

## THE ROLE OF VILLAGE FUND CASH TRANSFER AS AN EFFORT REDUCING POVERTY RATES IN MEKARSARI VILLAGE, CIANJUR DISTRICT, CIANJUR REGENCY

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### ABSTRACT

The Covid-19 pandemic not only disrupts health but also has an impact on the economic order of all countries. Launching from the *Benefita 5(2)* Journal, the impact of the pandemic on the economy can cause low investor sentiment toward the market which ultimately makes the market negative. The Covid-19 pandemic entered Indonesia in 2020, the impact felt made the Indonesian economy bad, especially for people in the poor category, so there needs to be government efforts to overcome this problem. And to overcome this, one of the efforts made by the Indonesian government is to refocus the budget from various existing budget items. And one of the budget items that is also being refocused is the Village Fund. The main priority for using Village Funds this year is a social protection program in the form of Village BLT. Village BLT is a cash gift to poor or indigent families in the village sourced from the Village Fund. This provision aims to help the rural poor, reduce the economic impact of the Covid-19 pandemic, and become an additional income to increase the purchasing power of the poor in meeting their basic daily needs. Village funds, which are intended for village development and development, are diverted into cash assistance funds called Village Fund Direct Cash Assistance (BLT Dana Desa). Therefore, this study aims to determine the role of Village Fund BLT in reducing the poverty level of people in the village. To achieve the above goals, researchers here use a descriptive qualitative research approach. The method of data collection is structured interviews and documentation. Data analysis used consists of data education, information collection, and conclusions. The results showed that the Village Fund Direct Cash Transfer greatly helped the community's economy. Because it increases people's purchasing power.

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### 1. INTRODUCTION

The Covid-19 pandemic not only disrupts health but also has an impact on the economic order of all countries. Launching from the *Benefita 5(2)* Journal, the impact of the pandemic on the economy can cause low investor sentiment toward the market which ultimately makes the market negative.

In the Journal of R&D: Information Media for Research, Development, and Science and Technology 17(1) it is also stated that the pandemic has slowed economic growth. This was triggered by the social distancing and regional quarantine policies. So that economic activity becomes hampered.

The pandemic, which has occurred since March 2020, has made the economy that year plummet. This can be seen from the growth of Gross Domestic Product (GDP) which was recorded at -2.07% in 2020. In the previous year, GDP still grew to 5.02%. It can be seen in the figure of Table 1.

The decline in economic growth can also be followed by other economic impacts such as increased unemployment (Achmad et al., 2023). This is because, during the pandemic, many companies were disrupted. So many employees were forced to be laid off.

From data published in the databox, as of August 2020, the number of unemployed people in Indonesia increased from 2.67 million to 9.77 million people. This unemployment increases along with the increasing number of the labor force, this will also have an impact on increasing poverty. Shown in Table 2. The Central Statistics Agency also said that in August 2020, as many as 15.72 million people experienced a reduction in working hours due to the COVID-19 pandemic. As many as 1.11 million people are also unable to work due to the pandemic. Meanwhile, there are 650 thousand non-labor force residents who have stopped working due to corona since February 2020.

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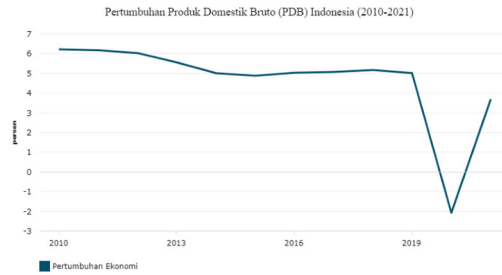


Figure 1. Gross Domestic Product (GDP)

Poverty is perceived as a very complex problem, both from the factors that cause why to become poor and from the impact that will be caused if poverty continues to increase. If we look at the causes, poverty can be caused by internal factors as well as external factors. Internal factors include the condition of the individual concerned, family, or community/community seen from the low level of education and income. Furthermore, it can also be seen from external causative factors, namely social, political, legal, and economic conditions. Therefore, poverty requires serious and sustainable handling by integrating various political, legal, economic, social, cultural, and security fields that need to be improved by involving the role of all elements, especially the participation of the State in overcoming poverty.

Article 34 paragraph (1) of the 1945 Constitution mandates that "The poor and abandoned children are cared for by the state", then paragraph (2) states that "The state is obliged to deal with the poor through empowerment and social security assistance." In addition, Law number 11 of 2009 concerning Social Welfare, article 20 letter states; "One of the objectives of poverty reduction is to increase capacity and develop the basic skills and business skills of the poor". Regulations regarding poverty reduction were then made into Presidential Regulation Number 15 of 2010 concerning the Acceleration of Poverty Reduction. Poverty alleviation is a local government policy and program that is carried out systematically, planned, and in synergy with the business world and the community to reduce the growth of the poor population which aims to improve the welfare of the people.

To overcome the problem of poverty related to the impact caused by the Covid-19 outbreak, the Government has issued several policies related to handling the Covid-19 pandemic for the poor and the new poor affected by Covid-19, including:

1. 3-month electricity fee exemption for 24 million 450 VA customers, and 50% discount for 7 million subsidized 900 VA customers (Central Government);
2. Provision of BST (Social Cash Transfer) to the poor (Central Government);
3. Basic Food Assistance (Central, Provincial, and District/City Governments);
4. Village Fund BLT (Village Government).

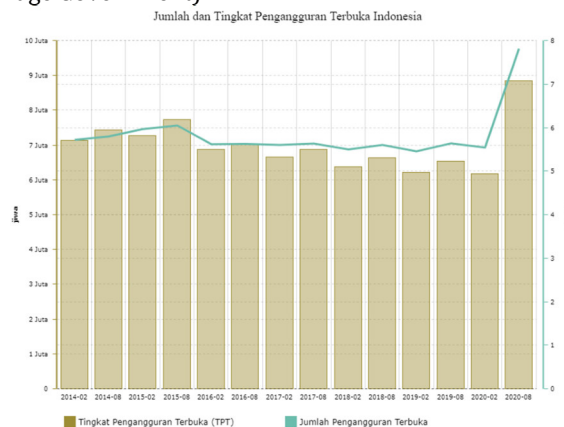


Figure 2 Unemployed People In Indonesia

The government seeks action to help the economy of people affected by the Covid-19 corona pandemic. One of them is by changing the mechanism for allocating village funds during the pandemic. Village Fund is a fund allocated in the APBN intended for villages through the APBD. The PDTT Village

Ministry has made changes to PDPT Village Minister Regulation Number 11 of 2019 concerning Priority Use of Village Funds in 2020. This regulation was changed to PDPT Village Minister Regulation Number 6 of 2020. The amendment is to regulate the use of Village Funds to support the prevention and handling of the Covid-19 pandemic. Village funds themselves can be used for the implementation of the Covid-19 Response Village and the implementation of PKDT. The basis for this provision is Circular Letter (SE) Number 8 of 2020 concerning Covid-19 Response Villages and PKDT Affirmation issued by the Minister of Villages. During this pandemic, the government prioritizes the allocation of village funds for two things, namely; The first priority is self-managed infrastructure development with the Village Cash Intensive Labor (PKDT) system to strengthen village economic resilience and community income. The second priority is strengthening public health through efforts to prevent and handle Covid-19.

The Village Ministry is one of the Ministries involved in tackling the new poor and poor in villages affected by Covid-19, The legal basis for providing Village Fund Cash Transfer is PDPT Village Minister Regulation Number 6 of 2020 concerning Amendments to PDPT Village Minister Regulation Number 11 of 2019 concerning Priority Use of Village Funds. Regulations related to BLT-Village Funds can be seen in Article 8, article 8A, as well as Annex-1 and Annex-2 which are integral parts. The target recipients of Village Fund Cash Direct Assistance are poor non-PKH families, or Non-Cash Food Assistance (BPNT) who have lost their livelihoods without being recorded (exclusion error) and have family members who are vulnerable to chronic illness.

According to Beni (2016: 69) and Achmad (2022) Effectiveness is the relationship between output and goals or can also be said to be a measure of how far the level of output, policies, and procedures of the organization is. Effectiveness is also related to the degree of success of an operation in the public sector so an activity is said to be effective if the activity has a major influence on the ability to provide community services as a predetermined target.

Because of the poverty described above, the existence of assistance from the government is highly expected by the community, especially during the Covid-19 pandemic when many people feel the impact of this virus.

## **2. METHODS**

The research method used to answer the research is using qualitative research methods with case study methods. To conduct research one can use such research methods. Following the problem, purpose, usefulness, and ability it has.

Bagman and Taylor define qualitative research methods as research procedures that produce description data in the form of written or spoken words of people and observed behaviors.

Kirk and Miller argue that qualitative research is a particular tradition in the social sciences that fundamentally relies on human observation in its territory and relates to these people in their language and terminology. And qualitative research is one method to obtain the truth and is classified as scientific research built based on theories that develop from research and are controlled on empirical grounds. So in qualitative research, this is not only presenting the data as it is but also trying to interpret correlation as an existing factor that applies including points of view or ongoing processes.

This study used the observation method in its data collection. The role of the researcher as (observatory) in this case is not entirely as an actor as well but still performs the function of observation (observation). He became a member only pretending, so it did not merge in the real sense (Moleong 2011: 127; Yulianah, 2022).

The data analysis techniques used in this study are qualitative techniques carried out since entering the field, during the field, and after the field.

## **3. RESULT AND DISCUSSION**

### **The Role Of Village Fund Cash Transfer As An Effort Reducing Poverty Rates In Mekarsari Village, Cianjur District, Cianjur Regency Village Fund**

Village Fund is a fund sourced from the state budget intended for villages which are transferred through the district/city regional budget and used to finance the administration of government, implementation of development, community development, and community empowerment.

Priority Use of Village Funds is prepared based on the principles of:

1. Humanity;
2. Justice;
3. Natural balance; and
4. National strategic policies based on village authority.

Priority Use of Village Funds is directed to programs and/or activities to accelerate the achievement

of Village SDGs through:

1. National economic recovery in accordance with the authority of the Village;
2. National priority programs according to the authority of the Village; and
3. Mitigation and handling of natural and non-natural disasters according to the authority of the Village.

The use of Village Funds for national economic recovery according to Village authority is prioritized for the achievement of Village SDGs:

1. Poverty alleviation, to realize a Village without poverty;
2. Establishment, development, and capacity building of Village-owned enterprises/joint Village-owned enterprises for equitable Village economic growth; and
3. Development and development of productive economic enterprises that are prioritized to be managed by Village-owned enterprises / Village-owned enterprises together to realize environmentally conscious Village consumption and production.

From several fields that have been described above, in handling the problem of village fund direct cash assistance, it is included in the unexpected field and also in the field of development, which is the impact of the spread of the Covid-19 virus and there are regulations from the central government in accordance with the law described above, which requires villages to issue assistance funds for the community that should be used for village development budgets, Due to the COVID-19 virus, funds are allocated to the Village Fund BLT in accordance with the provisions that have been explained.

The distribution of this direct cash assistance has a positive impact on the Mekarsari village community, which is a form of the Pontang Village Government's good response to the community during the COVID-19 pandemic.

The spread of COVID-19 has made all people in Mekarsari Village also feel the impact, especially poor people in Mekarsari Village.

The following are the results of the researcher's interview with the Head of Welfare of Mekarsari village, related to the importance of direct cash assistance for village funds in an effort to reduce poverty. *"This Direct Cash Transfer is very helpful for the economy of the people of Mekarsari Village so as to increase the purchasing power of the community, especially for people who have lost their jobs during the Covid-19 pandemic. Hopefully, the pandemic will recover soon and the community can carry out activities again as usual."*

Poor people who used to find it difficult to meet basic needs every day added to The spread of covid-19 made it more difficult for poor people in Pontang village to meet their needs every day because they participated in feeling the impact of the spread of the covid-19 virus.

The provision of cash assistance is not in the long term or continuous, but this assistance is provided during the Covid-19 pandemic only, and even then it must also be in accordance with existing regulations.

The provision of social assistance during the covid-19 pandemic is a good step taken by the central and regional governments, where the government has a great responsibility for the fate of its people during the covid-19 pandemic assistance provided by the government to affected communities.

The covid-19 virus and the people who feel the impact of the spread of covid-19 are very well responded to by the community, especially the poor and people affected by layoffs.

Data collection and distribution of village fund BLT are also assisted by RW and RT leaders in each hamlet in Mekarsari village, each of the RW / RT chairmen provides recommendations for the names of communities in the area they lead who are really incapable or those who are laid off and in accordance with the characteristics that deserve the assistance recommended by the central government.

The criteria for recipients of Village Fund Direct Cash Assistance (BLT-DD) as referred to in the Minister of Finance Regulation number 190 of 2021 article 32 paragraph 1 are given to beneficiary families who meet the following criteria:

1. Poor families domiciled in the village concerned and prioritized for poor families who fall into the category of extreme poverty;
2. Loss of livelihood;
3. Have family members who are prone to chronic/chronic pain;
4. Poor families receiving other social safety nets that have stopped both from the APBD and/or from the APBN;
5. Poor families affected by the Corona Virus Disease 2019 (COVID-19) pandemic and have not received assistance; or
6. Households with elderly single household members.

The same thing was also explained by Mr. Agus Kusnadi, Chairman of the Mekarsari Village Community Empowerment Institute that:

*"People who are obliged to get direct cash assistance from village funds are those who are old widows in the sense of living alone, then poor people mean those whose workers are like farm laborers, or daily jobs, especially during the pandemic sometimes there is no work at all that they do, then people who are sick for a long time such as disabled, and most importantly people who have not received any assistance before from the government".*

From the explanation above, the author concludes that the assistance provided to the community by the village government is not only given free of charge or originally, but this distribution requires time and consideration from each RW / RT leader, in accordance with the characteristics required by the central government. So that the role of the head of RW / RT is very important in efforts to empower the community in supporting the smooth implementation of government and development, as well as whether or not the distribution of direct cash assistance to village funds to the Mekarsari village community.

Regarding this BLT-DD assistance, the community feels greatly helped by this assistance. This was explained by Mrs. Siti Rosidah who said:

*"Yes, with this covid-19, it does have an impact on all levels of society, from workers and those who do not work, because the economy is very low during this covid-19 pandemic, so for poor people who really need help, it really feels helped".*

This was also explained by Mrs. Oneh a resident of Rw 02 who is registered as a recipient of the Village Fund BLT:

*"Yes, I really got cash assistance from the village, I used the assistance to buy daily necessities such as rice, oil, vegetables, etc. Yes, Alhamdulillah, I was greatly helped by this assistance, because I live alone and I am a widow, my job is only as a laborer to participate in the neighbor's place, even if I have work if I don't, I diem at home Because my condition is old, and the energy is not so strong when working hard".*

We can know that this assistance is very helpful for the people of Mekarsari village, especially the poor, those who previously found it difficult to meet their daily needs, in addition to the mass of the COVID-19 pandemic, and with the assistance of BLT-DD, the community was greatly helped. And the distribution of this aid must prioritize those who are indeed poor or widows who no longer have a family head and find it difficult to meet their daily needs.

#### 4. CONCLUSION

Village Fund Direct Cash Assistance is given to poor people in Mekarsari Village by the characteristics that have been determined, and in the process of distributing BLT-DD is on time, right on target. And by the number of funds budgeted by the village, in the process of distributing BLT-DD, it can be said that it has played an active role and can reduce poverty, and increase people's purchasing power, because this assistance is affordable, although not long-term, and only exists during the Covid-19 pandemic, but is sufficient to help the community during economic difficulties during the Covid-19 pandemic, and by the registration from the central government. The provision of social assistance during the Covid-19 pandemic is a good step taken by the central and regional governments, where the government has the Mekarsari Village community, which is a form of the Pontang Village Government's good response to the community during the Covid-19 pandemic.

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