

# THE POLITICS OF SOCIAL POLICY OF DIRECT CASH ASSISTANCE OF VILLAGE FUNDS (BLT DD) AS POVERTY REDUCTION EFFORT IN PANDEMIC PERIODS IN INDONESIA

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## ABSTRAK

This research tried to explore the social policy of the Direct Cash Assistance of Village Fund. As the COVID-19 or SARS-CoV-2 was first detected and began to develop at the end of 2019 in Wuhan, China, it did not stop spreading to almost all countries in the world throughout 2020. The diseases that attack the respiratory organs have made more than 590 million people worldwide infected with this virus. In Indonesia, the pandemic caused several major impacts in all sectors, such as the health sector, the economic sector, the education sector, the religious sector, and others. In fact, the implementation of PSBB and PPKM policies can reduce the economic growth and cause many people losing their jobs, thereby it potentially increasing the number of poor people. In the context of handling and anticipating the impact of the COVID-19 pandemic, the Government has launched several social safety net programs, one of which is called as the Direct Cash Assistance of Village Fund which is expected to ease the economic burden of rural communities during the COVID-19 pandemic. The research was conducted using a qualitative method with a descriptive analytical approach. Data obtained through the literature studies. The results of this study found that there were complexities and several problems encountered in the implementation of the Village Fund Direct Cash Assistance distribution that tackled by the village.



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## 1. PENDAHULUAN

It has been over a long time since the Coronavirus pandemic has cleared the world. Known as the Coronavirus, SARS-CoV-2 was first detected and began to develop at the end of 2019 in Wuhan, China, and keep spreading to almost all countries in the world throughout 2020. The diseases that attack the respiratory organs have made more than 590 million people worldwide infected with the virus (Worldometers, 2022). In Indonesia, the pandemic ensued several major impacts in all sectors of life such as the health sector, the economic sector, the education sector, the religious sector, and others.

In the economic sector, for example, the impact of the implementation of the Large-Scale

Social Restrictions (PSBB) policy which was required on March 31, 2020 through Government Regulation Number 21 of 2020 about Large Scope Social Limitations with regards to Speeding up the Treatment of Covid Infection 2019 and the Enforcement of Restrictions on Community Activities (PPKM) which was formerly effective from 3 to 20 July 2021, as a matter of fact, can decrease the monetary development and influence many individuals to lose their positions, consequently possibly expanding the quantity of needy individuals. One of the results of the PSBB and PPKM strategies was a sharp point in the quantity of jobless. Based on a press conference of the Minister of Finance said that not less than 1.5 million (1.24 million official

workers and 265,000 informal workers) had lost their jobs. Of this amount, at least 90% of workers were laid off and 10% of workers experienced rationalizations (Nababan, 2020).

As an effort to control and expect the impacts of the Coronavirus pandemic, the public authority has made a few strategy strides in carrying out the 2020 State Revenue and Expenditure Budget (APBN) based on Law Number 2 of 2020 about Requirement of Government Regulation in substitution of Law Number 1 of 2020 concerning State Monetary Arrangement and Monetary Framework Dependability for Dealing with the COVID-19 Pandemic to confront dangers that threaten the public economy or potentially monetary framework solidness into regulation, explicitly through financial plan pulling together to speed up Coronavirus control, reallocation of spending reserves to support the implementation of the Cluster COVID-19 tasks, saving and increasing spending efficiency to support the process of handling and impacting COVID-19.

At the village government level, the implementation of refocusing on the Village Revenue and Expenditure Budget (APBDes) is critically considered in light of the fact that it is one of the public authority's activities to reduce the effect of neediness in provincial networks during the pandemic on the grounds that as per the area, the destitution rate in country regions has additionally expanded fundamentally high, starting from 12.82 % to 13.20% (BPS, 2020).

However, according to the first goal of the *Sustainable Development Goals* is to ease poverty levels or end poverty in all its forms anywhere by 2030 (*Zero Poverty*). Nevertheless, the Central Statistics Agency (BPS) noted that in 2020 the number of poor people in Indonesia experienced an increase due to the pandemic, from 9.22% to 10.19% (27,55 million people). In addition, there was also a sharp point in the number of unemployed from 4.94% to 7.07% due to a decrease in working hours or even a decrease in representatives. Even though several policies related to the national economic recovery have been implemented, such as the Family Hope Program (PKH), Non-Cash Food Assistance (BPNT), Micro Business Productive Assistance (BPUM) and also pre-employment card assistance and the Direct Cash Assistance of Village Fund which distributed to the community as efforts to ease the economic burden during the COVID-19 pandemic.

In some areas, the application and management of village funds is still constrained, especially in the lack of information leakage, clear regulation of monitoring mechanisms, and the absence of village government authority in deciding the sum or type of help that is as per the necessities of the local area (Suari, 2021).

Meanwhile, other research states that the Direct Cash Assistance is the public authority's

reaction in diminishing the effect of Coronavirus for residents. In beginning phases of its execution, it was observed that there were issues with local area fights village authorities who were accepted frail to carry out appropriately the Direct Cash Assistance of Village Fund policy, even in some villages leading to the destruction of the village office (Herdiana, 2020). The aftereffects of the review show that the issues in executing its strategy comprise of somewhere around 3 elements comprising of the limit of the public authority, the objective local area and the component of the execution cycle. The difficulties in executing the Direct Cash Assistance of Village Fund policy are the proportionality of the village budget, the benefits of providing the assistance and the community responsibility system in utilizing it.

## 2. RESEARCH METHODS

This study utilizes a subjective strategy with an expressive insightful methodology (Creswell, 2009). The evidences were getting through literature studies (Zed, 2008). Qualitative data will then be analyzed descriptively and then described and interpreted.

## 3. RESULTS AND DISCUSSION

Social policy according to Midgley and Livermore is a policy that is conceptualized to work on the government assistance of the local area and the personal satisfaction of the community (Fedryansyah, 2016: 137). Social policy can also mean as a government provision that was created to respond social issues or the requirements of the local area at large (Suharto, 2006:1).

Referring to its formal object, social policy studies can be identified into three formulas (Yuda, 2021). Firstly, the various efforts needed to minimize social risks arising from various causes such as financial, health, environmental, death, disability, work accidents, retirement, death, job loss and the necessary efforts such as social assistance (in the form of money/goods), the provision of social insurance, provident fund/lump-sum, training assistance, and finance for the unemployed (unemployment benefit). Secondly, not only managing social risks, social policies also should maintain the social and economic status of families and communities so that they are empowered while preventing them from becoming promptly susceptible due to external and internal factors. Some efforts can be an unconditional cash transfers, social investments such as educational operational funds or community empowerment programs that are oriented towards short and long term poverty alleviation. Third, the means needed to protect vulnerable groups through specific social assistance or specifically personalized to the needs of each group.

The social policy program is an effort that can protect the social resilience of the community so that

the stability of the community will be distressed if the program does not reach the people in need. In April 2020 the International Labor Organization (ILO) defined several important aspects connected with the effect of the Coronavirus episode on the employment situation around the world. Among them are about the consequences of the crisis, especially in countries that belong to the lower middle income. The heavily affected sectors generally have a high percentage of informal workers which do not have social security or in minimal circumstances. These workers are in the weakest condition compared to other groups of workers. Not just in Indonesia, the disappointment of improvement programs in a few nations and the wellbeing emergency that affects the worldwide economy which has basically made all nations accept the masterful plans that have been set to be replaced by crisis reaction strategies by preparing all assets to manage the Coronavirus pandemic as well similarly as with different social strategy projects to keep the state of the local area from an extreme poverty.

The proportion of an extreme poverty rate really alludes to the meaning of the World Bank and the United Nations which is 1.9 US Dollars PPP (purchasing power parity) per capita each day, underneath the overall destitution rate utilized by BPS, which is 2.5 US Dollars PPP per capita per day. It also restrained using an "*absolute poverty measure*" which is consistent across countries and over time. By using this definition, the extreme poverty rate in 2021 in Indonesia is about 4% or 10.86 million people. Beside the income parameters, several variables that make a person fall into an extreme poverty are stunting prevalence, and low percentage of sanitation (Hadimuljono, 2022).

As a form of social policy in Indonesia, the Government has launched various social safety net programs to reduce the socio-economic impacts, especially during the COVID-19 pandemic for the poor and vulnerable. Some of these programs called as the the Family Hope Program (PKH), Non-Cash Food Assistance (BPNT), Micro Business Productive Assistance (BPUM) and also pre-employment card assistance, Salary Subsidies, and electricity/PLN subsidies, including Direct Cash Assistance of Village Fund which is one of the government's efforts to reduce poverty in rural communities. The realization of these programs is expected to reduce the burden on the community and trigger an increase in community productivity since various literatures state that the number of poor people in villages is larger than the citizen, from 12.82 % to 13.20% (BPS, 2020). The economic base of the village which is generally the agricultural sector makes the poverty reduction in agricultural households are believed to be the main key in realizing the reduction of the national poverty rate.

The village is a representation of the smallest legal community unit that already exists and grows in

line with the life history of the Indonesian people and it is an inseparable part of the life order of the Indonesian nation (DJPB, 2022). As a type of state acknowledgment of the village, it is acknowledged by the creation of Law no. 6 of 2014 concerning Villages, especially in order to clarify the village functions and authorities, also strengthen the position of the village as subjects of advancement. The law is needed for structuring and regulating policies regarding villages. The village is the smallest autonomous government unit in Indonesia which its capability is being strengthened, both from the sector of authority, institutional and funding capacities.

To help the execution of village duties and functions in the administration of government and village development in all its aspects, the mandate given by the law to the government is that each village gets a source of village income from the APBN which has been budgeted every year. This policy at the same time is integrating and optimizing the overall budget allocation scheme from the government to villages for which this policy has existed known as the Village Fund. The Village Fund is an APBN store that assigned for villages which is moved through the area/city and is focused on for the execution of improvement and strengthening of provincial networks. The purpose of the village fund itself is to improve public services in the village, alleviate poverty, advance the village economy, overcome development gaps between villages, and strengthen village communities as subjects of development. Village funds are an important part of village autonomy and good governance, so it is important for village officials to manage them in a responsible, accountable, transparent and participatory manner (Alfirdaus, Yuwono, et.al. 2020).

These productions actually can be seen during 2015 to 2021, the realization of the Village Fund experienced significantly increasing from IDR 20.77 trillion in 2015 to IDR 71.9 trillion in 2021 (The Ministry of Finance, 2021). With the allocation for approximately six years, the Village Fund is one of the policies that is often claimed to be the main contributor in efforts to reduce the rural poverty in Indonesia. In view of publications from the Ministry of Villages, the use of Village Funds has produced various outputs from physical development into several forms such as village roads with a total length of 231,709 km, bridges with a total length of 1,327,069 meters, village markets with 10,480 units, BUMDES with 39,226 activities, boat moorings with 6,312 units, reservoirs as many as 4,859 units, irrigation as many as 65,626 units, village sports facilities as many as 25,022 units, retaining soil as many as 215,989 units, clean water facilities as many as 993,764 units, MCK as many as 339,909 units, Village Maternity Boarding Schools (Polindes) as many as 11,599 units, Drainage Facilities as many as 36,184,121 meters, Paud Building as many as 59,640

units, Posyandu as many as 30,127 units and wells as many as 58,259 units (PuskajiAKN, 2021).

Meanwhile, according to KOMPAK's research, the output in 2020 by using data in 2015-2019 period, the Village Fund has an impact on reducing poverty levels and reducing poverty unemployment rate, while the Direct Cash Assistance of Village Fund completes the social safety net which is intended to overcome the effects of a pandemic or crisis (The Ministry of Finance, 2021). Regarding the potential beneficiaries of the assistance are poor families both recorded in the Integrated Social Welfare Data (DTKS) which is not included in the data collection (exclusion error) that meets several criteria, such as not recipients of PKH/BPNT assistance/pre-business card holders, encountering loss of occupation (not having adequate financial stores) generally to make due for the following 3 months), and have relatives that powerless a persistent disease. The information assortment group is likewise obliged to guarantee that weak gatherings, for instance unfortunate families which headed by ladies, older gatherings and people with handicaps are enrolled as competitors for the Direct Cash Assistance of Village Fund Beneficiary Families (KPM).

Yet, several problems in distributing social assistance, especially Direct Cash Assistance of Village Fund, in fact still often take place, including low accuracy, different targets for each program, slow and not well-targeted distribution, overlapping target recipients, weak communication and coordination, the elderly and disabled groups who have not received attention, and the lack of optimal socialization and education to prospective beneficiaries (The Ministry of Finance, 2020).

In addition, there are still many complexities and even criticism from the community towards the Direct Cash Assistance of Village Fund policy which can be described in several ways. First, at the initial stage or in the data collection process, there are two regulations that are quite confusing between Permendes PDTT No. 6 of 2020 which stipulates three criterias and the Letter of the Minister of Villages PDTT No. 1261/PRI.00/IV/2020 April 14, 2020 regarding Notification (Aseh and Gafar, 2021). The disarray is strengthened by the presence of regulatory necessities for planned beneficiaries of social help and a non-cash conveyance plot for social help. In addition, the requirement to record the identity number as a condition for obtaining the assistance causes some families whom actually deserve to receive the assistance can not get their rights because they do not have the document. Meanwhile, non-cash distribution of the assistance will be difficult because not all poor people have the bank accounts.

Second, the limited allocation means that people who meet the criteria truly cannot fully become recipients of this assistance. It becomes less

representative of effectiveness and justice. It becomes less representative of effectiveness and justice, especially in terms of policy delivery. Third, there are sanctions forced on villages when it does not provide budget or distribute the Direct Cash Assistance of Village Fund by reducing the budget outside the assistance by 50% at the next distribution stage, making the village government seem imposing in implementing this policy. So it is undeniable that village officials seem to pay less attention to crucial matters regarding the determination of KPM as beneficiaries.

#### 4. CONCLUSION

The public authority has sent off different social security net projects to lessen financial effects, particularly during the Coronavirus pandemic for poor people and defenseless. Some of these programs called as the the Family Hope Program (PKH), Non-Cash Food Assistance (BPNT), Micro Business Productive Assistance (BPUM) and also pre-employment card assistance, Salary Subsidies, and electricity/PLN subsidies, including the Direct Cash Assistance of Village Fund which is one of the government's efforts to reduce poverty in rural communities.

However, several problems in the distribution of social assistance, especially the Direct Cash Assistance of Village Fund, in fact still often to happen, including low accuracy, different targets for each program, slow and not well-targeted distribution, overlapping target recipients, weak communication and management, the elderly and disabled groups who have not received attention, as well as the lack of optimal socialization and education to prospective beneficiaries. Likewise, there are as yet numerous entanglements and even analysis from the local area towards the help, including the numerous guidelines that are very confounding for implementers, the restricted designation additionally causes individuals who meet the standards can not be completely turned into the beneficiaries of help, there are sanctions constrained on villages when it does not give spending plan or disseminate the help by lessening the spending plan outside the assistance by half at the following appropriation stage, causing the village government appears to be forcing in carrying out this arrangement.

At last, we hope that social protection programs will really be able to protect residents from the impact of the COVID-19 pandemic because the Direct Cash Assistance of Village Fund policy is one of the government policies as an effort to reduce poverty, especially to protect the village community in the context of accelerating the achievement of village's SDGs through the national economic recovery in accordance with national priority programs based on the village authority.



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