

ANALYSIS OF COMMUNITY EMPOWERMENT THROUGH VILLAGE FUND PROGRAMS FOR THE WELFARE OF VILLAGE HOUSEHOLDS

RAHMAD SEMBIRING¹, SYA'AD AFIFUDDIN², R HAMDANI HARAHAP³ and DEDE RUSLAN⁴

¹Doctoral Student of Economics, Universitas Sumatera Utara, Indonesia, Medan, Indonesia.

Email: rahmatsembiring2@gmail.com

²Department of Economics, Faculty of Economics and Business, Universitas Sumatera Utara, Medan, Indonesia.

Email: Syaad1955@gmail.com

³Department of Social Anthropology, Faculty of Social and Political Science, Universitas Sumatera Utara, Medan, Indonesia. Email: r.hamdani@usu.ac.id

⁴Department of Economics, Faculty of Economics, Universitas Negeri Medan, Medan, Indonesia.

Email: dras_ruslan@yahoo.com

Abstract

This research is backgrounded by the empowerment of the Dana Desa program which is one of the programs launched by the government. This program is implemented as an effort by the government to help villages to be more independent in carrying out village development aimed at overcoming poverty in the hope that village communities can increase work productivity so that the welfare of village households can increase. This research was conducted in Pantai Gemi Village, Langkat Regency and Village Cingkes Kabupaten Simalungun. The thing that is studied is whether there is Community Empowerment through the Village Fund Program for the Welfare of Village Households. The purpose of this study is to determine the allocation of village fund programs for the welfare of village households. The number of samples used is 400 KK. Data collected by distributing questionnaires and data management using SEM (Structural Equation Modeling) through AMOS V.22 software. Based on the results of tests conducted in Pantai Gemi Village, Langkat Regency, the village fund has a significant influence on work productivity in the community. Village funds have no significant influence on household welfare. Community participation has an insignificant influence on work productivity. Community participation has a significant influence on the well-being of the household. Human Capital has a significant influence on work productivity. Human Capital has a significant influence on the well-being of the household. Work productivity has a significant influence on the well-being of the household. Meanwhile, the test results in Cingkes Village, Village Fund and Human Capital have a significant effect on Productivity. Then, Human Capital and Productivity have a significant effect on household welfare. Meanwhile, Community Participation does not have a significant effect on Productivity, and Village Funds and Community Participation do not have a significant effect on Household Welfare.

Keywords: Village Fund, Community Participation, Human Capital, Work Productivity and Household Welfare

INTRODUCTION

Various national development activities are carried out by the government to improve welfare but on the ground there are still many that are not evenly distributed. The economic level is still low so that rural households have not been able to obtain community services. The level of welfare can reflect the quality of life of the village household. A household with higher

welfare means having a better quality of life. Thus, village households are able to create better conditions for the welfare of village households. (Rahmad Sembiring, Annisa Ilmi, 2019).

Prosperity will be more guaranteed if our economy can grow based on high productivity. Increasing productivity is equivalent to increasing labor income where income is defined as income that can generate rupiah to meet the daily needs of each household. Welfare is always associated with the material, where the higher the productivity, the higher the income generated. This is because productivity and well-being are two things that cannot be separated. Productivity has a special meaning that is very important because it is related to the growth of the standard of living of many people. (Sawitri, 2016). Work productivity is an activity to improve the quality of life which makes it an important factor in the welfare of village households where from the results of this productivity is able to generate a certain amount of income. Even so, work productivity is closely related to human capital itself.

Work productivity and the welfare of rural households are two things that cannot be separated. Work productivity in this study can be seen based on the quality of work, the quantity of work, experience and wages resulting from the activity itself which is directly closely related to the welfare of the household in terms of residence, health, income and consumption. Most of the poverty in Indonesia is in the villages. A village is an area inhabited by people who have a system of self-government. Therefore, the existence of the village is an important part of a society that cannot be separated. (Nurmuharimah, 2018).

It is evident that most of the poverty in Indonesia in villages is in the decreasing agricultural land which is one of the most dominant economic capitals of rural communities. This will result in an increase in skillless migrant workers or so-called migrant workers and massive urbanization, most of which are difficult to find jobs in villages. It must be admitted that the problem of poverty is a complicated problem so that to overcome it, an integrated countermeasures program is needed. This is reinforced in previous research that to overcome this situation, rural households are looking for other instruments to improve their welfare such as unconditional government assistance and infrastructure improvements. (Marta, Joan, 2020).

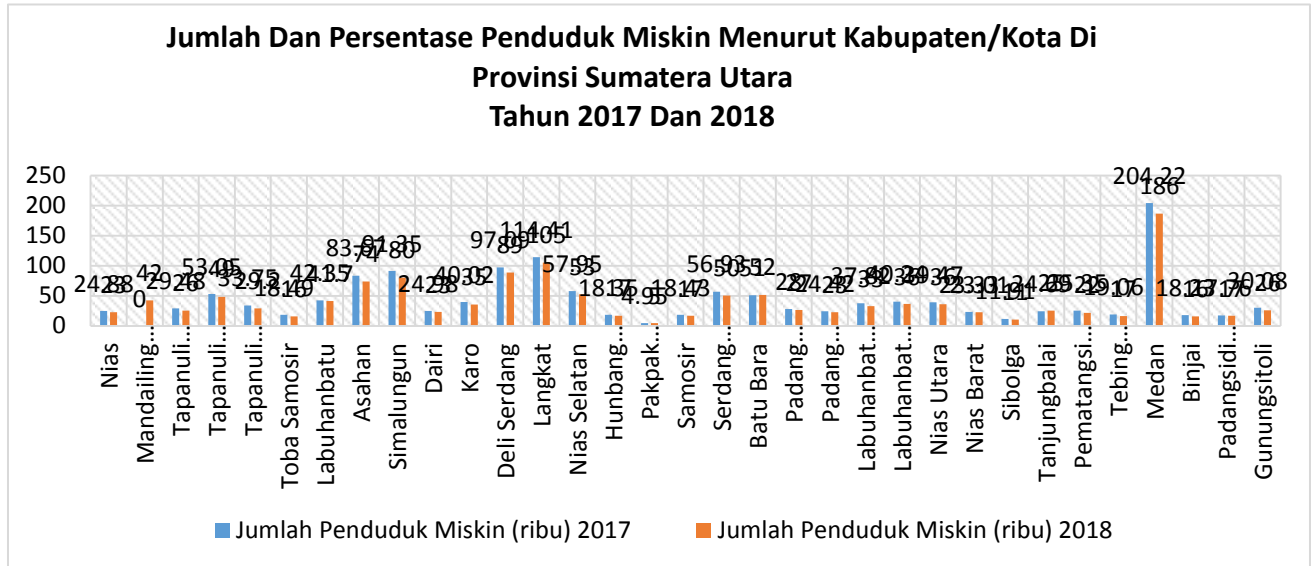


Figure 1 Data Graph on the Number and Percentage of Poor People by Regencies/Cities in North Sumatra Province Year 2017 and 2018

Based on Figure 1, it shows 25 regencies and 8 cities based on regencies/cities in North Sumatra Province in terms of the number and percentage of poor people. Five of them that occupy the regencies/cities with the highest poverty rates in 2017 and 2018 are Medan City, Langkat Regency, Deli Serdang Regency, Simalungun Regency and followed by Asahan Regency. In accordance with the location in this study, Simalungun is the regency with the second highest poverty rate in North Sumatra

The problem about the village is increasingly looking more and more complex. Based on preliminary observations made by researchers in Pantai Gemi Village which is located in the lowlandsof Kabupaten Langkat and Cingkes Village which is in the highlands of Simalungun Regency, the management of village funds for each year carries out village development such as cast concrete ditches, paving blocks in several alleys of each hamlet, bridge repairs and paving roads. It can be seen when researchers directly where generally not all communities or households participate in the management of village fund participation. Some said they participated in the deliberations of the village development plan, but were only limited to being present for the representatives of each hamlet. Some said they participated in the deliberations of the village development plan and gave ideas/thoughts and opinions but the decision had been determined by the village officials. Others said they did not know about the deliberations of the village development plan and they did not feel the results of the village fund management directly. In some areas, there is still a lot of such a thing that many villages in the process of managing village funds do not or do not involve community participation in

the village fund management planning process that has been stipulated in the law regulation no. 6 of 2014 articles 80 and 81 paragraphs 1, 2 that Village Development Planning as referred to in Article 79 is organized by including the Village community about the village. This research is planned to also be carried out in the lowland area of Pantai Gemi Village, Langkat Regency and highlands to be precise in Dolok Silau District, more precisely in Simalungun Regency Village which is very interesting to study. Gemi Beach Village, Langkat Regency is one of the areas in North Sumatra to be precise in Langkat Regency. Geographically Pantai Gemi Village is at 03°45'25.32" for North Latitude and 98°26'22.44" for East Longitude which consists of 9 hamlets. This village is approximately 1.5 km from the capital of Stabat District and approximately 2 km from the capital of Langkat Regency. The distance from the capital of North Sumatra Province is about 41 km. As for the Village of Simalungun Regency, the area of Dolok Silau Area is 354 km² se to the north of Deliserdang Regency, south of Silimakuta District, west of Karo Regency, east of Silou Kahean District. Dolok Silau Subdistrict consists of 14 villages including the villages of Simalungun Regency, Paribuan, Saran Padang, Mariah Dolok, Dolok Nariah, Marubun Lokkung, Bawang, Huta Saing, Togur, Perasmian, Bosi sinombah, Silau Marawan, Ujung bawang, and Tanjung Purba.

Other studies say that work experience is included in work productivity indicators because work experience belongs to the mastery of knowledge and skills of employees as measured by the length of work, level of knowledge and skills possessed by employees. With a note, experience is gained only through the workplace. (Sembiring, Rahmad, 2019) Work productivity itself is a comparison between output and input, where the output must have added value and better workmanship techniques. (Hasibuan, 2005) And it is made clear by other studies that say the comparison of productivity between inputs included in production activities to outputs calculated based on the unit value or rupiah of goods and services produced. (Paul A, 2003), While other studies say there are still village chiefs who do not understand how the village fund reporting system is created. Sometimes reports are made not in accordance with the regulations. It happens in a great many villages. That is, the human resources of the village apparatus are still low. (Sunu, 2019).

This is reinforced by research that says there are several causes of obstacles to community participation in village fund management, namely unwise decisions in the distribution of village funds that only focus on saru programs; lack of communication between village governments and communities; low education makes people not know what is being done in the management of village funds; society does not care about what is decided; the absence of transparency towards the management of village funds. (Syamsi, 2014). With this problem, it indicates that the people of Pantai Gemi Village, Langkat Regency and Cingkes Village in Simalungun Regency, did not fully participate in assessing the performance of the village government. This happens because it is possible that people who have a high level of education usually have great attention to the development activities carried out. Meanwhile, people with less income level do not have the opportunity to participate properly because the time available is used to make a living so that the time to participate is less.

In reality, participation itself is what can help people to help themselves so that they can lead themselves. Thus, the community can solve its own problems according to the capabilities of the local resources in the community. So that the local resources there can be utilized properly in order to generate income for village households and increase the income of the village. (Lalaun, The Impact of Empowerment Programs on Community Welfare in Yaru District, West Southeast Maluku Regency, 2015).

INGREDIENTS AND METHODS

Research Approach: Model in this study was carried out by considering the fulfillment of assumptions in Structural Equation Modelling (SEM). Metode data analysis with SEM gives an advantage in assessing measurement errors and parameter estimation. In other words, data analysis with SEM considers the simultaneous error of measurement models and structural equation models and is estimated by IBM-AMOS (Version 22).

Research Location: This research was conducted in Pantai Gemi Village, Langkat Regency and Cingkes Village, Simalungun Regency.

Study Duration: July 2021 to March 2022.

Sample size: 400 respondents.

Sample size calculation: Uses the minimum sample standard in the SEM method.

Subjects > selection methods :

Metode and data analysis using Structural Equation Modeling (SEM), the sample size must meet the minimum sample size for the application of the SEM model from each village, namely 200 respondents of Pantai Gemi Village, Langkat Regency and 200 respondents of Cingkes Village, Simalungun Regency . In general, the sample size for structural equation models is at least 200 . Whereas according to other studies, he suggests the minimum sample size for SEM analysis is 100 to 200 (Kellowey, 1998)(Kusnendi, 2005).

Sampling Methods	Respondents
Purposive sampling	Key stakeholders and shareholders related to community empowerment studies in the use of village fund programs

METHODOLOGY OF THE PROCEDURE

Primary data processing obtained from the study respondents used SEM (Structural Equation Models) to determine the relationships between latent variables. About this latent variable, Wijanto (2007:10) explains:

In SEM the key variables of concern are latent variables (Latent Variables) or latent constructs. Latent variables are abstract concepts, for example: people's behavior, attitudes, feelings and motivations. These latent variables can only be observed indirectly and

imperfectly through their effects on the observed variables. SEM has 2 types of latent variables, namely exogenous and endogenous. SEM distinguishes these two types of variables based on their participation as variables bound to equations in the model. Exogenous variables always appear as free variables on all equations present in the model. Whereas endogenous variables are variables bound to at least one equation in the model, although in all equations the rest of the variables are free variables. The mathematical notation of the exogenous latent variable is the Greek letter κ ("Ksi") and the endogenous variable is negated by the letter Yunai η ("Eta").

The structural model describes the relationships that exist between latent variables. These relationships are generally linear, although the expansion of SEM makes it possible to include non-linear relationships. Parameters indicating the regression of endogenous latent variables on exogenous latent variables are labeled with the Greek letter γ ("gamma"), while for regression of endogenous latent variables on other endogenous latent variables are labeled greek letters β ("beta"). In SEM exogenous latent variables can be freely "covary" and the matrix of covariants of these variables are marked with the Greek letter ϕ ("phi").

Wijanto (2007:10) also explains that in SEM, each latent variable usually has some size or observed variable or indicator. SEM users most often associate latent variables with observed variables through measurement models in the form of factor analysis and are widely used in psychometrics and sociometry. In this model, each latent variable is modeled as a factor underlying the associated observed variables. "Factor charges" or "factor loading" that link latent variables to observed variables are labeled with the Greek letter λ ("lambda"). SEM has two different lambda matrices, namely λ on side X is λ_X (lambda X) and the other matrix is on side Y. Notation λ on side Y is λ_Y (lambda Y).

Statistical analysis

Structural Model (Model Struktural)

The structural equation model is a model of the relationship between latent variables with the following equation:

$$\eta = \gamma\xi + \beta\eta + \zeta$$

$$\begin{aligned} \eta_1 &= \gamma_{1.1}\xi_1 + \gamma_{1.2}\xi_2 + \gamma_{1.3}\xi_3 + \zeta_1 \\ \eta_2 &= \gamma_{2.1}\xi_1 + \gamma_{2.2}\xi_2 + \gamma_{2.3}\xi_3 + \zeta_2 \end{aligned}$$

Measurement Model

- Measurement model for y

$$Y = \lambda\eta + \epsilon$$

Endogenous Latent η Variables 1	Endogenous	Latent η	Variables 2
$Y_1 = \lambda_{1.1} \eta_1 + \epsilon_1$	Y_5	$=$	$\lambda_{5.2} \eta_2 + \epsilon_5$
$Y_2 = \lambda_{2.1} \eta_1 + \epsilon_2$	Y_6	$=$	$\lambda_{6.2} \eta_2 + \epsilon_6$
$Y_3 = \lambda_{3.1} \eta_1 + \epsilon_3$	$Y_7 = \lambda_{7.2} \eta_2 + \epsilon_7$		

$$Y4 = \lambda_{4.1} \eta_1 + \epsilon_4$$

$$Y8 = \lambda_{8.2} \eta_2 + \epsilon_8$$

- Measurement model for x

$$X = \lambda \eta + \delta$$

Variabel Laten Eksogen ξ_1	Variabel Laten Eksogen ξ_2	Variabel Eksogen ξ_3
$X1 = \lambda_{1.1} \xi_1 + \delta_1$	$X5 = \lambda_{5.2} \xi_2 + \delta_5$	$X9 = \lambda_{9.3} \xi_3 + \delta_9$
$X2 = \lambda_{2.1} \xi_1 + \delta_2$	$X6 = \lambda_{6.2} \xi_2 + \delta_6$	$X10 = \lambda_{10.3} \xi_3 + \delta_{10}$
$X3 = \lambda_{3.1} \xi_1 + \delta_3$	$X7 = \lambda_{7.2} \xi_2 + \delta_7$	$X11 = \lambda_{11.3} \xi_3 + \delta_{11}$
$X4 = \lambda_{4.1} \xi_1 + \delta_4$	$X8 = \lambda_{8.1} \xi_2 + \delta_8$	$X_{412} = \lambda_{12.3} \xi_3 + \delta_{12}$

Assuming :

1. η_1 does not correlate with η_2
2. η_1 does not correlate with η_3
3. η_2 does not correlate with η_3
4. η_1 , η_2 and η_3 are not mutually uncorrelated
5. I - B is non-singular

- Where:

η Variables

- η (eta) is m x 1 latent endogenous variables
- ξ (ksi) is n x 1 latent exogenous variables
- ϵ (zeta) is m x 1 latent errors in questions
- Y is q x 1 observed indicator of η
- X is q x 1 observed indicator of ξ
- ϵ (epsilon) is q x 1 measurement errors for y
- δ (delta) is q x 1 measurement errors for x

λ Coefficient

- β (beta) is m x m coefficient matrix for latent endogenous variables.
- γ (gamma) is m x n coefficient matrix for latent exogenous ξ
- λ_y (lambda y) is q x m coefficient matrix relating y to η
- λ_x (lambda x) is q x n coefficient matrix relating x to ξ

Φ Covariant Matrix

- Φ (phi) is n x n covariance matrix of ξ
- Ψ (psi) adalamm x m covariance matrix of η

- Σ (tetha epsilon) is a covariance matrix of η
- Ψ (tetha delta) is a covariance matrix of ϵ

Wijanto (2007:34) shows that in general the SEM procedure according to Bollen and Long, (1993) contains the following stages:

1. Model specification

This stage is concerned with the formation of an initial model of structural equations, before estimation is carried out. This early model was formulated based on a theory or previous research.

2. Identification

This stage deals with the assessment of the possibility of obtaining a unique value for each parameter that is in the model and the possibility of simultaneous equations having no solution.

3. Estimation

This stage is related to estimating the model to produce parameter values by using one of the available estimation methods. The selection of the estimation method used is often determined based on the characteristics of the analyzed variables.

4. Test Fit

This stage is related to testing the match between the model and the data. Several match size criteria or Goodness of Fit (GOF) can be used to carry out this step.

5. Respecification

This stage is related to specifying the model based on the results of the previous stage match test.

RESULTS AND DISCUSSION

Research Results of Pantai Gemi Village, Langkat Regency

Table 1 Normality data Critical radio value

			Estimate	S.E.	C.R.	P	Label
Pk	<---	Dd	1.925	.255	7.562	***	par_16
Pk	<---	Pm	1.229	.425	2.894	.004	par_18
Pk	<---	Hc	-2.637	.309	-8.536	***	par_19
krt	<---	Dd	1.925	.255	7.562	***	par_22
krt	<---	Pm	11.286	3.041	3.711	***	par_17
krt	<---	Hc	-3.515	.613	-5.732	***	par_20
krt	<---	Pk	-1.673	.128	-13.080	***	par_21
dd4	<---	Dd	1.000				
dd3	<---	Dd	1.100	.156	7.047	***	par_1
dd2	<---	Dd	1.372	.185	7.426	***	par_2
dd1	<---	Dd	1.585	.211	7.523	***	par_3
pm4	<---	Pm	1.000				
pm3	<---	Pm	1.481	.500	2.963	.003	par_4
pm2	<---	Pm	2.247	.655	3.430	***	par_5
pm1	<---	Pm	3.056	.859	3.558	***	par_6
hc4	<---	Hc	1.000				
hc3	<---	Hc	1.367	.184	7.448	***	par_7
hc2	<---	Hc	1.380	.211	6.533	***	par_8
hc1	<---	Hc	2.547	.291	8.748	***	par_9
krt1	<---	krt	1.000				
krt2	<---	krt	1.020	.015	68.336	***	par_10
krt3	<---	krt	.927	.015	63.001	***	par_11
krt4	<---	krt	1.027	.014	72.342	***	par_12
pk1	<---	Pk	1.000				
pk2	<---	Pk	.767	.038	20.433	***	par_13
pk3	<---	Pk	.691	.045	15.504	***	par_14
pk4	<---	Pk	.338	.045	7.552	***	par_15

Source: AMOS 22 output

1. The Effect of Village Fund Management On Work Productivity

According to research on the results of the analysis using structural equation modeling (SEM) with AMOS 22 software, it proves that there is a significant influence of Village Fund Management on work productivity in the people of Pantai Gemi Village, Langkat Regency, showing that the estimation parameter between the influence of Village Fund Management and work productivity shows significant results with a t cr value of 7,562 with a significant level of 0.000. Thus, the first hypothesis is accepted, meaning that if the Village Fund Management increases or is fulfilled, work productivity in the community will increase.

The results of this study are in accordance with the conditions in Pantai Gemi Village because the management of Village Fund Management has been successful in increasing the work productivity of the people of Pantai Gemi Village. This is evidenced based on the results of a questionnaire that says that as many as 36.5% of the community participated in village development projects. That means, Pantai Gemi Village is able to involve and absorb local labor in the management of Village Fund Management and get wages in its work. That way, later the relationship between Village Fund Management and work productivity will move to encourage the consumption of village households which then moves the wheels of the economy in Pantai Gemi Village so that it can reduce community poverty and improve the welfare of gemi beach village households in other words hypothesis is accepted.

2. Influence of Village Fund Management on Household Welfare

According to this study, the results of the analysis using structural equation modeling (SEM) with AMOS 22 software prove that there is a significant influence of Village Fund Management on household welfare in the people of Pantai Gemi Village, Langkat Regency. Thus the second hypothesis is accepted, meaning that if the Village Fund Management is important in the welfare of the household.

The results of the study are not in accordance with the conditions in Pantai Gemi Village because the Management of Desa Funds in Pantai Gemi Village focuses more on infrastructure development only while human development has not been the main focus so that Human Capital in the village is still low as evidenced based on the characteristics of respondents at the last level of education, namely elementary school. That means, between the Management of village funds that continue to increase every year and the high level of underprivileged families in Pantai Gemi Village has not been able to improve the welfare of their communities. As previously written, village fund management is utilized for the purpose of financing the implementation carried out by the village government, the implementation carried out by village development, guidance carried out by village communities and community empowerment carried out by the village to alleviate poverty and improve the welfare of households in Pantai Gemi Village.

3. The Effect of Community Participation on Work Productivity

The results of the study are in accordance with the conditions in Pantai Gemi Village which states that the productive age in the village is around the age of 51-60 years which can be

interpreted as the community is still productively working. In addition, the residents of Pantai Gemi Village are dominated by elementary school education levels who have jobs like farmers while concurrently becoming Construction Workers. When it is related between community participation and work productivity and this problem, the people of Pantai Gemi Village do not fully participate in assessing the performance of the village government.

This happens because it is possible that people who have a high level of education tend to have great attention to the development activities carried out. Meanwhile, people with less income levels do not have the opportunity to participate properly because the time they have is used to make a living so that the time to participate is limited. In fact, the participation of the community can later help the village community to help themselves so that they can lead themselves. That way, the community can solve its own problems in accordance with the potential that exists in the village such as the natural resources in the community so that they can be used properly to generate village household income and generate income for the village followed by increased work productivity. Where from these findings the hypothesis is rejected.

4. The Effect of Community Participation on Household Welfare

The results of the analysis of this study using structural equation modeling (SEM) with AMOS 22 software prove that there is a **significant** influence of community participation on the welfare of households in Pantai Gemi Village, Langkat Regency, showing that the estimation parameter between the influence of Village Fund Management and work productivity shows significant results with a t CR value of 3,711 with a significant level of 0.000. Thus, it means that if participation increases or is fulfilled, the welfare of households in the community will increase. This means that in this study, in line with previous theories and research, the hypothesis is accepted.

The results of the study were not in accordance with the conditions in Pantai Gemi Village because regarding community participation in terms of monitoring village activities, most of the people said that they were busy working so they did not have time to monitor every activity and some said that they did not know about the activities carried out by the village. Regarding village deliberations, some said that they were not directly involved in decision-making during village deliberations and some said that they were only limited to participating in deliberations, but the decision-making had been determined by the village. Regarding people who provide opinions/ opinions, not all people want to voice their ideas, this happens because of the lack of communication between the village government and low-educated communities so that it makes the community not know what is being done in the management of Village Fund Management so that village fund management occurs which is not transparent. This can result in low community participation, which affects household welfare which is also low.

5. The Effect of Human Capital on Work Productivity

The results of the analysis using structural equation modeling (SEM) with AMOS 22 software prove that there is a **significant** influence of Human Capital on work productivity

in the people of Pantai Gemi Village, Langkat Regency, showing that the estimation parameter is between the influence of Human Capital on work productivity showed significant results with a value of $t_{CR} = 8,536$ with a significant level of 0.000. Thus this research is in line with previous theories and researches, the hypothesis is accepted, meaning that if Human Capital increases or is fulfilled, work productivity in society will increase. This is supported by the journal Kasri Astuti (2019) said that human resources (Human Capital) on the work productivity of village officials in Mekarsari Village, Cipari District, Cilacap Regency have a significant influence. That is, quantity, quality, time and cost, the average is well produced.

The results of the study are in accordance with the conditions in the field where Pantai Gemi Village where the level of education of village officials is very diverse, there are those who have the last education in elementary, junior high, high school and S1. That means, education is very important its role in the management of Village Fund Management by the community and by village apparatus apparatus that has a qualified level of education, so that between responsibility and the level of education is balanced. In addition, the ability of village officials in accordance with their fields can increase the productivity of the village government. But on the contrary, what happened to the people of Pantai Gemi Village was dominated by people with the last level of elementary school education. That means, Human Capital in the village has not been of high quality, resulting in a low level of work productivity.

6. The Effect of Human Capital on Household Welfare

According to the results of research analysis that I conducted using structural equation modeling (SEM) with AMOS 22 software, it proves that there is a **significant** influence of Human Capital on household welfare in the people of Pantai Gemi Village, Langkat Regency, showing that the estimation parameter is between the influence of Human Capital on household welfare showed significant results with a value of $t_{CR} = 5,732$ with a significant level of 0.000. Thus this research is in line with previous theories and researches, the hypothesis is accepted, meaning that if Human Capital or human capital increases or is fulfilled, the welfare of households in society will increase.

The results of the study were not in accordance with the conditions in Pantai Gemi Village because most of the villagers did not know about the training and did not attend training in their jobs and not all jobs had training in them. The level of education in Pantai Gemi Village can still be said to be low because the last education in the village is elementary school and most of the villagers cannot use androids so that the village's Human Capital is not of high quality. For other examples, such as when researchers ask about knowledge of the benefits of village funds, some people know the benefits of Village Fund Management but some other communities do not know the benefits of village funds at all.

7. The Effect of Work Productivity on Household Welfare

The results of the analysis of this study using structural equation modeling (SEM) with AMOS 22 software prove that there is a significant influence of work productivity on

household welfare in the people of Pantai Gemi Village, Langkat Regency, showing that the estimation parameter between the influence of Village Fund Management and work productivity shows significant results with a cr value of t -13,080 with a level of t CR -13,080 with a level of t CR -13,080 with a level of significant by 0.000. This research is in line with previous theories and studies, the hypothesis is accepted, meaning that if productivity increases, the welfare of rural households will increase. . This is supported by research (Made Gunarsa Putra, 2017) said that work productivity factors can significantly improve household welfare in Tabanan Regency.

The results of the study are in accordance with the conditions in Pantai Gemi Village because the age factor of the respondents is the dominant factor that will affect the acceleration of welfare. The more productive the community, indirectly the more experience it has. This is evidenced by a questionnaire that says that people who enter the age of 51 to 60 they are still productive in terms of work. In addition, the increasing number of dependents on the family will also play an important role in improving welfare. Because, with the large number of dependents on the family, it can provide motivation for the villagers to work harder. The work experience and side jobs that rural communities have by entering the productive age can provide a great opportunity to generate additional income or money. This is also evidenced by the results of the questionnaire which says that most people have additional income by having a side job such as Farmers who concurrently become Building Workers. Therefore, work productivity becomes very important in increasing income that will be for the welfare of the household.

Research Results of Cingkes Village, Simalungun Regency

Table 2. C.R (Critical Ratio) and P-Value Estimation Results

			Estimate	S.E.	C.R.	P	Label
Pv	<---	Dd	.763	.148	5.144	***	par_16
Pv	<---	Ms	.611	.184	3.318	***	par_18
Pv	<---	ps	-.004	.038	-.104	.917	par_19
krt	<---	Dd	1.225	.425	2.318	.753	par_22
krt	<---	Ms	-.869	.258	-3.370	***	par_17
krt	<---	ps	.012	.058	.207	.836	par_20
krt	<---	Pv	1.442	.237	6.074	***	par_21
dd4	<---	Dd	1.000				
dd3	<---	Dd	1.010	.181	5.589	***	par_1
dd2	<---	Dd	1.991	.291	6.840	***	par_2
dd1	<---	Dd	1.667	.266	6.277	***	par_3
ms4	<---	Ms	1.000				
ms3	<---	Ms	1.556	.500	3.110	.002	par_4
ms2	<---	Ms	3.128	.866	3.614	***	par_5
ms1	<---	Ms	3.625	.982	3.690	***	par_6
ps4	<---	ps	1.000				
ps3	<---	ps	1.424	.254	5.598	***	par_7
ps2	<---	ps	1.577	.280	5.643	***	par_8
ps1	<---	ps	.468	.160	2.928	.003	par_9
krt1	<---	krt	1.000				
krt2	<---	krt	.687	.113	6.057	***	par_10
krt3	<---	krt	1.502	.181	8.288	***	par_11
krt4	<---	krt	1.798	.187	9.634	***	par_12
pv1	<---	Pv	1.000				
pv2	<---	Pv	.650	.168	3.856	***	par_13
pv3	<---	Pv	1.880	.245	7.676	***	par_14
pv4	<---	Pv	1.181	.296	3.982	***	par_15

Source: AMOS 22 Outputs

1. THE EFFECT OF VILLAGE FUND MANAGEMENT ON PRODUCTIVITY

According to the Solow Theory first developed by Robert M. Solow who came from America in 1970 which shows the basic model of the solow growth theory is $Y=F(K,L)$ where Y = output, K = Physical capital and L = labor force. If both sides are divided by L then the result is $Y=f(k)$ with Y = output/labor and K is capital/working then with this how savings, population growth and technological advances affect the level of output and its growth all the time. Which means that the growth rate comes from three sources, namely: capital accumulation, increasing labor supply, and increasing skills or technical progress so that capital productivity increases. (Solow, 1970). The results of the analysis using structural equation modeling (SEM) with AMOS 22 software concluded that there was a **significant** influence of Village Fund Management on productivity in the people of Cingkes Village, Simalungun Regency, which showed that the estimation parameter between the influence of Village Fund Management on productivity showed significant results with a CR t value of 5,144 with a t CR value of 5,144 with a significant level of 0.000. Thus, the first hypothesis is accepted, meaning that if village fund management increases, it will be followed by increased productivity in other words the hypothesis is accepted.

This is in accordance with what happened in Cingkes Village, Village Fund Management is used for agriculture and farmer groups. In addition, based on the results of the research, the Village Fund Management in Cingkes Village is also used for construction such as roads, bathrooms for the public, and also repairing jambores. The jambore in Cingkes Village is intended for a place or building for rent that is useful as a gathering place for example such as for weddings. That means, village fund management which is used in addition to aiming at village development, also aims to provide jobs to the village community when there is development from village fund management which can help the interests of the villagers because the village infrastructure development is very important considering that the majority of villagers work as farmers. This is not in accordance with Solow's theory regarding growth associated with technology because the people of Cingkes Village in doing their work have not used technology. The factor is due to the limitations of capital, both human capital and physical capital.

2. The Effect of Village Fund Management on Household Welfare

The economic theory of well-being studies the various conditions under which the way of completion of the general equilibrium model can be said to be optimal. The concept of efficiency in economic literature usually refers to a concept called pareto efficiency (pareto efficiency) or optimal pareto proposed by Vilfredo Fedrico Damaso Pareto in his famous book Manual of Politics written in French in 1896 which was later translated into English in 1906. (Galang, 2017). This criterion states that a change in circumstances is said to be good or feasible if in the change there is at least one party that benefits and no one party is harmed. The problem in economics is the limited resources, with the assumption that resources are limited to meet limited needs then economics studies the allocation of resources in order to be efficient. The pareto system is that individuals can choose the resources used to obtain welfare.

According to the results of my research analysis using structural equation modeling (SEM) with AMOS 22 software, it proves that there is an insignificant influence of Village Fund Management on household welfare in the people of Cingkes Village, Simalungun Regency. Thus, this research is not in line with previous research and theory, meaning that Village Fund Management has no impact on household welfare where in this case the hypothesis is rejected. The results of the study are not in accordance with the conditions in Cingkes Village because the Village Fund Management in Cingkes Village focuses more on physical development while community empowerment and BUMDES which should be able to increase community income have not been realized by the village. Discussing this, it is hoped that the Cingkes Village government can reactivate BUMDES so that the community can generate additional income. That way, people have capital that can help them open their own business. This can be one way to advance the village and prosper the village household. This is in accordance with the Golden Rule Theory regarding saving. Conditions in Cingkes Village, the community said that if there is income generated by the residents, it is enough for daily needs, and there is residual income, usually some people in Cingkes Village choose to save their income in the bank or keep it for themselves.

3. THE EFFECT OF COMMUNITY PARTICIPATION ON PRODUCTIVITY

In the community-based concept, namely the concept of developing a natural resource in the village through the empowerment of local communities, where the community takes part in planning, managing and voting in the form of decisions in its development. Especially with the acquisition of income, job opportunities and in preserving the environment and local indigenous culture which ultimately fosters the identity of the local community due to the concept of community based (Arifin, 2017). Therefore, based on the existing concept, community participation is closely related to the development of village independence or community based from the local community in the existing development. The results of the analysis using structural equation modeling (SEM) with AMOS 22 software prove that there is an insignificant influence of community participation on productivity in the people of Cingkes Village, Simalungun Regency. Where the value is significantly $0.917 > 0.05$ so it is known that participation does not significantly affect productivity. Thus, this research is not in line with previous theories and studies, so the hypothesis is rejected, meaning that community participation does not play an important role in productivity.

The results of the study are in accordance with the conditions in Cingkes Village as evidenced by the productive age of 41-50 years with the majority of people working as farmers. In addition, the results of the study also proved that only 17 people or (8.5%) of the Cingkes Village community were directly involved, so not all communities were involved in the ongoing Village Fund Management development project because usually only men were directly involved when development occurred from the village fund program. In addition, the low level of participation from the community is also caused by the factor of lack of awareness, because the awareness of rural communities towards development is still low. That way, public participation in productivity is still relatively low.

4. THE EFFECT OF COMMUNITY PARTICIPATION ON HOUSEHOLD WELFARE

The special characteristics of community-based according to (Timothy, 1993: 373) are related to the benefits obtained due to the existence of mentoring planning efforts that favor local communities and other groups have interests or interests that give greater control in the social process to realize welfare. The results of the analysis using structural equation modeling (SEM) with AMOS 22 software prove that there is an **insignificant** influence of community participation on household welfare in the people of Cingkes Village, Simalungun Regency. Where the value is significantly $0.836 > 0.05$ so that it is known that community participation does not significantly affect the welfare of the household. Thus this research is not in line with previous theories and studies, so the hypothesis is rejected, meaning that community participation does not play an important role in the welfare of the household.

The results of research in Cingkes Village prove that not all communities are actively involved in village deliberations when there is a deliberative decision making. This factor can be interpreted as a lack of communication between the village community and village officials. An example of a case that occurs is that the needs of the residents of Cingkes Village are fertilizer assistance due to the increasingly expensive prices but what the district government provides through the village government is different from what the residents expected, namely, corn seeds. This illustrates that the district and village governments have not been able to accommodate the aspirations of their communities and do not know what the people of Cingkes Village really need, this indicates an inequality of participation in the form of communication that makes the target of assistance provided by the government to their residents inaccurate. The need for community participation in fostering communication and community participation in managing the delivery of citizens' aspirations in improving their welfare. So it is hoped that communication relations between the community and village officials can be well established so that in the future. This is not in accordance with the Community Based concept regarding the development of a natural resource in the village through the empowerment of local communities because the people of Cingkes Village have not participated enough in planning, managing and voting in the form of decisions in village development. That means, Cingkes Village has not been able to develop the potential that exists in the village to be able to manage the development of its village and make Cingkes Village an independent village.

5. THE EFFECT OF HUMAN CAPITAL ON PRODUCTIVITY

This is supported by other studies that say that the concept of human capital can be chosen as an intangible resource necessary in the labor factor to increase work productivity (Goldin, 2016). However, Human Capitalis linguistically composed of two word bases, namely human and capital (capital). Capital is defined as a factor of production that is used to make a good or service without consuming it during a factor of production. Based on the definition of capital, humans in Human Capital are a form of capital as is the case with machines and technology. Humans also have a role or responsibility in all economic activities, such as production, consumption and transactions. (Nurkholis, 2018. The results of this study

analysis using structural equation modeling (SEM) with AMOS 22 software prove that there is a **significant** influence of social capital on productivity in the people of Cingkes Village, Simalungun Regency. Where the CR value is 3,318 and with a significant value of 0.000. Then the third hypothesis is accepted, meaning that if social capital increases, it will be followed by increased productivity. This is supported by the journal Kasri Astuti (2019) said that human resources (human capital) on the work productivity of village officials in Mekarsari Village, Cipari District, Cilacap Regency have a significant influence. That is, quantity, quality, time and cost, the average is well produced.

The results of the study are in accordance with the conditions in Cingkes Village with the conditions in the field where Cingkes Village where the level of education of village officials is very diverse, some are educated lastly elementary, junior high, high school and S1. That means, education is very important its role in the management of Village Fund Management by the community and by village apparatuses that have a qualified level of education, so that between responsibility and level of education is balanced. In addition, the ability of village officials in accordance with their fields can increase the productivity of the village government.

6. THE EFFECT OF HUMAN CAPITAL ON HOUSEHOLD WELFARE

Thus, Benos and Zotou 2014 in research designed human capital. He said human capital as a set of knowledge, skills, competencies and abilities contained in the individual and acquired through education, new training, medical care and experience. Perhaps because new learning and training cannot help easily, health and educational status have become more commonly used measures of human capital in literature on the relationship between human capital and economic growth. (Shafuda, 2020). It can be concluded that Human Capital can be interpreted as the economic value of human resources related to the ability, knowledge of ideas, innovations, energy and commitment. Human Capital is a combination of knowledge, skills, innovation and the ability of a person to carry out his duties so that he can achieve a value to achieve goals. (Schermerhorn, 2005).

According to the results of my research analysis using structural equation modeling (SEM) with AMOS 22 software, it proves that there is a **significant** influence of social capital on household welfare in the people of Cingkes Village, Simalungun Regency. Where the CR value is -3.370 and with a significant amount of 0.000. Thus, the fourth hypothesis is accepted, if social capital increases, it will be followed by an increase in household well-being.

7. THE EFFECT OF PRODUCTIVITY ON HOUSEHOLD WELFARE

Productivity has two dimensions, namely effectiveness and efficiency as follows: The first dimension of effectiveness is related to the maximum achievement of work, meaning the achievement of targets related to quality, quantity and time. Work productivity is important in all organizations to develop themselves, improve work ability so that outputs or work results are achieved in accordance with predetermined targets. (Astuti, 2019). In the context of the government's supply of public goods, such as highways. It said public

goods due to the large number of road users will not reduce the benefits of the road and the highway can be used at the same time. This is called public goods that are non-rival and non-exclusive / unpaid. In contrast to pure/paid public goods, when the government builds toll roads, they hope that people who use toll roads can pay a number of tariffs used to cover construction and maintenance costs of the toll road. The above conditions illustrate the increase in pareto, which is a change in which a person becomes better and other economic actors are not harmed. (Hasanuddin, n.d.)

According to the results of this study analysis using structural equation modeling (SEM) with AMOS 22 software, it proves that there is a significant influence of productivity on household welfare in the people of Cingkes Village, Simalungun Regency. Where the CR value is 6,074 and with a significant value of 0.000. Thus, this research is in line with previous theories and studies, the hypothesis are accepted, meaning that if productivity increases, the welfare of rural households will increase. This is supported by factors of production, socio-demographics and social capital on the productivity and welfare of fishing households that social capital has a significant effect on the welfare of fishing households (Son, 2017). The study said that the average workforce used by respondents was 2 people. This is because the boats used by the respondents are classified as small boats with a capacity of 2 people so that the effectiveness of using labor is very high. However, in contrast to research that says that Village Fund Management is not significant to household welfare due to factors such as traditional response tools, limited capital and labor.(Natasya, 2019)

CONCLUSIONS, POLICY IMPLICATIONS AND SUGGESTIONS

The policy implications of the results of this study are as follows:

1. Village Fund Management is a solution in increasing the productivity of the community Desa Pantai Gemi Regency Llift and Desa Cingkes Simalungun Regency in order to achieve the welfare of households of the village community.
2. The role of community participation has not been running optimally in the management of Village Fund Management, therefore there is a need for counseling in involving the community in the management of Village Fund Management so that the community participation process can run in accordance with the village law related to village funds.
3. The implementation of Human Capital plays a role in increasing knowledge of village fund management management which ultimately has an impact on increasing work productivity for villagers through village development project activities which ultimately have an effect on improving the welfare of village households.

BIBLIOGRAPHY

1. Alan. (2008). Employee Training Needs and Perceived Value of Training in The Pearl River Delta of China : A Modal Manusia Development Approach. *Journal of European Industrial Training* V32 N1, 19-31.
2. Indonesia, R. (2014). Peraturan Menteri Dalam Negeri nomor 113 Tahun 2014 Pegelolaan Keuangan Desa. Diambil kembali dari [https://doi.org/10.1016/60345687\(85\)9016](https://doi.org/10.1016/60345687(85)9016).

3. Junaedi. (2012, Februari 12). Golden Rule dan Pengantar Model Pertumbuhan Optimal. Diambil kembali dari <http://junaeditjanring.blogspot.com/2012/02/golden-rule-dan-pengantar-model.html#:~:text=Dengan%20kata%20lain%2C%20kita%20berada,Golden%20Rule%20Edmund%20Phelps>!
4. Lubis, AIF (2018). Strategi Peningkatan Ilmu Pengetahuan dan Kesejahteraan Melalui Teknologi Pemberdayaan Masyarakat. *Int. J.Civ. Ind. Teknologi*, 9 (9), 1036-1046.
5. Patrick Duff, D. F. (2005). Market Failure, Modal Manusia, and Job Search Dynamics in South Africa: The Case Of Duncan Village. *Development Policy Research Unit*, 1-32.
6. Paul A, W. D. (2003). *Ilmu Mikroekonomi*. Jakarta : Media Global Edukasi.
7. Priyanto, U. (2017, Agustus 31). DESA JENTERA PERCEPAT PEMBANGUNAN INFRASTRUKTUR JALAN ANTARDESA. Diambil kembali dari harianandalas.com: <https://harianandalas.com/sumatera-utara/desa-jentera-percepat-pembangunan-infrastruktur-jalan-antardesa>
8. Rahmad Sembiring, A. I. (2019). Productivity Analysis and Welfare of Salt Farmers in Tanoh Anoe Village, Bireun-Indonesia. DOI 10.4108, 1-14.
9. Rahmad Sembiring, A. I. (2019). Productivity Analysis and Welfare of Salt Farmers in Tanoh Anoe Village, Bireun-Indonesia. 1-14.
10. Redaksi. (2019, Desember 20). Pembangunan Infrastruktur Demi Kesejahteraan Masyarakat Langkat. Diambil kembali dari [Medanmerdeka.com](http://medanmerdeka.com): <https://medanmerdeka.com/advertorial/pembangunan-infrastruktur-demi-kesejahteraan-masyarakat-langkat/>.
11. Sayifullah. (t.thn.). Teori Barang Swasta. Diambil kembali dari <https://www.google.com/url?sa=t&source=web&rct=j&url=https://sayifulogic.files.wordpress.com/2014/...>
12. Sembiring, R. (2018). Pengaruh Nilai Tukar Nelayan (Pendapatan Nelayan, Pendapatan Non Nelayan, Pengeluaran Nelayan, Pengeluaran Non Nelayan) Terhadap Kesejahteraan Masyarakat (Pendidikan, Kesehatan, Kondisi Fisik Rumah) di Desa Pahlawan. *Jurnal Abdi Ilmu*, 10(2), 1836-1843.
13. Sembiring, R., & Faried, A. I. (2019). Productivity Analysis and Welfare of Salt Farmers in Tanoh Anoe Village, Bireun-Indonesia. *IC2RSE2019*, 290.
14. Sembiring, R., & Faried, A. I. *Community In The Bireun Regencyfishing Village*.
15. Sembiring, R. (2018). Dampak Perubahan Budaya Sosial Ekonomi Terhadap Kemiskinan Dan Kesejahteraan Pada Masyarakat Desa Pahlawan. *JEpa*, 3(1), 75-82.
16. Sembiring, R., Nasution, L. N., Faried, A. I., & Novalina, A. Determinant of Human Development Index (HDI) Towards Poverty in the Regency/City of North Sumatera Province (Case Study Medan, Binjai, Deli Serdang, Karo, and Pematang Siantar).
17. Schermerhorn, J. R. (2005). *Organizational Behavior*. Wiley & Sons, Incorporate, John.
18. Sebayang, T. (2020, Maret 02). Diambil kembali dari Medan Bisnis Daily: https://medanbisnisdaily.com/news/online/read/2020/03/02/102112/2020_dana_desa_untuk_sumut_rp_4_5_5_t_realisasi_penyaluran_2019_rp_4_38_t/
19. Sembiring, R. (2017). ISSN : 1979-5408, 1836-1843.
20. Sembiring, R. (2019). Productivity Analysis and Welfare of Salt Farmers in Tanoh Anoe Village, Bireun-Indonesia. DOI, 1-14.
21. Shafuda, C. P. (2020). Government Expenditure on Modal Manusia and Growth in Namibia: A Time Series Analysis. *Journal of Economic Structures*, 2-14.
22. Solow, R. M. (1970). Teori Model Pertumbuhan Ekonomi Solow, Pengertian Asumsi Fungsi Rumus. Diambil kembali dari arda.biz: <https://arda.biz/ekonomi/ekonomi-makro/model-pertumbuhan-ekonomi-suatu-negara/model-pertumbuhan-ekonomi-solow/>