

# The Role of Allocation of Kampung Fund (ADK) In the Development of Rural Areas in Central Aceh Regency, Aceh Province, Indonesia

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**Abstract:** The aim of this study is to describe the role of Kampung Fund Allocation (ADK) in the development of rural areas in Central Aceh Regency. The method of analysis used is qualitative method. Validity and reliability test is done to determine the questionnaire used. Indicators in this study are the allocation of Kampung Fund (ADK), the fulfillment of basic needs, institutional strengthening, infrastructure improvement and rural development. The research was conducted at Lut Tawar Sub-district, Central Aceh Regency with 96 respondents. The results showed that the policy of Kampung Allocation Fund Program (ADK) in Lut Tawar Sub-district was done quite smoothly. This can be seen from the preparation process such as Schedule of Proposed Action Plan (DURK), implementation, evaluation and accountability report. Furthermore, Kampung Fund Allocation (ADK) plays a role in the development of the area in Lut Tawar Sub-district, Central Aceh Regency. The implementation of the Kampung Fund Allocation (ADK) for the fulfillment of basic needs, institutional strengthening, infrastructure improvement and rural area development have been effectively implemented.

**Keywords:** Kampung Fund Allocation, Basic Needs Fulfillment, Institutional Strengthening, Infrastructure Improvement, and Rural Area Development.

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## I. INTRODUCTION

Indonesia as a country built above and from the village, the village is the foundation of an autonomous and sovereign democratic system. The village has had the system and mechanism of government and social norm from long time ago. This is the embryo of Indonesia. Villages as an autonomous region have privileges related to financial management and allocation of village funds, village head elections and village development processes. The intentions of central and local governments to build and develop their areas have the support of the people, the realization of this intention must be in the form of prosperity and pride as members of the community (Miraza, 2005).

One aspect of the Implementation of Regional Autonomy is the management of regional finances. Management of regional finance is a regional program in the field of finance to achieve certain goals and targets as well as carry out the mission of realizing a strategy through various activities. In Government Regulation No. 6 of 2014 on Villages where the administration of village government affairs under the authority of the village is funded from the Village Revenue and Expenditure Budget and the Village Government Assistance in accordance with the Letter of the Minister of Home Affairs Number 140 / 640SJ dated March 22, 2005 on Guidelines for the Allocation of Village Funds ADD) from the Regency Government to the Village Government.

Law No. 9 of 2015 on the Second Amendment to Law Number 23 Year 2014 on Regional Government affirms that the regions have the authority to make policies on villages in providing services, increasing participation and empowerment of village communities that ultimately for the welfare of the community.

This is in line with Law Number 33 Year 2004 Concerning Financial Balance Between the Central and Local Government that all regional spending is prioritized to protect and improve the quality of community life in an effort to fulfill regional obligations. The existence of autonomy provides an opportunity for the regions to prove their ability in administering authority in the field of finance and public services.

#### **Statement of the problem:**

Central Aceh Regency is one of the Regencys in Aceh Province, consisting of 14 sub-districts, and 227 villages. The Regency of Central Aceh has allocated funds for the village since 2009 with the hope that the development will be evenly distributed to the village level. One of the regions of Central Aceh Regency that received the Allocation of Kampung Fund is Lut Tawar Sub-district. Lut Tawar sub-district has an area of 8,759.04 Ha. With a population of 21,807 people and 5,271 households, where the population works as farmers, civil servants, and entrepreneurs.

The implementation of the Village Fund Allocation (ADK) implemented by the Central Aceh Regency Government has become a challenge for Lut Tawar District government to maximize the Village Fund Allocation (ADK). The village government is charged with the Village Fund Allocation (ADK) to improve the performance of the village administration, improve the public services in the village and encourage the effectiveness and efficiency in the organization of the village. The Village Fund Allocation Policy (ADK) is drafted by the Regency Government to protect, improve the welfare of the villagers, while fulfilling the rights of the community. The Management of Kampung Fund Allocation (ADK) is an annual plan of village government that is used to finance the implementation of tasks for both the operational expenditure of the village administration and the empowerment of the community.

#### **The purpose of the study:**

The aim of this study is to describe the role of Kampung Fund Allocation (ADK) in the development of rural areas in Central Aceh Regency

#### **The objective of the study:**

To analyze Village Fund Allocation's role in rural area development in Lut Tawar Sub-district, Central Aceh Regency.

#### **The research question for the study was:**

What is the role of Village Fund Allocation (ADK) in rural area development in Lut Tawar Sub-district, Central Aceh Regency.

#### **Conceptual Framework:**

The variables in this study are village budget allocation planning (ADK), basic needs fulfillment, institutional strengthening, improvement of rural infrastructure and rural development.

## **II. LITERATURE FRAMEWORK**

#### **Allocation of Kampung Fund (ADK) in the Development of Rural Areas in Central Aceh Regency:**

Development can be defined as an activity to add, improve or expand. The concept of regional development in Indonesia is born from a literative process that combines the foundations of theoretical understanding with practical experiences as a dynamic form of application (Sirojuzilam and Mahalli, 2011). Rustiadi et al. (2006) states that development is a development in the broad sense includes the spatial, socioeconomic and environmental to be better.

Understanding of the concept of the region expects that planners in approaching more attention to the components of the preparation of the area so that they can interact and combine the potential of each component to produce a strategy and directed development. If uneven development occurs then it can lead to a backwash process where resources in less developed areas will flow into more developed areas (Myrdal, 1976).

## International Journal of Novel Research in Humanity and Social Sciences

Vol. 5, Issue 1, pp: (1-8), Month: January – February 2018, Available at: [www.noveltyjournals.com](http://www.noveltyjournals.com)

Based on the Regulation of the Central Aceh Regency, Number 16 Year 2015 on the Village Financial Management Procedure article 2 state that village finance must be managed on the basis of transparent, accountable, participatory principles, and conducted in an orderly and disciplined budget.

The Financial Management of Kampung Fund Allocation (ADK) is an integral part of the Village Financial Management in the Budgets of Village Revenue and Expenditure (APBKp). Therefore, in the Financial Management of Kampung Fund Allocation (ADK) must meet the principles of the management of the village fund allocation as follows:

- 1) All activities funded by the Kampung Fund Allocation (ADK) are planned, implemented and evaluated openly with the principles of, by and for the community;
- 2) All activities must be accountable administratively, technically and legally;
- 3) Allocation of Kampung Fund (ADK) is implemented by using the principles of saving, directed and controlled;
- 4) The types of activities to be funded through the Village Fund Allocation (ADK) are held openly to improving community service facilities in the form of basic needs fulfillment, strengthening of village institutions and other activities required by communities which decided through discussion;

### III. RESEARCH METHODOLOGY

#### Study Area:

This study focuses on the Role of Fund Allocation Fund (ADK) to Rural Development in Lut Tawar Sub-district, Central Aceh Regency.

#### Types and Data Sources:

Types of data to be used by the authors in the study are secondary and primary data. Secondary data obtained by the author through the books, data obtained from institutions related to the research comes from the central statistical agency, as well as documents related to the Management of Fund Allocation Fund. The authors also collected data from the villages that became the object of research in Lut Tawar Sub-district and the Community Empowerment and Village Governance Board (BPMPK) of Central Aceh Regency as the agency responsible for the implementation of the Allocation of Kampung Fund. Primary data were obtained by interviewing guidelines for the Head of the Village Governance Section of the Community Empowerment and Village Governance of Central Aceh Regency, Gecik, and the village community, as well as the questionnaire from the individual community according to the research objectives.

#### Population and Sampling Techniques:

The population of research is sub-district government and community of Lut Tawar Sub-district 21,807 people or 5271 households. Sampling is used using Frank Lynk's Formula in Ediwarsyah (1987):

$$n = \frac{21.807 (1,96)^2 \cdot 0,5(1-0,5)}{21.807 \cdot 0,1^2 + 0,5(1-0,5)}$$

n = 95,93 sample (rounded 96 people)

#### Data collection technique:

Data collection is a systematic and standard procedure for obtaining necessary data (Nazir, 2003). Data collection techniques used by researchers in this study are as follows:

1. Questionnaire
2. Interview
3. Documentation

#### Data analysis method:

Component analysis is a qualitative data analysis technique through the analysis of the elements that have contrasting relationships with each other in the domains that have been determined to be analyzed in more detail (Bungin, 2005) by

using primary data obtained from the respondents to know how the role of allocation Village Funds in rural development of Lut Tawar Sub-district.

**Instrument Validity Test Results:**

In this study, it needs to be tested to what extent the measuring instrument measures what it wants to measure validity (Situmorang and Lufti, 2015). Validity test is used to measure whether or not a questionnaire is valid. The resume of the validity test results are shown in Table I, as follows:

**TABLE I. Instrument Validity Test**

Research Indicators	Sub Indicator	Measuring instrument	r count	r tabel	Criteria	
<b>ADK Planning</b>	-	q1	.483	0,230	Valid	
		q2	.568	0,230	Valid	
		q3	.715	0,230	Valid	
		q4	.740	0,230	Valid	
<b>Fulfillment</b>	-	q1	.928	0,230	Valid	
<b>Basic Needs</b>		q2	.928	0,230	Valid	
		q3	.915	0,230	Valid	
		q4	.801	0,230	Valid	
<b>Strengthening</b>	-	q1	.731	0,230	Valid	
<b>Institutional</b>		q2	.914	0,230	Valid	
		q3	.900	0,230	Valid	
		q4	.747	0,230	Valid	
		q1	.896	0,230	Valid	
<b>Enhancement</b>	-	q1	.896	0,230	Valid	
<b>Infrastructure</b>		q2	.896	0,230	Valid	
<b>Rural areas</b>		q3	.912	0,230	Valid	
		q4	.790	0,230	Valid	
		q5	.763	0,230	Valid	
		q6	.605	0,230	Valid	
		q7	.543	0,230	Valid	
	<b>Development</b>	-	q1	.624	0,230	Valid
	<b>Regional</b>		q2	.777	0,230	Valid
<b>Rural</b>		q3	.888	0,230	Valid	
		q4	.878	0,230	Valid	
		q5	.785	0,230	Valid	
		q6	.629	0,230	Valid	

Source: Processed Data

Based on Table I. The results of validity test on 96 respondents by question instrument used for each variable that indicator of ADK planning with 4 (four) questions, Basic Fulfillment indicator with 4 (four) questions, Institutional Strengthening indicator with 4 (four) question, Rural Infrastructure indicator with 7 (seven) questions and indicators of Rural Areas Development with 7 (six) questions, that from the data obtained on column yeng there is Corrected Item-Total Correlation (r count) all the larger r table Product Moment where r table 0,230 (96-25 = 71), thus all the question items are valid.

**Instrument Reliability Test Results:**

Test Reliability is an index that indicates the extent to which a measuring device can be trusted or reliable (Situmorang and Lufti, 2015). In this research, reliability test is done with one measurement only (one shot). The results of reliability tests on research instruments can be seen Table II. follows:

**TABLE II. Reliability Test with Cronbach's Alpha Value**

No	Variabel	Number of Questions	Cronbach' Alpha	Note
1	Perencanaan ADK	4	.804	Reliable
2	Pemenuhan Kebutuhan Dasar	4	.956	Reliable
3	Penguatan Kelembagaan	4	.921	Reliable
4	Peningkatan Infrastruktur	7	.927	Reliable
5	Pengembangan Wilayah Perdesaan	6	.915	Reliable

Source: Data processed

Based on Table II. Reliability test results in ADK Planning, Basic Fulfillment Indicators, Institutional Strengthening, Infrastructure Improvement, Rural Development Indicators and on 26 (twenty six) question items, obtained Cronbach's Alpha > 0.60 so that all items are reliable.

#### IV. RESULTS AND DISCUSSION

##### *Peranan Alokasi Dana Kampung terhadap Pengembangan Wilayah Perdesaan:*

Description of the Questionnaire

The location of the research is Lut Tawar Sub-district, Central Aceh Regency. The sample in this research is 96 (Ninety six percent) of villagers of Lut Tawar Sub-district. 96 pieces of questionnaires were distributed and returned as many as 96 copies as shown in table III.

**TABLE III. Data Collection**

Information	Amount	Percentage (%)
<b>Distributed questionnaire</b>	96	100
<b>Returned questionnaire</b>	96	100

Source: Primary Data Processed

Table III. shows that the collection of data distributed by the author to 96 people for the sample amounted to 96 questionnaires

##### 1. Demographics of Respondents

Based on the results of research data, obtained data on the demographics of research respondents consisting of: a) sex; b) age; c) education level; d) education and e) employment. Table IV. up to Table V. presents a demographic summary of respondents.

**TABLE IV. Respondent Gender Characteristics**

No	Gender	Frequency	Percentage
1	Male	70	72,92
2	Female	26	27,08
Jumlah		<b>96</b>	<b>100</b>

Source: Primary processed data

Table IV. shows that the dominant respondents are male (70,92%) and female (26,0,08%).

**TABLE V. Characteristics of Respondent's Age**

No	Age	Frequency	Percentage
1	30-35 Year	8	8,33%
2	36-40 Year	5	5,20%
3	41-45 Year	25	26,04%
4	46-50 Year	30	31,25%
5	> 50 Year	28	29,16%
Total		<b>96</b>	<b>100</b>

Source: Primary data processed

Table V. shows that the age data of the respondents collected are grouped into 5 age groups, 46-50 years as many as 30 people (31.25%), more than 50 years as many as 28 people (29.16%), 41- 45 years as many as 25 people (26.04%), aged 30-35 years as many as 8 people (8.33%), and aged 36-40 years as many as 5 people (5.20%).

**TABLE VI. Characteristics of Respondent Education Level**

No	Level of education	Frequency	Percentage
1	High School	68	70,83%
2	Diploma (D3)	5	5,20%
3	Higher education	20	20,83%
4	Master	3	3,13%
Total		<b>96</b>	<b>100%</b>

Source: Primary data processed

Table VI. shows that most respondents are high school 70,83%, 20 higher education (20,83%), 5 diploma (5,20%), and 3 master (3.13%).

**1. Data Description:**

The variables in this study are Kampung Fund Allocation Planning (ADK), Basic Needs Fulfillment, Institutional Reinforcement, Rural Infrastructure Improvement and Rural Area Development. The results of each question group can be presented as descriptive data as follows: The ADK Planning Indicator consists of 4 (four) questions where the maximum answer is 20. Results of answers from 96 (Ninety six) respondents indicated a maximum answer of 20 points and a minimum of 16 points. The average value of the respondent's answer is 18.95 with the standard deviation from the average of 1.25 whereas for the Basic Needs Fulfillment indicator there are 4 items where the maximum answer to be achieved is 21. The result of answer 96 (Ninety six) respondents shows the maximum answer reaches 20 points and a minimum of 8 points. The average score of answers reached 17.15 with a standard deviation of an average of 3.15.

For indicators of Institutional Strengthening there are 4 items where the maximum answer to be achieved is 21. The results of the responses of 96 (ninety six) respondents indicate the maximum answer reaches 20 and the minimum reaches 12 points. The average score of answers is 16.96 with a standard deviation of an average of 2.58. And for indicators of Rural Infrastructure Improvement there are 7 items where the maximum answer to be achieved is 36. Response result of 96 (Ninety six) respondents shows maximum answer reach 35 points and minimum reach 18 points. The average score of answers reached 26.29 with a standard deviation of 5.80 on average. As for indicators of Rural Areas Development there are 6 items where the maximum answer to be achieved is 35. Results from tabulation 96 (Ninety six) respondents indicate the maximum answer reaches 30 points and a minimum of 18 points. An average rating of 24.44 with a standard deviation of an average of 4.05.

**2. Analysis of Activities Implementation Results:**

Based on the response of 96 respondents to the implementation of the Allocation of Kampung Fund in Lut Tawar Sub district described in table VII, the following:

**TABLE VII. Analysis of Activities Implementation Results**

No	Description	SD	D	N	A	SA
		%	%	%	%	%
1	ADK Planning					
	1. The community already knows ADK is budgeted every year n	-	-	-	35,4	64,6
	2. The community participates in the implementation of the Village Development discussion to prepare ADK planning each year	-	-	-	22,9	77,1
	3. The preparation of ADK has been in accordance with the plan	-	-	-	22,9	77,1

**International Journal of Novel Research in Humanity and Social Sciences**

 Vol. 5, Issue 1, pp: (1-8), Month: January – February 2018, Available at: [www.noveltyjournals.com](http://www.noveltyjournals.com)

	4. Community knows ADK has been discussed by village head with RGM (community discussion)	-	-	-	19,8	80,2
<b>2</b>	<b>Fulfillment of Basic Needs</b>					
	1. The implementation of ADK has been effective with the services provided by the village government	-	6,3	6,3	49,0	38,5
	2. Executing activities have been carried out efficiently where the operational costs of the village administration are adequate	-	6,3	6,3	49,0	38,5
	3. Quality of service is increasing due to the source of village income	-	6,3	6,3	25,0	62,5
	4. Expenditure allocation used for RGM operational (community discussion) is adequate	-	6,3	6,3	37,5	50,0
<b>3</b>	<b>Institutional Strengthening</b>					
	1. Expenditure allocation for Community Institution is adequate	-	-	11,5	43,8	44,8
	2. Expenditure allocation for Community Empowerment Institution is adequate	-	-	11,5	49,0	39,6
	3. Allocation of expenditures for PKK (family welfare counseling) is adequate	-	-	21,9	38,5	59,6
	4. Expenditure allocation for the cost of Posyandu (integrated service post) is adequate	-	-	21,9	39,6	38,5
<b>4</b>	<b>Infrastructure Improvement</b>					
	1. Expenditures for improvement of effective office facilities	-	33,3	12,5	36,5	17,7
	2. Expenditures for improving facilities / infrastructure of meeting / village halls have been effective	-	33,3	12,5	36,5	17,7
	3. Expenditures for improving road infrastructure have been effective	-	28,1	17,7	36,5	17,7
	4. Settlement infrastructure has been effective	-	29,9	6,3	40,6	30,2
	5. Expenditures for improving irrigation infrastructure have been effective	-	12,5	17,7	35,4	34,4
	6. Expenditures for improving water infrastructure have been effective	-	-	17,7	47,9	34,4
	7. Expenditures for the development of community economic institutions	-	-	12,5	53,1	34,4
<b>5</b>	<b>Rural Area Development</b>					
	1. ADK provides development of people's quality of life	-	-	28,1	28,1	43,8
	2. ADK has provided improvements to the welfare of communities	-	-	28,1	33,3	38,5
	3. Improving the economy of the community	-	-	33,3	33,3	33,3
	4. Improvement to the residential neighborhoods	-	-	22,9	43,8	33,3
	5. ADK has been utilized for the development of rural areas	-	-	33,3	27,1	39,6
	6. ADK has provided increased human resources in the village	-	-	28,1	42,7	29,2

Source: Primary Data Processed

Table VII. shows that the percentage obtained from the answers to 96 questionnaires in Lut Tawar Sub-district. Each answer from the questionnaire for more details can be detailed in Table VIII. below:

**TABLE VIII. Details of Respondents' response**

No	Description	SD	D	N	A	SA	Kesimpulan	
		%	%	%	%	%	(STS+TS+N)%	(S+SS)%
1	ADK Planning	-	-	-	25,3	74,8	-	100
2	Fulfillment of Basic Needs	-	6,3	6,3	40,1	47,4	12,6	87,5
3	Institutional Strengthening	-	-	16,7	42,7	45,6	16,7	83,3
4	Improved Infrastructure	-	19,6	13,8	40,9	26,6	33	67
5	Rural Area Development	-	-	29	34,7	36,3	29	71

Source: Primary Data Processed

Table VIII. shows that the results of the respondents' responses to the planning of the Kampung Fund Allocation, the fulfillment of basic needs, the institutional strengthening, the improvement of infrastructure and the development of rural areas by more than 50% answered agree and strongly agree, this indicates that the allocation of Kampung Funds gives a role to the development of rural areas in Lut Tawar Sub-district, Central Aceh Regency.

## V. CONCLUSION

The allocation of Kampung Fund (ADK) has a role to the development of rural areas in Lut Tawar sub-district, Central Aceh Regency. Village Fund Allocation Planning (ADK), Basic Needs Fulfillment, Institutional Strengthening, Infrastructure Improvement, and Rural Area Development can be achieved with the Allocation of Kampung Fund (ADK).

## VI. RECOMMENDATION

The socialization of Kampung Allocation Fund (ADK) policy is given to the wider community so that people understand the policy of Kampung Allocation Fund (ADK), the community will also be more easily invited to participate in the implementation of the Village Fund Allocation (ADK), to conserve the results of the Village Fund Allocation) and also oversees the course of the Kampung Fund Allocation (ADK) in accordance with the prevailing regulations.

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