

Contribution of Village Funds to Regional Economic Recovery in South Sulawesi Province

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Abstrak

In 2022, it will be a period of sustainable economic recovery in all sectors after the Covid-19 Pandemic. The state revenue and expenditure budget are the primary and leading instrument in growing the national economy that is timely, effective, and on target. The government has set a village fund ceiling of IDR 68 trillion. The village funds are distributed to 74,960 villages spread across 434 districts/cities throughout Indonesia. The realization of the distribution of transfers to regions and village funds in South Sulawesi until August 2022 reached IDR 19.23 trillion or 55.26% of the ceiling of IDR 29.22 trillion. The most significant contribution lies in the general allocation fund, which is IDR 12.96 trillion. This figure is even higher than the previous year's period which reached IDR 12.84 trillion. In the total budget provided, each village receives an average of IDR 907.1 million. The Covid-19 pandemic, which has hit the economy in the last 2 years, has forced the government through state revenue and spending budget instruments to work hard to overcome the impact caused by the pandemic. This can be seen from the policy of transferring funds to the regions and village funds for 2022 which are directed at supporting social protection programs for the poorest and most vulnerable people. The nation's economic recovery must rely on community empowerment in the community-based economy. South Sulawesi Province has 21 Regency and 3 Cities, 307 Sub-districts, and 2,255 villages. South Sulawesi's economy in the second quarter of 2022 continued its positive performance with increased growth compared to the previous quarter. South Sulawesi's economy recorded growth of 5.18%, higher than the previous quarter which grew 4.28%. Residents of rural communities in South Sulawesi Province have dominant livelihoods in the agricultural, forestry, and fisheries sectors (. In villages where the main income of most the population is agriculture, forestry, and fisheries, 64% of the villages have rice as the subsector commodity.

Kata Kunci: *Village fund; Regional economic recovery; South Sulawesi Province*

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INTRODUCTION

Data from the Central Statistics Agency for 2021 shows that the percentage and number of poor people in villages are higher than the percentage and number of poor people in urban areas (Maddatuang et al, 2021). As of September 2021, the number of poor people in rural areas reached 14.64 million people, or 12.53%. To reduce poverty

in villages, the central government has determined at least 40% or around Rp. 27.2 trillion to be distributed to the poor in villages through a direct cash assistance scheme which is paid IDR 300 thousand for 12 months to beneficiary families with the number of beneficiaries targeted to reach 7.5 million people (Ekasari, 2020). Distribution of village funds in 2022 is divided into 2 types, namely distribution of direct cash assistance and distribution of non-cash direct assistance (Celil et al, 2022). The portion of direct cash assistance is 40% while non-cash direct assistance is 60% of the village fund ceiling in 2022.

Village funds are funds originating from the state revenue and expenditure budget earmarked for villages which are transferred through (Arkum & Amar, 2022) the district/city regional income and expenditure budget and are used to finance government administration (Karim et al, 2022), development implementation, community development, and community empowerment (Manne et al, 2021). The purpose of implementing village funds is to improve public services in the village, alleviate poverty (Nursini et al, 2018), advance the village economy, overcome development gaps between villages, and strengthen rural communities as subjects of development (Surya, 2021). Management of village funds in 2022 is regulated in the Regulation of the Minister of Finance of the Republic of Indonesia No. 190/PMK.07/2021 concerning village fund management (Dewi, 2021). Use of Village Funds for national priority programs according to village authority including village data collection, mapping of potential and resources (Indartuti, 2022), as well as management of information and communication technology (Abubakar & Handayani, 2021) as an effort to expand partnerships for village development; development of tourist villages (Karta et al, 2020), for evenly distributed village economic growth (Aji et al, 2021); strengthening vegetable and animal food security to create villages without hunger; prevention of stunting to create healthy and prosperous villages; as well as inclusive village development to increase overall community involvement in village development (Arifin et al, 2020).

Three priorities for using village funds to achieve sustainable development goals (SDGs) were compiled by the Ministry of Villages of the Republic of Indonesia (Mardjuni et al, 2022). First, village funds are used for economic recovery. The Covid-19 pandemic has caused a decline in economic activity in both urban and rural areas (Karim et al 2021). As a result, the poverty rate has increased, causing the quality and standard of living of the people to fall (Nurlinah & Hartanto, 2020). The government's policy that stipulates that at least 40% of village funds are for direct cash assistance is appropriate, especially for the poorest and most vulnerable residents so they do not fall further into poverty (Pambudi et al, 2022). Village funds for 2022 are also focused on economic recovery, the village government is expected to use village funds to encourage village community entrepreneurship (Hasniati et al, 2023). Not only relying on physical strength alone in carrying out economic activities (Nugroho et al, 2022). Creativity and entrepreneurial spirit need to be continuously developed by forming village-owned enterprises that are professional and transparent (Yendra & Westi, 2021).

Second, village funds are directed to carry out national priority programs (Sultan, 2022). A sizable village fund brings responsibility to the village government to create a just and prosperous society (Kusumasari & Alam, 2012). In addition to carrying out administrative activities, it is hoped that the village government will begin to turn to strategic matters in the form of mapping potential and natural resources which are the

leading sectors of the village, developing tourist villages, strengthening plant and animal food security, preventing stunting, and developing inclusive villages (Masniadi et al, 2021). The development of a tourist village is very beneficial for the welfare of residents. Apart from attracting tourists to visit, the existence of tourist villages also triggers the development (Iskandar & Saragih, 2018) of productive businesses and other service sectors that can absorb labor and increase economic activity (Adri et al, 2021). What is more, tourist villages attract investment to the village thereby increasing the income of the village community (Tohari, 2022).

The third priority is the mitigation of natural and non-natural disasters (Kusumasari, 2019). This program is an assignment to the village government in which all villagers are expected to be responsive to natural and non-natural disasters (Adiyani et al, 2021). The village government needs to have a disaster risk profile. So that villagers can carry out mitigation and management of natural and non-natural disasters that can threaten property and even the lives of every citizen. For non-natural disasters such as the Covid-19 Pandemic (Olivia et al, 2020), the central government determines financial support of 8% to deal with the Covid-19 Pandemic. Parepare state treasury service office covering the Ajatappareng area (Parepare City, Barru, Sidrap, Pinrang, and Enrekang Regencies). The five regions in 2022 will receive various allocations of state revenue and expenditure budget funds. Transfer funds to the regions and village funds, the amount of these funds is IDR 1.02 billion which was allocated in the form of special physical allocation funds, special physical allocation funds, and village funds.

Table 1. Transfer funds to the regions and village funds for the Ajattappareng Region in 2022

Description	Ceiling (IDR)	Realization (IDR)	%
Transfers to regions and village funds	1,022,325,738,000	248,155,287,770	24.27
Transfer to area	759,849,601,000	123,789,671,410	16.29
Balance fund	759,849,601,000	123,789,671,410	16.29
Special transfer funds	759,849,601,000	123,789,671,410	16.29
Physical special allocation fund	556,243,121,000	7,709,829,500	1.39
Special non-physical allocation funds	203,606,480,000	116,079,841,910	57.01
Village fund	262,476,137,000	124,365,616,360	47.38

Source: Parepare state treasury service office, 2022

In supporting the government's program to restore the national economy, village funds are partially disbursed in the form of direct cash assistance to poor people who are registered in beneficiary families (Supian & Mamat, 2022). According to the Regulation of the Minister of Finance of the Republic of Indonesia regarding village funds being channeled in the form of direct cash assistance of 40% if this amount is not distributed (less than this amount) a village head regulation is issued which explains data on beneficiary families who can be given financial assistance (Utomo & Dewi,

2022). From these figures, it can be concluded that the local government's precise strategy for overcoming development problems (Jagustović et al, 2019), so that the number of poor people in Enrekang Regency can experience a significant reduction (Wahyuni et al, 2022). One way that is considered successful is by paying great attention to village development (Wahyudi & Wahyudin, 2022).

Village funds are funds sourced from the state revenue and expenditure budget earmarked for villages transferred through the district/city regional revenue and expenditure budget and are used to finance government administration (Neilson, 2022), development implementation, community development, and community empowerment (Ngwira et al, 2017). The realization of village fund distribution in 2022 to 2,255 villages in South Sulawesi Province is as shown in the following table:

Table 2. Realization of village fund transfers in 2022 in South Sulawesi Province

Total of Villages	Total income (IDR)	Total spending (IDR)	Total village income and spending budget (IDR)
2,255	3,711,705,500,328	3,779,048,262,857	7,490,753,763,185

Source: Village information system, 2022.

The purpose of this research was to determine the contribution of village funds to the development and improvement of the village economy in rural areas in South Sulawesi Province. An important factor for regional economic recovery, poverty alleviation, and reducing disparities between regions (Susilowati et al, 2020). The development of villages in Indonesia has increased rapidly with an average growth of 2.29% or 1,409 villages per year. This increase was not followed by an increase in the welfare of the people. Of the total number of villages in South Sulawesi Province, there are 2,255 villages. Currently, no one has been categorized as an independent village, since the rollout of village funds in 2015. Based on data from the Ministry of General Administration of the Ministry of Home Affairs, in 2014 there were 514 districts/cities with a total of 74,045 villages. Based on the analysis of the Ministry of Villages of the Republic of Indonesia, of this number, there are 52.79% of disadvantaged villages, and 23.32% of very underdeveloped villages. In carrying out village development, the government carries out development through two double directions (Karim, 2019). First, with participatory planning within the framework of development from by, and for the village which is called a "development village". Second, technocratic planning involving supra-village powers such as sub-districts, districts/cities, provinces, and the central government within the framework of developing rural areas is called "building villages".

METHODS

In this study, researchers used a qualitative descriptive method. The characteristic of the qualitative method is that data is presented in the form of descriptions in the form of narrative text, words, expressions, opinions, and ideas collected by researchers from several sources according to the technique or method of data collection (Gunawan, 2022). Qualitative descriptive research is a research procedure that produces descriptive data in the form of written or spoken words from the people being observed. Process and meaning (subject perspective) are emphasized in qualitative research. The theoretical basis is used as a guide so that the research focus is on the

facts in the field. The descriptive method is fact-finding with the right interpretation. Qualitative research can also be intended as a type of research whose findings are not obtained through statistical procedures or other forms of computation. This research was conducted to find out and analyze the contribution of village fund realization in Sulawesi Province during 2022. This research was carried out with research settings in several Regency in South Sulawesi Province.

Data collection procedures in this study were carried out under natural conditions (natural setting) on primary data sources, and data collection techniques consisted mostly of observation, structured interviews with questionnaires, and documentation, for this the researchers went into the field. Qualitative research requires sources or informants as respondents, informants, or respondents to function as sources of information (Sari et al, 2022). Informants are used to providing information about the situation and conditions of the research setting. Informants must have a lot of experience in research settings and know actors who are directly involved with research problems (Sugiyono, 2016). The position of the respondent or informant in qualitative research is the key to the data needed in the analysis.

Data analysis in qualitative research was carried out before entering the field, while in the field, and after finishing in the field. Data analysis is more focused during the process in the field along with data collection. Document analysis is part of the analysis in this study concerning the research objectives, namely: reviewing and analyzing the suitability of realization of village funds based on indicators set by the central government in managing village funds in 2022 regulated in the Regulation of the Minister of Finance of the Republic of Indonesia No. 190/PMK.07/2021 regarding the management of village funds. Conformity between plans and programs and development activities with the use of funds, and analyze the constraints faced by village governments in South Sulawesi Province. The results of the analysis are presented in a narrative descriptive form, namely by examining, organizing, organizing by category, evaluating documents related to the contribution of realized funds to 2,255 villages in economic recovery, then interpreting them and drawing conclusions.

RESULT AND DISCUSSION

1.1. Realization of village funds

This study explains the contribution of village funds to regional economic recovery by realizing sustainable development goals in all villages in South Sulawesi Province. The following shows the realization of funds through the 18 SDGs programs which can be used as an indicator of the contribution of village funds to regional economic recovery.

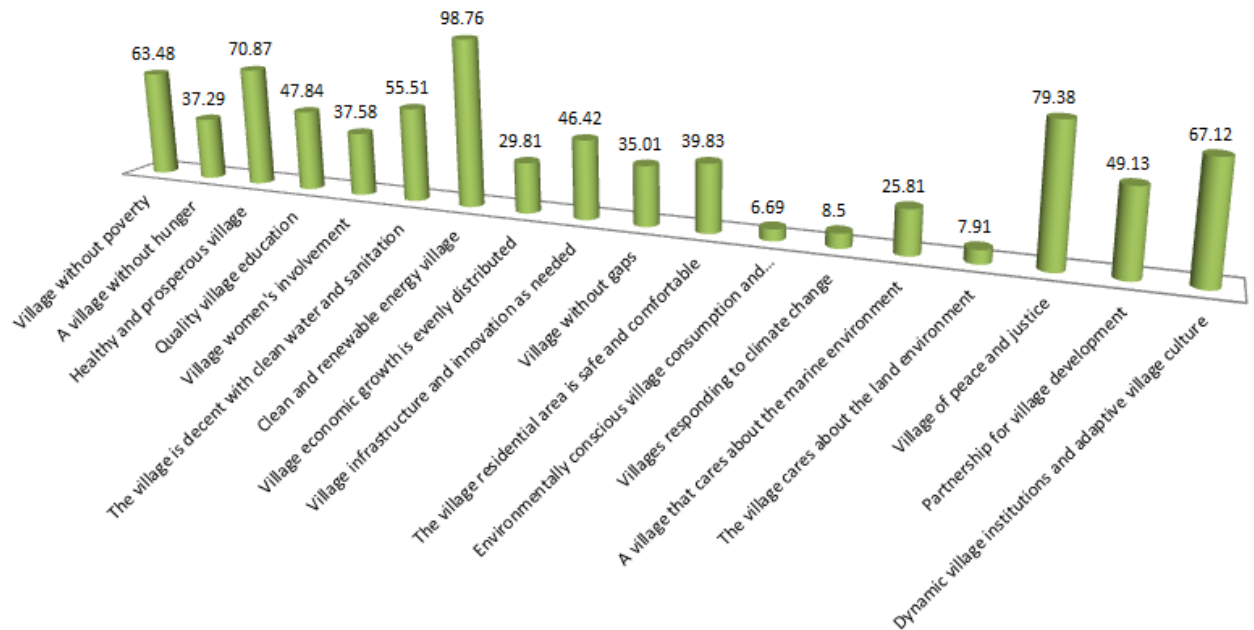


Figure 1: Graph of SDGs scores in South Sulawesi Province in 2022

SDGs localization as a village includes all aspects of localization that have been carried out. All the goals in the SDGs are the goals of sustainable development, then localized to the village level. Village SDGs number 1, namely villages without poverty, targets to reduce the poverty rate to 0% by 2030. This means that there should be no poor people in the village. Based on the 2005-2025 national long-term development plan, the problem of poverty is seen in a multidimensional framework (Abdulai et al, 2022). Poverty is not only an economic problem in the form of low income but is also closely related to other problems including (1) the vulnerability and vulnerability of people or communities to become poor; (2) the presence/absence of fulfillment of the basic rights of citizens and the presence/absence of differences in the treatment of a person or group of people in living life in a dignified manner.

The following is the distribution of village funds in South Sulawesi Province in realizing the SDGs in economic recovery and reducing poverty rates in rural areas. Village SDGs are integrated efforts for economic, social, environmental, legal, and community governance development at the Village level (Gunya et al, 2020). The Village SDGs Goals are derived from the National SDGs Goals into 18 development focus areas, two of which are villages without poverty and village economic growth. Implementation of the SDGs in supporting village efforts without poverty and through realizing the contribution of village funds to all districts in South Sulawesi Province in 2022. In addition, the contribution of village funds in supporting village economic growth through individual working conditions for village communities is shown in the following table:

Table 3. Distribution of village funds to realize SDGs

Description	Goal
Village profile	
Total recipient population	2,810,686 residents
Total head of the family	786,187 family
Budget ceiling	IDR 2,117,144,808,000

Total disbursement to the village treasury account	IDR 2,037,910,778,534
Percentage of the total disbursement	96.26 %

Description	Total of families
Village without poverty	
Recipients of direct cash assistance	137,655
Recipients of the family hope program	37,790
Recipients of cash social assistance	22,184
Recipient of presidential aid	11,787
MSME aid recipients	14,807
Recipients of assistance for work	3,135
Recipients of child education assistance	29,268
Other beneficiaries	61,451

Description	Total of people
Village economic growth is evenly distributed	
Go to school	642,303
Housewife	584,460
Does not work	525,856
Looking for a job	88,538
Working	839,690

Source: Author finding's, 2022.

Village funds originating from the state revenue and expenditure budget earmarked for villages are transferred through the regency/city regional revenue and expenditure budget and are used to finance government administration, development implementation, community development, and community empowerment. Realization of distribution of village funds in South Sulawesi Province to 10 districts in the cash-intensive program and handling of Covid-19 as shown in Tables 4 and 5 below:

Table 4. Realization of village funds in cash work-intensive programs

Regency	Budget allocation (IDR)	Village totals	Gender		Poor family	Unemployment	Sick family	Marginal group
			Male	Female				
Soppeng	23,370,000	49	64	0	27	27	0	10
Wajo	3,036,308,650	142	329	81	144	164	31	0
Sidrap	9,221,000	68	9	0	5	4	0	0
Pinrang	574,763,743	69	141	10	60	69	0	1
Enrekang	6,365,527,557	112	559	43	228	250	2	0
Luwu	1,757,749,860	207	49	0	24	25	0	0
Tana Toraja	9,193,744,751	113	1,543	561	1,108	301	21	1
North Luwu	1,932,768,220	166	616	70	408	272	7	9
North Toraja	487,971,360	111	76	47	51	91	5	0

East Luwu	239,000,818	124	0	0	0	0	0	0
Total	23,620,425,959	1,161	3,386	812	2,055	1,203	66	21

Source: Author finding's, 2022.

Table 5. Realization of village funds at 10 Regency in South Sulawesi Province in 2022

Regency	Village totals	Budget ceiling (IDR)	Total disbursement to the village treasury account (IDR)	Percentage of total disbursement	Covid-19 allocation (IDR)	Village direct cash assistance (IDR)
Selayar	81	71,045,205,000	69,495,116,160	99.33 %	1,788,029,200	27,471,600,000
Bulukumba	109	109,308,610,000	102,900,556,900	99.61 %	0	42,469,200,000
Bantaeng	46	37,466,592,000	37,466,587,100	100.00 %	0	15,584,400,000
Jeneponto	82	93,929,160,000	91,770,001,670	97.70 %	0	38,808,000,000
Takalar	76	75,640,028,000	74,640,028,000	99.46 %	0	29,993,400,000
Gowa	121	139,675,871,000	139,271,896,764	99.71 %	0	56,340,000,000
Sinjai	67	63,693,673,000	61,977,518,400	97.31 %	0	27,561,600,000
Bone	328	314,660,111,000	271,852,666,640	86.40 %	386,076,000	115,188,300,000
Maros	80	80,501,940,000	80,380,213,200	99.85 %	121,726,800	33,656,400,000
Pangkep	65	62,236,999,000	62,236,999,000	100.00 %	0	25,992,000,000
Total	1,055	1,048,158,189,000	991,991,583,834	Average 97.94 %	2,295,832,000	387,072,900,000

Source: Author finding's, 2022.

The issuance of Presidential Regulation Number 59 of 2015 concerning the Implementation of achieving sustainable development goals (SDGs). National development direction by setting 17 goals and 169 targets based on the global action plan to end poverty, reduce inequality, and protect environmental ecosystems. To realize this, the skills of development actors are needed, such as the integration of all SDGs priority programs and action plans, and the availability of a holistic development database. Village SDGs is an integrated effort to accelerate the achievement of sustainable development goals and serve as a direction for village development policies by accommodating the local wisdom of the community and productive village institutions. Therefore, SDG's Desa cannot stand alone, it requires Badan Usaha Milik Desa (BUMDes) as the engine of the village economy. Some of the profits from these economic activities become a source of the village's original income

which can be used for development activities and empowerment of village communities. The following is a total of BUMDes and BUMDes together in supporting the regional economic recovery of South Sulawesi Province.

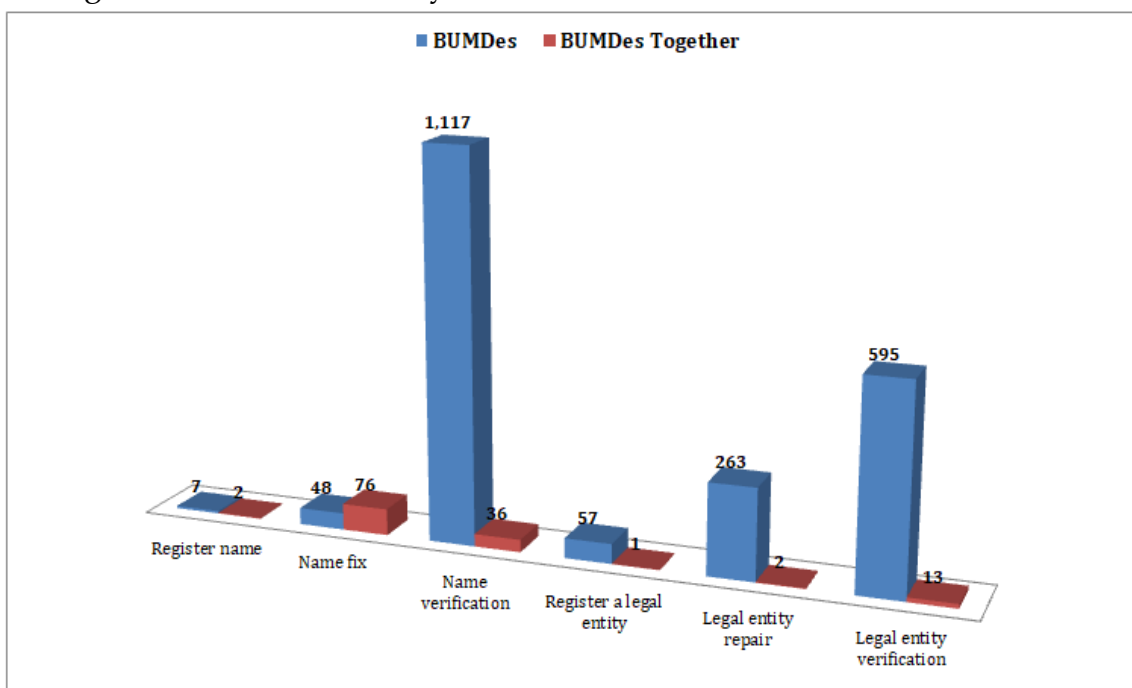


Figure 2. Total of village economic institutions in South Sulawesi Province in 2022

The status of the BUMDes institution is a legal entity, through this status BUMDes as a village economic institution, whose majority of the capital must be owned by the village can freely carry out its business activities. Apart from being able to run their own business (BUMDes as the operating company), BUMDes can also play a parent role for business units with legal entities, BUMDes as an Investment Company. BUMDes economic activity must be a fertilizer for existing and existing villagers' businesses, BUMDes must be a business consolidator for villagers and play a major role in saving village cultural assets, which have been passed down from generation to generation.

1.2. Realization of regional income and expenditure budget for South Sulawesi Province

The realization of regional revenue and expenditure budget spending as well as the state revenue and expenditure budget in South Sulawesi Province has decreased. The realization of regional revenue and expenditure budget spending in the second quarter of 2022 was recorded at IDR 2.11 trillion (28.47% of the 2022 ceiling), lower than the realization for the same period in 2021 which amounted to IDR 3.10 trillion. Meanwhile, the realization of state revenue and expenditure budget spending was IDR 7.82 trillion or 38.46% of the total budget ceiling, a decrease compared to the same quarter in 2021 of IDR 8.59 trillion. This is in line with the government consumption gross regional domestic product contraction in the second quarter of 2022 of 17.18%. The realization of regional budget revenues and expenditures for South Sulawesi Province has increased in the second quarter of 2022 compared to the same quarter in the previous year.

The realization of regional income and expenditure budget revenue for South Sulawesi Province in the second quarter of 2022 was recorded at IDR 4.48 trillion with the largest contribution coming from regional original revenue. Meanwhile, the realization of regional income and expenditure budget revenues in 24 Regencies/Cities of South Sulawesi Province reached IDR 10.88 trillion, a decrease compared to the same period in 2021. Fiscal independence throughout South Sulawesi has increased, which was mainly contributed by tax revenues. Going forward, revenue realization has the potential to continue to be increased, supported by, among other things, the policy of exemption from progressive motor vehicle tax fines and support for the implementation of digitization of tax revenue payments. In addition, the Provincial Government also continues to encourage village fiscal independence through developing village tourism potential. With this program, it is hoped that the economic recovery will be faster in addition to encouraging increased village independence (Sieng et al, 2022).

Table 6. Budget and realization of regional income and expenditure budget in South Sulawesi Province

Description	Quarter II 2021			Quarter II 2022		
	Budget (Billion in IDR)	Nominal (Billion in IDR)	Realizat ion (%)	Budget (Billion in IDR)	Nominal (Billion in IDR)	Realizati on (%)
Locally-generated revenue	4,879.28	1,834.42	37.60	5,003.47	2,259.47	45.16
Local tax revenue	4,231.76	1,712.99	40.48	4,241.92	1,932.61	45.56
Regional retribution revenue	55.15	15.68	28.42	53.03	18.23	34.38
Results of separated regional wealth management	115.67	1.04	0.90	137.99	132.68	96.15
Another legal original regional income	476.70	104.72	21.97	570.53	175.94	30.84
Transfer Income	5,664.33	2,353.30	41.55	4,095.27	2,204.20	53.82
Tax and non-tax revenue-sharing funds	394.06	141.60	35.93	234.81	91.82	39.10
General allocation fund	2,339.14	1,375.25	58.79	2,340.04	1,365.02	58.33
Special allocation fund	2,906.63	824.20	28.36	1,520.43	747.36	49.15

Other central government transfers	24.51	12.25	50.00	-	-	-
Other legitimate income	156.44	11.92	7.62	144.49	13.02	9.01
Total income	10,700.06	4,199.65	39.25	9,243.23	4,476.69	48.43

Source: Author finding's, 2022.

Labor conditions in South Sulawesi in February 2022 showed an improving trend in line with the economic recovery during the Covid-19 pandemic. This can be seen from the increase in the index value of the labor force participation rate which increased by 0.49 percentage points followed by a decrease in the value of the open unemployment rate index by 0.04 percentage points compared to 2021. Meanwhile, the number of poor people in South Sulawesi in March 2022 decreased compared to the March 2021 period, which shows an improvement in the level of welfare (Gatto et al, 2017). The poverty rate in South Sulawesi in the March 2022 period was 8.63%, below the national average poverty rate of 9.54%. The number of poor people in South Sulawesi in March 2022 was 777,440 people, a decrease of 7,540 people compared to the March 2021 period. The increase in welfare was also shown by the increase in the farmers' exchange rate in the second quarter of 2022 in South Sulawesi, which increased by 1.73% (YoY).

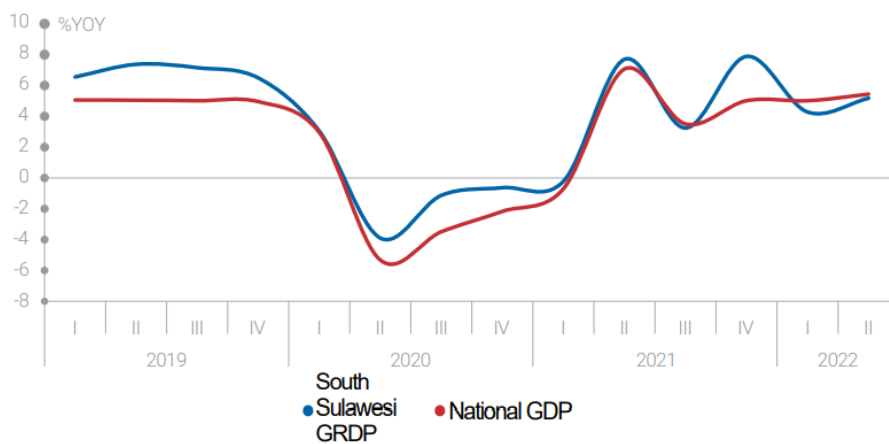


Figure 3. South Sulawesi & National Economic Growth, 2022.

There is still 1 (one) Regency whose revenue realization has not been recorded, namely North Luwu Regency. This contributed to a decrease in revenue realization. A deeper decline in revenue realization was stifled by Pangkajene Islands Regency's revenue realization which increased to IDR 236 billion. Meanwhile, the highest increase in realization was in Bantaeng Regency (35.4%). The increase in revenue realization in Bantaeng Regency was mainly due to the realization of transfers to regions and village funds which in 2022 realized up to IDR 284.29 billion, and was dominated by general allocation funds with a total realization of IDR 233.33 billion. On the other hand, although it has decreased, revenue realization for Makassar City is still the highest compared to other districts/cities in South Sulawesi. Makassar City's share of realized revenue is 11.18% of the total revenue of 24 Regencies/Cities. The

realized value reached IDR 1.22 trillion, lower than the second quarter of 2021 which reached IDR 1.34 trillion. The realization of Makassar City's revenue was mostly contributed by the regional tax component which was realized IDR 922.49 billion or 75.86% of the total revenue.

Table 7. Expenditure realization of 24 regency/cities in South Sulawesi

Description	Realization of Quarter II 2021 (Billion in IDR)	Realization of Quarter II 2022 (Billion in IDR)
Operational Expenditure (Billion in IDR)	9,072.88	8,957.74
1. Employee spending	6,259.52	5,682.83
2. Shopping for goods and services	1,836.34	2,279.57
3. Shop for flowers	3.42	6.62
4. Subsidy spending	1.00	0.00
5. Grant shopping	139.41	185.31
6. Shopping for social assistance	7.04	6.72
7. Expenditures for capital assistance	826.15	796.69
Capital Expenditure (Billion in IDR)	392.50	809.77
More Shopping (Billion in IDR)	140.38	43.57
1. Spending for results	6.04	10.84
2. Unexpected shopping	134.34	32.73
Total of Expenditures (Billion in IDR)	9,605.75	1,811.09

Source: Author finding's, 2022.

Expenditure realization until the second quarter of 2022 was IDR 9.81 trillion, an increase compared to the same quarter the previous year which amounted to IDR 9.61 trillion (an increase of 2.14%). This was caused by an increase in capital expenditure amid a decrease in the realization of operating expenditures and other expenditures, which were respectively 1.27% and 68.96%. By component, the increase in realized spending was contributed by goods and services spending and capital spending which increased by IDR 443.23 billion and IDR 417.27 billion respectively.

Table 8. Realization of state revenue and expenditure budget in South Sulawesi Province

Description	Budget 2021 (Billion in IDR)	Realization of Quarter II 2021 (Billion in IDR)		Budget 2021 (Billion in IDR)	Realization of Quarter II 2021 (Billion in IDR)	
		Nominal	%		Nominal	%
		Realization			Realization	
Employee spending	8,617.40	4,412.15	51.29%	8,487.53	4,047.75	47.69%

Shopping for goods	8,062.05	2,948.36	36.57%	7,988.78	2,768.29	34.65%
Capital expenditure	3,955.53	1,193.07	30.16%	3,795.65	941.43	24.80%
Grant shopping	-	18.67	-	-	37.45	-
Shopping for social assistance	50.41	20.99	41.63%	67.74	27.66	40.84%
Total of Expenditures (Billion in IDR)	20,685.39	8,593.23	41.54%	20,339.69	7,822.58	38.46%

Source: Author finding's, 2022.

The increase in realized higher spending was stifled by personnel spending, which fell 9.21% compared to the realization until the second quarter of 2021. Based on nominal value, personnel spending accounted for 57.92% of total realized spending up to the reporting period. The realization of personnel spending that is still low is partly due to the policy of delaying the payment of additional income for state civil servants in 40 regional work units within the scope of the Makassar City Government due to the realization of the regional revenue and expenditure budget which is still below the target of 40%. Up to the reporting quarter, there were 11 out of 51 regional work units had succeeded in exceeding the expenditure realization target and were able to carry out the process of disbursing additional income allowances. The Mayor of Makassar made the realization of the budget a condition for paying employee income benefits, considering that the realization of the Makassar City regional income and expenditure budget was still low until the second quarter of 2022 at 19%.

CONCLUSION

Based on village fund budgeting, the Directorate General of Fiscal Balance, Ministry of Finance of the Republic of Indonesia, calculates details of village funds for each regency/city area. Details of village funds for each district/city are allocated evenly and fairly based on basic allocations, affirmative allocations, performance allocations, and formula allocations. Based on Presidential Regulation of the Republic of Indonesia Number 104 of 2021 concerning details of the State Budget for the Fiscal Year 2022 Article 5 paragraph (4) village funds are determined to be used for: (1) social protection programs in the form of village cash direct assistance of at least 40%; (2) food and animal security programs of at least 20%; (3) funding support for handling Covid-2019 of at least 8% of the village fund allocation for each village; and (4) other priority sector programs.

The main priority for using village funds this year is a social protection program in the form of direct village cash assistance. Providing cash to poor or incapacitated families in villages originating from village funds. This provision aims to help the rural poor, reduce the economic impact due to the Covid-19 pandemic, and become additional income to increase the purchasing power of the poor in meeting their daily basic needs. Direct cash assistance is one of the most important instruments in dealing

with poverty and alleviating extreme poverty in villages. The amount of direct village cash assistance given to beneficiary families is IDR 300,000 per month.

Village funds are determined to be used at least 8% of the village fund ceiling for each village. The amount of at least 8% is outside and does not include funding for direct village cash assistance. Village funds are determined to be used for funding the handling of the Covid-19 pandemic in 2022 in the amount of a minimum of IDR 5.4 trillion. Village Cash Work Intensive is an activity to empower rural communities, especially the poor and marginal. This activity is productive by prioritizing the use of resources, labor, and technology originating from the village concerned. The objectives of village cash-intensive work include providing additional wages or income, reducing poverty, increasing people's welfare, and at the same time supporting the reduction of stunting rates.

When the economy is weakening due to Covid-19, a fiscal stimulus is needed to save the economy and increase public consumption, especially in the Province of South Sulawesi. Support for allocation of village funds in several programs, village funds have become the backbone of national economic recovery and handling of the Covid-19 pandemic at the village level in South Sulawesi. It is hoped that the use of village funds can help communities affected by the Covid-19 pandemic and recover the national economy by increasing the economic growth of the village, which is the smallest community structure. Village contributions are very important as an extension of the government in managing village funds in an effective, efficient, prudent, transparent, and accountable manner so that people's welfare increases and encourages national economic growth.

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