure, Development and maintenance of village reservoir facilities and infrastructure, Development of new and renewable energy, Development and maintenance of environmental sanitation, Development and management of village-scale clean water and construction and maintenance of tertiary irrigation expressed in million rupiah.
4. Village Funds for the development of local economic potential are village funds allocated to increase the capacity of rural communities in entrepreneurial development, increasing income, and expanding the economic scale of rural communities. which is expressed in units of million rupiah.

Analysis Model

This study uses panel data regression analysis techniques, namely the combination of cross section and time series. Cross section data is observational data on several research subjects at one time, for example in one year. While time series data is observational data on one research subject observed in a period of time, for example for nine years. In panel data, observations made on several subjects were analyzed from time to time.

1. Equation Model

The basic equation for panel data regression in general is as follows:

$$Y_{it} = \alpha + \beta_1 X_{1it} + \beta_2 X_{2it} + \beta_3 X_{3it} + \epsilon_{it}$$

Description:

Y = Village Economy

= Constant

$\alpha, \beta_1, \beta_2, \beta_3$ = Independent Variable Coefficient

X1 = Village Fund Allocation for Education and Health

X2 = Village Fund Allocation for Infrastructure

X3 = Allocation of village funds for local economic development

ϵ_{it} = Error Coefficient

i = number of villages which is 32 villages

t = research time period, namely from 2016-20120

Model Specification Test

1. Test Model Specifications with Chow . Test
2. Model Specification Test with Hausmann Uji Test

Classic assumption test

- 1) Normality Test
- 2) Multicollinearity Test
- 3) Autocorrelation Test

Significance Test

- 1) Simultaneous Test (F)
- 2) Partial Test (t)
- 3) Coefficient of Determination (R²)

RESEARCH RESULTS AND DISCUSSION

Fixed Effect Model (FEM) Regression Estimation Results

Based on the Chow test and Hausman test, the right panel data regression model to be used in this study is the Fixed Effect Model. Regression results using Fixed Effect Model.

Table 4.6 Fixed Effect Model (FEM) Regression Estimation Results

Fixed Effect Model				
Dependent Variable: Y				
Method: Panel Least Squares				
Date: 01/07/22 Time: 11:08				
Sample: 2016 2020				
Periods included: 5				
Cross-sections included: 32				
Total panel (balanced) observations: 160				
Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	10.29855	41.19392	28.279302	0.0105
X1	0.004132	0.024292	27.170118	0.0452
X2	0.002558	0.025014	25.102271	0.0287
X3	0.006394	0.010920	29.585552	0.0292
Effects Specification				
Cross-section fixed (dummy variables)				
R-squared	0.678313	Mean dependent var	0.832702	
Adjusted R-squared	0.590815	S.D. dependent var	0.018452	
S.E. of regression	0.056580	Akaike info criterion	4.715672	
Sum squared resid	0.400166	Schwarz criterion	4.042977	
Log likelihood	152.2537	Hannan-Quinn criter.	4.442514	
F-statistic	7.752264	Durbin-Watson stat	2.369017	
Prob(F-statistic)	0.000000			

Source: Test results using EVIEWS 12

Based on the results of the Fixed Effect Model regression shown in table 4.6 above, the results of the regression model equation between the dependent variable: Village Economy (Y) and the independent variables (X1, X2 and X3) are as follows:

$$Y_{it} = 10.298855 + 0.004132X1_{it} + 0.002558 X2_{it} + 0.006394 X3_{it}$$

Y = Village Economy

X1 = Village Fund Allocation for Education and Health

X2 = Village Fund Allocation for Infrastructure

X3 = Allocation of village funds for local economic development

i = Amount 32 villages

t = Pthe research time period is from 2016-12020

Hypothesis test

Coefficient of Determination Test (R-Square)

The R-square test is intended to assess how much the independent variable's ability to explain the dependent variable is. Based on the regression results with the Fixed Effect Model, it is known that the R-square value is 0.4854. This shows that the variation of the dependent variable, namely the village economy, can simultaneously be explained by the independent variables, namely X1, X2 and X3 by 67.83% while the remaining 32.17% is explained by other factors outside the variables studied.

a. F . Test Results

The F test was conducted to determine whether all independent variables had a simultaneous effect on the dependent variable. The hypothesis of the F test in this study are:

Ho : X1, X2 and X3 together have no effect on Y.

Ha : X1, X2 and X3 together have no effect on Y.

With criteria:

If the significance value > 0.05 then Ha is rejected

If the significance value < 0.05 then Ha is accepted.

Based on table 4.7 t arithmetic or t-statistics of 28.27 with a significance value of 0.0105 which means < 0.05 so Ha is accepted and it can be concluded that the variables X1, X2 and X3 jointly affect the village economy

t test

Based on the proposed hypothesis, there are 3 (three) explanatory variables that affect the village economy (dependent variable), namely: allocation of village funds for education and health (X1), allocation of village funds for the development of facilities and infrastructure (X2), allocation of village funds for potential development local economy (X3). In this regression analysis the backward method is used, where in this method in the initial test, all independent variables are included in the test and then removed one by one if they do not meet the t significance value below 0.05. The resulting output table will show the process/steps when these variables are removed, each row will be equipped with a number indicating the steps/processes carried out. In the discussion of this chapter,

Table 4.7 Regression Equation

Dependent Variable: Y				
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Sample: 2016 2020				
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X2	0.002558	0.025014	25.102271	00287
X3	0.006394	0.010920	29.585552	00292
Effects Specification				
Cross-section fixed (dummy variables)				
R-squared	0.678313	Mean dependent var	0.832702	
Adjusted R-squared	0.590815	S.D. dependent var	0.018452	
S.E. of regression	0.056580	Akaike info criterion	4.715672	
Sum squared resid	0.400166	Schwarz criterion	4.042977	
Log likelihood	152.2537	Hannan-Quinn criter.	4.442514	
F-statistic	7.752264	Durbin-Watson stat	2.369017	
Prob(F-statistic)	0.000000			

Source: Test results using EVIEWS 12

Influence Allocation of Village Funds for Education and Health Against the Village Economy

From the results of the regression obtained t value for allocation of village funds to meet basic needs by 27.17 and at t table with a significance level of 95% ($\alpha = 5\%$), $df = nk$ ($df = 5-3$) is 2 obtained t table 2.92. It can be seen that t count is greater than t table, then H_0 is accepted which means that allocation of village funds for education and health significantly influence the village economy in Southeast Minahasa Regency. Based on the probability, then if the probability is greater than 0.05 then H_0 is accepted and if the probability is less than 0.05 then H_0 is rejected. From the calculation results, it is known that sig. or the significance is 0.045 or the probability is less than 0.05, then H_0 is rejected, meaning allocation of village funds to meet basic needs significantly influence the village economy in Southeast Minahasa Regency.

The Influence of the Allocation of Village Funds for the Development of Facilities and Infrastructure on Village Economy

From the regression results, it is obtained that the t value for the allocation of village funds for the construction of facilities and infrastructure is 25.10 and in the t table with a significance level of 95% ($\alpha = 5\%$), $df = 3$ is 2.92. It can be seen that t count is greater than t table, then H_0 is rejected, which means that the allocation of village funds for the development of facilities and infrastructure has a significant effect on the village economy in Southeast Minahasa Regency. Based on the probability, then if the probability is greater than 0.05 then H_0 is accepted and if the probability is less than 0.05 then H_0 is rejected. From the calculation results, it is known that sig. or significance is 0.028 or the probability is far below 0.05,

The influence of the allocation of village funds for the development of local economic potential on Village Economy.

From the regression results, it is obtained that the t value for the allocation of village funds for the development of local economic potential is 29.58 and at t table with a significance level of 95% ($\alpha = 5\%$), $df = 3$ obtained 2.92 It can be seen that t count is greater than t table, then H_0 is rejected which means that the allocation of village funds for the development of local economic potential has a significant effect on rural economy in Southeast Minahasa Regency. Based on the probability, then if the probability is greater than 0.05 then H_0 is accepted and if the probability is less than 0.05 then H_0 is rejected. From the calculation results, it is known that sig. or significance is 0.029 or probability is below 0.05, then H_0 is accepted meaning that the allocation of village funds for the development of local economic potential has a significant effect on the village economy in Southeast Minahasa Regency.

Discussion

The effect of the allocation of Village Funds for Education and Health on Village Economy

Based on the results of the regression analysis that has been carried out, it shows that the variable for the allocation of village funds to fulfill basic needs significantly influence the village economy in Southeast Minahasa Regency. This research is in line with research (Marpaung, 2020), which found that the allocation of village funds can improve the community's economy. Villages use village funds to develop village health posts and there are currently 29 Polindes spread across each sub-district. If there are villages that do not use village funds for the development of village health posts and polindes, it is because village health posts already exist or the villages are served by the nearest puskesmas and hospital. For Posyandu management and development activities, villages also allocate their village funds for Posyandu management and development. Posyandu management and development which

consists of 144 active Posyandu is carried out in the form of providing additional food to posyandu participants which is carried out regularly. With regard to the development and management of 144 PAUD activities, almost half of which are managed by the village, it is one of three activities related to meeting basic needs and PAUD in the villages has been going quite well. The impact of using village funds allocated for meeting basic needs, is to increase the number of workers involved in village health posts and PAUD management, and also has an impact on improving their economic life where those involved get incentives through the activities they do. With regard to the development and management of 144 PAUD activities, almost half of which are managed by the village, it is one of three activities related to meeting basic needs and PAUD in the villages has been going quite well. The impact of using village funds allocated for meeting basic needs, is to increase the number of workers involved in village health posts and PAUD management, and also has an impact on improving their economic life where those involved get incentives through the activities they do. With regard to the development and management of 144 PAUD activities, almost half of which are managed by the village, it is one of three activities related to meeting basic needs and PAUD in the villages has been going quite well. The impact of using village funds allocated for meeting basic needs, is to increase the number of workers involved in village health posts and PAUD management, and also has an impact on improving their economic life where those involved get incentives through the activities they do.

Activities to fulfill the basic needs of rural communities in the fields of education and health lead to the absorption of labor which has an impact on increasing community welfare and improving the economy of rural communities. In the paradigm of economic development according to (Badrudin 2012) changes in people's welfare are an inseparable part. This is because economic development is said to be successful if the level of community welfare is getting better. The success of economic development without including an increase in people's welfare will result in inequality and inequality in people's lives. Community welfare is a condition that shows the state of community life which can be seen from the standard of living of the community.

The Influence of the Allocation of Village Funds for the Development of Facilities and Infrastructure on Village Economy

The results of this study indicate that the allocation of village funds for the development of facilities and infrastructure during 2015-2019 has a positive and significant effect on economic growth. This research is in line with research (Suci Wulandari, 2019) which found that the allocation of village funds for the construction of infrastructure had an effect on the community's economy.

Construction of quality infrastructure/facilities and infrastructure will create community prosperity. The development of village facilities and infrastructure is carried out for the benefit of the community. Where the results of the development really must be felt by the village community so that in the end it can have an impact on the improvement and improvement of the living standards of the village community. Ulyani (2013: 19) states that the construction of physical facilities is defined as a tool or facility that can be directly benefited by the community, the construction of physical facilities and infrastructure as intended, in the form of:

- a. Development of rural transportation facilities and infrastructure to support the improvement of village community accessibility, namely: roads, bridges, boat moorings;
- b. Development of facilities and infrastructure that supports agricultural production, namely: rural irrigation;
- c. Development of facilities and infrastructure that supports the fulfillment of the basic needs of the community, including: provision of drinking water, rural sanitation.

The use of village funds for infrastructure development activities in Southeast Minahasa district allocates village funds to carry out the construction and maintenance of village roads, construction and maintenance of farm roads, development and maintenance of environmental sanitation such as building ditches, construction of landslide retaining walls on riverbanks and water development and management. clean village scale development and maintenance of tertiary irrigation and various other facilities and infrastructure.

The development of facilities and infrastructure has a very strong relationship with social welfare and economic growth of a region. The development of facilities and infrastructure will have an impact on economic growth and improving the quality of life. Improving the quality of life will affect the welfare of the community, because the development of facilities and infrastructure can reduce poverty and the number of unemployed in a country. With the development of facilities and infrastructure will provide benefits for the welfare of the community.

With the development of village facilities and infrastructure, it will certainly have a positive impact on improving the quality of life of the community, for example the construction of road facilities and infrastructure is one of the vital needs that must be met. With good road conditions, experts and village assistants are able to carry out their duties to provide guidance and guidance to improve the quality of life of the community. The presence of these coachings can provide improvements in healthy living behavior for the community.

If the development of village facilities and infrastructure is realized, it can improve the quality of life of the community both in terms of health and the economy so that the ideals of realizing equitable development can be achieved. With the development of village facilities and infrastructure, it will make it easier for the community to carry out survival in order to improve the living standard of the village community. So the relationship between the development of village facilities and infrastructure in villages in Southeast Minahasa district with the quality of life of the community and the community's economy is very close.

Where the development of village facilities and infrastructure is very influential in people's daily lives, if the development of village facilities and infrastructure is getting better and faster, the welfare of the people in the villages will be better and faster, on the contrary if the development of village facilities and infrastructure is not good or not. slow in its development, the development of society and its welfare is still insufficient. The quality of facilities and infrastructure greatly influences the standard of living of the community and automatically affects the Village Building Index because good and strong facilities and infrastructure will be able to serve and facilitate the community in improving the economy and quality of life.

The Effect of Village Fund Allocation for the Development of Local Economic Potential on Village Economy

The results of hypothesis testing conclude that the allocation of village funds for the development of local economic potential has a positive and significant impact on the village economy in Southeast Minahasa district. That is, if there is an increase in the allocation of village funds for the development of local economic potential, the economy will also increase. The use of village funds in Southeast Minahasa for potential local economic development activities is the establishment and development of BUM Desa, development and management of village markets or kiosks, development and management of village food barns, development of tourism development of processing technology for agricultural and fishery products.

In order to optimize local economic development in the era of autonomy which refers to Law Number

23 of 2014 concerning Regional Government, it automatically demands local governments to be globally oriented. The challenge for local governments is no longer on autonomy or decentralization, but the regions are required to increase regional competitiveness, which is the ability of the regional economy to achieve high and sustainable growth in welfare levels.

The village economy has always been the most important factor in the economic success of a region, because the village economy is considered a source of improving the quality of life of its inhabitants. The rural economy of an area does not grow at the same time. But it will take different time to develop in each region. If growth occurs in one area. the surrounding area will begin to follow the growth.

Efforts to increase economic development in order to increase the index of developing villages are necessary to determine the leading sector as a regional base sector which will then become the point of regional growth and see how the growth rate and competitiveness of the economic sectors are, thus it is hoped that the regions will grow and develop. as a national growth center. The ability of a village that is possible to be developed will forever be a potential if it is not processed, or utilized into a reality in the form of benefit to the community. Therefore, the potential of the region requires certain efforts to make it beneficial to the community.

The Effect of Village Fund Allocation for Fulfilling Basic Needs Village Fund Allocation for Facilities and Infrastructure Development and Village Fund Allocation for Joint Development of Local Economic Potential on the Village Economy of Southeast Minahasa Regency

From the results of data processing, it was found that Based on the results of data processing above, it can be seen that the value of R² (Coefficient of determination) is 0.6783 it means that the independent variable can explain the dependent variable by 67.83% while the rest (100%-93.15% = 37.12%) is explained by other variables that are not included in the model.

From the table above, the results of the regression estimation above show that in the regression model, the significance value of F is 0.0015 below 0.05, meaning that overall the independent variables (Allocation of Village Funds for Education and Health, Allocation of Village Funds for Development of Facilities and Infrastructure and Allocation of Village Funds for Development of Local Economic Potential) together have a positive and significant influence on the dependent variable (Village Economy). While the partial statistical test with a critical value of t (critical value) at $df = (nk)$, where n is the number of samples and k is the number of independent variables including constants. That is, if the allocation of village funds for education and health, the allocation of village funds for the development of facilities and infrastructure and the allocation of village funds for the development of local economic potential are increased, the village economy will also increase. This research is in line with research conducted by (Joice Machmud, 2020) which says that the allocation of village funds can improve the village economy. Through this research, the management of village funds greatly affects the improvement of the economy of the village community and the village government and the community must choose which one is a priority.

CONCLUSION

Based on the results of data processing and discussion, it can be concluded that:

1. The allocation of village funds for meeting basic needs has a positive and significant impact on the village economy in Southeast Minahasa Regency.
2. The allocation of village funds for the development of facilities and infrastructure is positive and significant for the village economy in Southeast Minahasa Regency.

3. The allocation of village funds for the development of local economic potential has a positive and significant impact on village economy in Southeast Minahasa Regency
4. Allocation of village funds for education and health, construction of facilities and infrastructure and development of local economic potential collectively have a positive and significant influence on village economy.

SUGGESTION

From the research that has been done and the conclusions from the research, the suggestions that can be given by researchers are as follows:

1. In the allocation of village funds, the Southeast Minahasa district government continues to prioritize the needs of the village community by considering the village development index indicators and developments that occur in the midst of the community.
2. Although the allocation of village funds has had positive implications in the economic field, the government still needs to evaluate the allocation of village funds so that the allocation of village funds can run more effectively. Evaluation in this case can be done such as socialization of government regulations, human resource training. So that it can reduce the use of funds outside of priorities and the potential for misuse of village funds. Effective and efficient implementation of village funds will support village development so that it will have a greater impact in improving the economy of rural communities.

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