



## Original Article

# The Correlation between Village Funds, Village Fund Allocation, and Gender in Village Development

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### Abstract:

This study aims to determine the relationship between village fund, allocation of village fund and gender with village development. This type of research uses quantitative research. The population in this study is the scope of village government in Bangkalan Regency during the period 2018-2020. The sampling technique used non-probability sampling method with purposive sampling. The data used in this research uses secondary data. Data collection techniques were obtained from the Bangkalan Regency DPMD Office and the official website. The data analysis technique used the pearson correlation test using SPSS 21.0. Based on the results of the pearson correlation research, it shows that: village funds, allocation of village fund and gender have a relationship with village development. However, the level of the relationship both has a very weak level of correlation.

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## Introduction

Villages, as the “lowest” and “most basic” level of government organization within the structure of the Unitary State of the Republic of Indonesia, serve as the front line in safeguarding and protecting the rights of citizens ([Dytha, 2017](#)). Therefore, village development is of crucial importance, as villages and all aspects within them are often associated with underdevelopment. Village development is a necessity, as it represents one of the fundamental principles of development, namely equitable development. Moreover, structurally, a significant proportion of Indonesia’s population resides in rural areas.

Village development plays a vital role in improving national social, ecological, and economic conditions. The progress of a country can be assessed through the advancement of its villages. [Puspawardani \(2017\)](#) argues that the mirror of a nation’s progress is reflected in the progress of its village development. Without advanced villages or sub-districts, there will be no advanced regions or cities, and consequently no advanced nation. Therefore, in order to implement village programs effectively, adequate funding is required to support their realization.

Village Funds (Dana Desa/DD) are allocations from the State Budget (APBN) designated for villages and subsequently transferred through the regency/municipal budgets (APBD). These funds are used for government administration, community development, infrastructure development, and community skills training. The allocation of Village Funds is calculated based on population size, geographic difficulty, land area, and village poverty levels. Consequently, Village Funds are expected to provide tangible benefits to communities, both in terms of development and welfare, thereby enhancing village progress. The distribution of Village Funds has been shown to generate significant impacts on village advancement and development ([Detiknews, 2019](#)).

Prior to the introduction of Village Funds, villages had already received Village Fund Allocations (Alokasi Dana Desa/ADD). However, the amount received was relatively limited, as ADD was determined based on the fiscal balance funds received by regency/municipal governments, with a minimum allocation of 10% after deducting the Special Allocation Fund (DAK). The provision of ADD represents an effort to improve village welfare, enhance community skills training, and support village development ([Hariyani, 2018](#)). According to Ruru et al. (2017), ADD aims to accelerate village development, both physically and non-physically. When such development is achieved, it is expected to reduce poverty levels.

According to the World Bank (2001), one of the core issues in development that strengthens state capacity and reduces poverty is the achievement of gender equality. Gender refers to socially constructed relationships that distinguish roles between women and men. [Sitorus \(2016\)](#) explains that gender equality implies that men and women have equal status and opportunities to realize their rights, including participation in national development across political, economic, social, and cultural spheres. Both men and women hold equal positions as subjects of development, with the capacity to plan, implement, monitor, and benefit from development outcomes.

In 2019, East Java Province recorded 21 regencies with underdeveloped villages, including Bangkalan Regency. In the same year, Bangkalan Regency was reported to have 24 villages classified as underdeveloped. To escape the status of underdeveloped villages, villages are required to meet indicators specified in the Village Development Index (Indeks Desa Membangun/IDM). However, on July 16, 2020, Bangkalan Regency was officially declared free from the underdeveloped village status.

Previous studies examining Village Funds, Village Fund Allocations, and gender in relation to village development levels include those conducted by [Dydhya \(2017\)](#) and [Mangeto \(2018\)](#) on [Village Funds](#), [Ferdinandus \(2019\)](#) and [Sari \(2010\)](#) on Village Fund Allocations, as well as [Puspasari and Sarifuddin \(2015\)](#) and [Arifin \(2018\)](#) on gender. These studies primarily employed primary data collected through questionnaires or interviews. In contrast, the present study utilizes secondary data. The independent variables (Village Funds, Village Fund Allocations, and gender) were obtained from the Office of Community and Village Empowerment (DPMD) of Bangkalan Regency, while the dependent variable (village development level) was measured using the Village Development Index (IDM) sourced from the Ministry of Villages and Underdeveloped Regions.

To date, no study has examined the relationship between Village Funds, Village Fund Allocations, and gender with village development levels using the Village Development Index as the primary indicator. The IDM reflects achievements in both

physical and non-physical development, encompassing social, economic, and ecological dimensions. Due to the absence of prior research in this area, this study employs a correlational method to examine the relationships among Village Funds, Village Fund Allocations, gender, and village development levels. The novelty of this study lies in its data sources, research object, measurement approach, and data processing techniques, distinguishing it from previous research.

### Theoretical Framework

Stewardship theory is part of agency theory, yet it differs in orientation. While agency theory emphasizes the relationship between principals and agents who may pursue self-interests, stewardship theory explains conditions in which managers prioritize organizational goals over personal objectives (Donaldson & Davis, 1991). This theory involves two parties: the principal and the steward. Stewardship theory is widely applied in public sector organizations (Morgan, 1996) and non-profit institutions (Vargas, 2004), where managers are expected to act as stewards serving public interests. In government contexts, managerial roles as stewards are more dominant than as agents (Puspita et al., 2020).

This theory is grounded in the assumption that humans are trustworthy, responsible, and possess integrity. In this study, village leaders act as stewards who are entrusted by the community (principals) to manage Village Funds (DD) and Village Fund Allocations (ADD) responsibly. Effective and accountable management is expected to enhance public services, economic conditions, and community welfare, thereby contributing to village development (Asmawati & Basuki, 2019).

### Hypothesis Development

#### 1. Village Funds (DD) and Village Development

Village Funds sourced from the state budget are intended to support governance, development, and community empowerment at the village level. Prior studies (Dydhya, 2017; Mangeto, 2018) indicate that DD positively supports infrastructure development and community empowerment. Therefore, this study proposes:

H1: Village Funds (DD) are correlated with village development.

#### 2. Village Fund Allocation (ADD) and Village Development

ADD aims to strengthen village governance, development, and empowerment, particularly in underdeveloped areas (Hariyani, 2018). Previous research (Ferdinandus, 2019; Sari, 2010) shows a significant relationship between ADD and village development. Thus, the hypothesis is:

H2: Village Fund Allocation (ADD) is correlated with village development.

#### 3. Gender and Village Development

Gender equality reflects equal opportunities for men and women to participate in and benefit from development (World Bank, 2001; Sitorus, 2016). Empirical studies (Puspasari & Sariffuddin, 2015; Arifin, 2018) demonstrate that gender equality contributes to social welfare and economic growth. Hence, the hypothesis is:

H3: Gender is correlated with village development.

### Methods

This study employs a quantitative research design. The population consists of

village governments in Bangkalan Regency during the 2018–2020 period, covering 273 villages across 18 sub-districts. The sampling technique used is purposive sampling, a non-random method in which samples are selected based on specific criteria determined by the researcher. The criteria applied in this study are as follows:

1. Villages officially recognized by the Republic of Indonesia and registered with the Central Statistics Agency (BPS).
2. Villages that have an appointed village head responsible for administering village governance.
3. Villages that received both Village Funds (DD) and Village Fund Allocation (ADD).

### Research Variables

#### 1. Dependent Variable (Y)

The dependent variable is Village Development, measured using the Village Development Index (Indeks Desa Membangun/IDM) data sourced from the Central Statistics Agency (BPS) and published by the Ministry of Villages, Development of Disadvantaged Regions, and Transmigration (Kemendes PDTT).

#### 2. Independent Variables (X)

The independent variables used in this study are:

- a. Village Funds (DD) ( $X_1$ ), measured by the total amount of Village Funds received by each village, transformed using a logarithmic scale.
- b. Village Fund Allocation (ADD) ( $X_2$ ), measured by the total amount of ADD received by each village, also transformed using a logarithmic scale.
- c. Gender ( $X_3$ ), measured using a dummy variable based on the gender of the village head. A value of 1 represents male village heads, while a value of 0 represents female village heads.

### Data Analysis Method

Data analysis is conducted using correlation analysis, a statistical technique used to identify the strength and direction of the relationship between independent variables (X) and the dependent variable (Y). This study applies the Pearson correlation method to examine these relationships. All statistical analyses are performed using the Statistical Product and Service Solutions (SPSS) software.

### Results

#### The Relationship between Village Funds (DD) and Village Development

The results of the Pearson correlation analysis indicate that the correlation coefficient between DD ( $X_1$ ) and village development (Y) is 0.011, which reflects a very weak relationship. The significance value is 0.743, indicating that  $H_1$  is rejected.

Village Funds (DD) originate from the state budget (APBN) and are allocated to villages through the district/city budget (APBD) to finance village development. The amount of DD provided by the central government is relatively large compared to other sources of village revenue. However, limited knowledge and capacity of village officials in managing and reporting village finances may increase the risk of fund mismanagement (Dewi & Gayatri, 2019). Consequently, even with substantial DD allocations, if these funds are not managed and utilized in accordance with regulations, they may not significantly contribute to village development.

This finding is supported by Firmansyah et al. (2020), who note that inconsistencies between budget planning and realization in the use of DD still occur.

Therefore, the very weak relationship between DD and village development may be attributed to ineffective management and implementation of DD in both physical and non-physical development. As a result, social, economic, and ecological aspects of village development may not progress optimally. Although DD is intended to improve community welfare, quality of life, public services, and poverty reduction, villages in Bangkalan Regency have not yet fully achieved these objectives.

This result is inconsistent with the findings of Dydha (2017) and Mangeto (2018). Their studies relied on primary data collected through questionnaires distributed in a single village, whereas this study measures village development using the Village Development Index (IDM) sourced from BPS, which encompasses social, economic, and ecological dimensions across 273 villages in Bangkalan Regency.

Furthermore, these findings do not support stewardship theory, as village leaders, acting as stewards, have not fully fulfilled their responsibilities to manage and account for DD in the best interests of the principals (the community).

### **The Relationship between Village Fund Allocation (ADD) and Village Development**

The Pearson correlation analysis shows that the correlation coefficient between ADD ( $X_2$ ) and village development ( $Y$ ) is 0.089, indicating a very weak relationship. However, the significance value is 0.011, meaning that  $H_2$  is accepted.

ADD is sourced from the district/city budget (APBD) and allocated to villages at a minimum of 10% of intergovernmental transfer funds after deducting special allocation funds (DAK). According to Hutami (2017), ADD represents a direct fiscal relationship between district governments and villages. Timely disbursement of ADD enables village programs to be implemented more efficiently. The amount of ADD varies across villages, with 30% allocated for village government operational costs and 70% for community empowerment and development.

The provision of ADD supports village autonomy by enabling villages to develop according to their unique characteristics, community participation, and empowerment (Aljannah, 2017). This finding aligns with Sari (2010), who found a moderate relationship between ADD and village development, and Ferdinandus (2019), who reported that ADD significantly influences village development programs. Despite differences in data sources, analysis techniques, and research objects, this study supports stewardship theory, as effective and timely management of ADD by village leaders contributes to principal satisfaction and development outcomes.

### **The Relationship between Gender and Village Development**

The Pearson correlation analysis reveals that the correlation coefficient between gender ( $X_3$ ) and village development ( $Y$ ) is 0.007, indicating a very weak relationship. The significance value is 0.837, leading to the rejection of  $H_3$ .

Gender refers to socially constructed distinctions between men and women, which may influence access to rights, political participation, and power. The fundamental goal of village development is to improve the quality of life for both men and women, ensuring gender equity and justice. According to the World Bank (2001), gender equality is a key development issue that strengthens national capacity and contributes to poverty reduction.

In Bangkalan Regency, female participation in political leadership remains limited, with most village leadership positions held by men. Although men are often

perceived as decisive, strong, rational, and competitive, leadership effectiveness depends on the ability to motivate, coordinate, and engage communities. The weak relationship between gender and village development may be due to the limited effectiveness of village heads—regardless of gender—in mobilizing village potential across economic, ecological, and social dimensions. This is reflected in the fact that only 12 villages in Bangkalan Regency are classified as “advanced,” while the majority remain “developing.”

These findings are inconsistent with Arifin (2018), who measured development solely through economic growth and assessed gender using indicators such as average years of schooling, life expectancy, and labor force participation. They also differ from Puspasari and Sariffuddin (2015), whose study focused on a single tourism-developed village and measured welfare primarily through economic indicators. Differences in research objects, data sources, and measurement methods explain these discrepancies.

Overall, this study does not support stewardship theory in the context of gender, as village heads have not yet maximized their roles and responsibilities as stewards in driving comprehensive village development.

## Conclusion

Based on the research conducted in Bangkalan Regency, it can be concluded that Village Funds (DD), Village Fund Allocation (ADD), and Gender all have very weak relationships with village development. This study has several limitations and constraints, particularly difficulties in obtaining and collecting data, as well as the focus of the research object and sample on only one regency, namely Bangkalan Regency.

Referring to these conclusions and limitations, future research is recommended to include additional or alternative variables that may have a stronger relationship with village development. Further studies are also encouraged to expand the scope of data collection, for example at the provincial level or across multiple regencies/cities, and to extend the observation period to a longer timeframe, such as four to five years.

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