Factors affecting the Welfare of Rural Communities related to Rural Fund in Klungkung Regency

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Abstract- This study aims to determine the effect of education level, rural infrastructure, income and number of dependents on the welfare of rural communities related to rural funds in Klungkung Regency. The population in the study are all rural communities in Klungkung with sample of 148 respondents who were determined by the quota sampling method. The data collected by observation, structured interviews, and in-depth interviews, and analyzed using moderated regression analysis.

Keyword: Rural Community Welfare, Education Level, Rural Infrastructure, Income, Number of Dependents

I. INTRODUCTION

Since 1999, Indonesia has started to change the government system from centralized to decentralized. One example of decentralization is rural development, this activity aims to increase economic growth in rural areas with a strong institutional structure. Economic growth will create investment, create jobs, absorb the labor force, which in turn will reduce poverty (Seran, 2017). In the development process, the highest possible economic growth is always attempted (Rimbawan, 2012). Development is an effort to achieve social welfare in the form of activities to develop economic activities and a standard of living (Arsyad, 2004). According to Suhartini and Yuta (2014), "the problem in development is poverty alleviation, policies and efforts to improve the welfare of the poor are very important." Sunu and Suyana Utama (2019) show that "rural funds have a positive and significant impact on community welfare."

According to Kaur (2016), economic growth is also influenced by technology and knowledge, so education is very important. A conscious systematic effort to achieve a better standard of living is the definition of education (Zaman, 2011). A rural is a small community that is tied to a special locality such as a place to live or a place to meet the necessities of life that depend on the agricultural sector (Rahardjo, 2010: 28). In resource-based view theory, the rural is obliged to have valuable, scarce, non-substituted, and not imitated resources (Barney, 1991 According to Nurcholis (2011: 88-89), "Rural funds are channeling funds through the rural treasury that come from the balance fund. Central and regional finances received by districts / cities for rurals are at least 10 percent. The existence of financial assistance funds to rurals is not necessarily followed by an increase in the welfare of the community that is evenly distributed in districts / cities in Bali." This is also emphasized by Edmundson (1983), that the community must participate in rural development and development programs.

Rural community participation starts from the planning, implementation of rural development, and utilizing the results of rural development (Daraba, 2017). In 2019, the Rural Fund provided to the rural government reached a fairly large nominal, amounting to Rp. 672,421,000.00 for each rural in Bali Province. Based on the details of rural funds in Klungkung Regency with a total of 53 rurals, various questions began to arise regarding the readiness and quality of human resources in each rural. The management of these funds must be accountable and transparent (Brusca and Montesinos, 2006; Koppel, 2005).

The problem that occurs is the low administrative capacity or expertise of rural officials, therefore it is very difficult to expect professionalism at the street level bureaucrats because they have limited administrative capacity (Hupe and Hill, 2007). The next problem is the inadequate ability of rural fund managers from both the rural government and community institutions in planning, implementing and controlling activities. One of them is that the community component is not involved in deliberations on the use of rural funds. According to Marhaeni, et al (2019) that in the use of rural funds it is intended for community empowerment which is

directed at increasing capacity in the process of planning, monitoring, implementing and managing basic social service activities (health, education, empowering women and children, developing rural information systems and empowering people with disabilities and marginalized communities)

In overcoming gaps, the government seeks to apply the paradigm of "Building from the periphery" which means developing underdeveloped areas and rural areas. Rurals have a strategic role in helping local and central governments in the process of implementing development (Gayatri, 2017). In the midst of conducting this research, an unexpected incident occurred, the Covid-19 pandemic. The Covid-19 pandemic is pressing the economy. In general, the poverty rate in Indonesia is currently dominated by people who live in rurals. 85.40 percent of the 25.1 million poor people in 2019 live in rural administrative areas. In 2019, the poverty rate in the rural reached 11.70 percent. This figure is greater than the national figure at 9.41 percent (Asmanto, 2020). The efforts made by the government to overcome problems from an economic point of view during the Covid-19 pandemic by utilizing rural funds.

H1: "The level of education, rural infrastructure, income, and number of dependents simultaneously affect the level of welfare of the rural community regarding the existence of Rural Funds in Klungkung Regency."

H2: "The level of education, rural infrastructure, income and number of dependents have a positive effect on the level of welfare of rural communities related to the existence of Rural Funds in Klungkung Regency."

H3: "The number of dependents moderates the effect of income on the level of welfare of the rural community related to the existence of Rural Funds in Klungkung Regency"

II. METHODS

This research is a quantitative study, the reason for choosing Klungkung Regency is because this area has the highest inequality in Bali Province. The number of samples used was 148 people with a quota sampling method. data were collected using a questionnaire. This study uses qualitative data which is analyzed using moderated regression.

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 M + \beta_5 X_3 M + e_i$$

Description:

Y	= Rural Community Welfare
X_1	= Education level
X_2	= Rural Infrastructure
X_3	= Income
M	= number of dependents
X_3M	= Interaction between income and number of dependents
β1, β2, β3, β4, β5	= Regression coefficient of each of the Independent Variables
α	= Intercept / Constant
ei	= Standard error or prediction error

III. RESEARCH AND DISCUSSION

A. Results of Moderation Regression Analysis

Hypothesis testing in this study uses Moderated Regression Analysis (MRA). The choice of this model is carried out with the consideration that there are variables that play a role in strengthening or weakening the relationship between the independent variable and the dependent variable (Liana, 2009). This research equation system is as follows:

Table 1. Results of Moderation Regression Analysis

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-1,870	,195		-9,603	,000
	X1	,352	,039	,439	8,965	,000
	REGR factor score X2	,405	,054	,405	7,527	,000
	X3	,155	,071	,243	2,186	,030

M	,187	,053	,276	3,488	,001
X3_M	-,038	,018	-,295	-2,108	,037

Primary Data, 2020

Based on data from the results of moderation regression analysis in Table 1, the equation can be made as follows:

$$\hat{Y} = -1,870 + 0,352X1 + 0,405X2 + 0,155X3 + 0,187M - 0,38X3M$$

B. Simultaneous testing (F test)

Table 2. F Test

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	118,423	5	23,685	117,691	,000[b]
	Residual	28,577	142	,201		
	Total	147,000	147			

a. Dependent Variable: REGR factor score Y
b. Predictors: (Constant), X3_M, X1, REGR factor score X2, M, X3

Primary Data, 2020

Based on Table 2, it is obtained that F-count (117.691)> Ftable (3.06), then H0 is rejected and H1 is accepted with a significance level of 0.000 <0.05. This means that "the level of education, rural infrastructure, income, and number of dependents simultaneously have a significant effect on the welfare of rural communities in Klungkung Regency." The results of this study indicate that the moderation regression model is appropriate to use as an analytical tool that examines the effect of education level, rural infrastructure, income and number of dependents on rural communities in Klungkung Regency.

C. Partial testing (t test)

Table 3. t test

Variable	t	Sig.
X1	8,965	0,000
X2	7,527	0,000
X3	2,186	0,030
M	3,488	0,001
X3M	-2,108	0,037

Primary Data, 2020

Based on the results of the analysis in Table 3, the t value for the level of education obtained is 8.965> 1.655 and a significant value of 0.000 means that the level of education partially has a significant effect on the welfare of rural communities in Klungkung Regency. Therefore it can be said that the higher the level of education, it will support increasing the welfare. This is in line with Dewi (in Bahari, 2020), one important factor in increasing the welfare of the population is the level of education.

The t value of the infrastructure variable obtained is 7.527> 1.655 and a significant value of 0.000 means that the rural infrastructure variable partially has a significant effect on the welfare of rural communities in Klungkung Regency. Therefore, it can be said that the more rural infrastructure development is, it will support improving the welfare. This is in line with Awandari and Indrajaya (2016), infrastructure has a positive and significant impact on people's welfare.

The t-value of the income variable is 2.186> 1.655 and a significant value of 0.030 means that the income variable partially has a significant effect on the welfare of rural communities in Klungkung Regency. Therefore it can be said that the higher the income, it will support improving one's welfare. This is in line with Herawan (2013), where there is a positive and significant influence between income on welfare.

The t value of the variable of the number of dependents is 3.488> 1.655 and a significant value of 0.001 means that number of dependents partially has a significant effect on the welfare of rural communities in Klungkung Regency. This is also in accordance

with Purwanto and Taftazani (2018), the number of dependents will affect the level of family welfare if it is not balanced with sufficient income, so that the number of dependents will continue to be directly proportional to the amount of income as a measure of the level of family welfare.

Based on table 3, the variable number of dependents (M) as a moderating variable for the relationship between income variables has a negative and significant result on the welfare of rural communities in Klungkung Regency. The significance value is 0.037 which is smaller than 0.05, which means that the interaction between income (X4) and the number of dependents (M) is significant. The regression coefficient of the interaction between income and number of dependents (X3M) is -0.038, which means that the variable number of dependents weakens the effect of income on the welfare of rural communities in Klungkung Regency. The number of dependents can affect the level of economic welfare of the family, this happens not directly but involves other aspects, namely the level of income and expenditure. The number of family dependents will affect the level of expenditure of a family, considering that the need for daily consumption will increase along with the number of dependents. The number of dependents also weakens the effect of income on the welfare of rural communities in Klungkung Regency. This is also in accordance with Purwanto and Taftazani (2018), the number of dependents will affect the level of family welfare if it is not balanced with sufficient income.

D. Determination Coefficient Testing (R^2)

Table 4. Determination Coefficient Testing (R^2)

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,898[a]	,806	,799	,44860224

Primary Data, 2020

Based on Table 4, the R-Square value is 0.806 or 80.6 percent. This means that 80.6 percent of the variation in the welfare of the rural community related to the existence of the Rural Fund in Klungkung Regency is influenced by variations in the level of education, rural infrastructure, income, and the indirect effect of the number of dependents, while 19.4 percent is influenced by other variables.

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E. The role of Rural Funds in poverty alleviation after Covid-19

. According to Suryahadi (2020), Indonesia has a big challenge with the Covid-19 pandemic because it has a very large and widespread population, Covid-19 has infected and will continue to infect millions of people around the world. The economic impact is expected to be large and millions of people will fall into poverty. According to Djalante (2020), one of the most vulnerable groups is people in remote and disadvantaged areas in Indonesia where the health system and access to health services are still limited. The good news is that in the last five years, the central government has created a national rural development incentive through the Rural Fund. Currently, as instructed by the president and responded directly by the Ministry of Rurals, Regional Development and Transmigration, is to allow the rural government (about 80,000) to divert existing funds for cash. Therefore, this will be a future study and investigation into how rural governments can actually help communities affected by COVID-19 using rural funds

This is also in accordance with the statement from I Nyoman Kariasa, who comes from Pasek Hamlet, Aan Rural, Klungkung Regency, he argues that: "Tourism was greatly affected after the Covid, incidentally many of the young people here work in hotels and cruise ships and experience layoffs. forced to become a farmer. As a result, unemployment in this rural increases, poverty increases and the income from the family also decreases"

The Indonesian government is moving fast with the emergence of the Rural Minister Circular Letter Number 11 of 2020 which contains the strengthening of Circular No. 8 of 2020 concerning labor intensive and rural funds that can be used for DCA (Direct Cash Assistance). DCA is given to the poor to maintain purchasing power and to entrepreneurs for business continuity and the impact of termination of employment. Income tax deductions are provided for companies and workers who earn less than IDR 200 million per year. Existing social assistance programs, such as the conditional cash transfer program and non-cash food assistance, were expanded to reach more beneficiaries and provide greater benefits, for at least three months. Other programs were adapted to include a social assistance component. For example, the rural fund program now includes unconditional cash transfers to ruralrs. Indonesia's newly developed pre-employment program has been redesigned to provide cash transfers and focuses on laid-off workers

The successful use of rural funds for various covid-19 prevention programs cannot be separated from the support of the local government, rural officials, and the community. With the use of rural funds, it is hoped that it can encourage the rural economy and

empower the affected community and stabilize the economy of the community in the rural due to the Covid-19 pandemic.

IV.   CONCLUSION

Theoretically, this research can provide scientific contributions and empirical evidence that the welfare of rural communities related to the existence of rural funds is influenced by the level of education, rural infrastructure, and income. Simultaneously, the level of education, infrastructure, income and number of dependents have an effect on the welfare of the rural community regarding the existence of rural funds in Klungkung Regency. Partially, the level of education, infrastructure, income and number of dependents have a positive and significant effect on the welfare of rural communities related to the existence of rural funds in Klungkung Regency. The number of dependents weakens the influence of income on the welfare of rural communities related to the existence of rural funds in Klungkung Regency, and rural funds play a role in poverty alleviation after the Covid-19 pandemic in Klungkung Regency.

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