

# CHAPTER ONE

## INTRODUCTION

### A. Background Of Study

Village fund is a donation fund that sourced from 10% National Budget Revenue and Expenditure funds which are intended for villages and used for governmental financing, development of village and community empowerment.<sup>1</sup> This program is organized by the government purposed for solving the poverty problem and achieving the society welfare thoroughly. Because poverty is a serious problem that faced by government particularly in developing countries. Noted that the number of poor population in Indonesia on March 2016 reached 17, 67

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<sup>1</sup> BPKP, *Instructions for the implementation of the guidance and Financial Management Consultation villages*, 2015, Supervision Deputy of the implementation of regional financing

million for rural and 10, 34 million for urban areas.<sup>2</sup> Thus, in 2015 Indonesian Central Government established this village fund donation program with the purpose to accelerate the economic growth of the villages, which it would accelerate economic growth in the macroeconomy and can actualize the real welfare of society.

Village fund program is used for development of rural economy by financing the development of infrastructure and public facilities of village physically.<sup>3</sup> This effort is purposed to increase rural economy rapidly by the availability of good facilities and village infrastructures, as it can also support the rural economic activities.

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<sup>2</sup> Badan Pusat Statistik, *Official Statistics on Poverty Profile in Indonesia in March 2016*, Published at 18<sup>th</sup> of July 2016

<sup>3</sup> Peraturan Menteri Desa, Pembangunan Daerah Tertinggal, dan Transmigrasi Republik Indonesia Number 21, about *Penetapan Prioritas Penggunaan Dana Desa Tahun 2016*, Tahun 2015, Bab III Pasal 6 Ayat 1, p. 6-7

Based on the implementation of Village fund which is done in Kedungmutih and also Patimuan, this program is proven to become the alternative of economic growth velocity in the village. The implementation of village fund in these villages can accelerate the economic growth and circulate the economic activities of village society. Each of these villages received 299 million rupiah and 306 million rupiah from 20 trillion village fund allocated from Central Government (APBN) to 74.053 villages in Indonesia on 2015.<sup>4</sup> Village fund program can push the economic activities in the society through the development of roadwork and transportation facilities in these villages.

The more village fund program is growing increasingly until 2016, the higher risk also faced. Namely village fund can invite the potency of criminality offence that is inviting some opportunities of certain parties in the

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<sup>4</sup> <http://www.republika.co.id/>, *Dana Desa Pacu Denyut Ekonomi*, published on Thursday, 25 of August 2016 on hours 11.45WIB, Accessed on 9 mei 2016 on hours 14.16WIB

corruption action. As the case in Tolitoli, Central Sulawesi, The State Attorney's Investigator of Tolitoli regency caught the head of Dakopemean village, Tolitoli regency over the corruption of village fund and village fund allocation.<sup>5</sup>

Furthermore, some problems that faced by the government in distributing of village fund on 2016 is the village fund distribution for phase II is significantly hurting in some villages as there is still found a district which has not submitted a report of village fund realization on previously period 2015. Such as in Polewali Mandar village, the government of that village has not submitted a report of village fund realization on period 2015 so that caused to the distribution of village fund phase I in 2016 is not completely finished until the eve of July 2016. It was supposed that the distribution of village fund in Phase I

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<sup>5</sup> <http://nasional.republika.co.id/> , *Camat yang Korupsi Dana Desa Ditahan*, published on Thursday, 04 of August 2016 on hours 10.53WIB, Accessed on 12 August 2016 on hours 22.17 WIB

March 2016 used to be reached 60% from the highest boundary of APBN, but in the reality until the eve of July 2016 it was just only reached 50% from the total budget.<sup>6</sup>

Based on the potency and also the constraints of village fund program, it can be concluded that the economic growth can be increased rapidly when the village fund management running effectively. It has been applied in Wukirsari village, Imogiri sub-district, Bantul Yogyakarta as for the example. The government of Wukirsari village makes a development training program that was held for the community development cadres who manage the benefits of village fund donation program in each hamlet. So that the recipients can allocate and manage

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<sup>6</sup> <http://www.beritasatu.com/>, *Penyaluran dana Desa 2016 Tersendat*, Kemdes Terjunksan Tim JDN, published on Friday, 17th of June 2016, Accessed on 9 August 2016 on hours 16.45WIB

the assistance funds according to utility priorities which have been agreed on when formulating RJPMDes.<sup>7</sup>

Within the framework of Islamic Economics concept, the achievement of a purpose by bringing the benefits called as *mashlahah*.<sup>8</sup> *Mashlahah* is interpreted as the desired benefit from Allah SWT to His slaves to fulfill their basic needs. In Islamic perspective, the human basic needs determined on *maqashid syariah* which consist of five preservations namely religion, physical self, knowledge, family and wealth in accordance with levels of hierarchial evidences described by Allah SWT in Qur'an.<sup>9</sup>

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<sup>7</sup> Academic transcript interview 01/ WWCR/ BALAIDESA/ IV/ 2016

<sup>8</sup> محمد سعيد رمضان البوطي، ضوابط المصلحة في الشريعة الإسلامية، (دمشق: مؤسسة الرسالة، ١٩٧٣)، ص. ٢٣

<sup>9</sup> Satria Hibatal Azizy, *Mendudukan Kembali Makna Kesejahteraan Dalam Islam*, 1<sup>st</sup> edition, (Ponorogo: CIOS, 2015), p. 18

Furthermore, *maqashid shariah* is done to reach *mashlahah* as the basic objectives of life.<sup>10</sup>

Based on the background of study above, the researcher would like to do research on **“The Influence of Village fund towards The Achievement of Welfare of Society According to Mashlahah Concept (Case Study of Village fund 2016 in Wukirsari Village, Imogiri, Bantul Regency, Yogyakarta)”**.

## **B. Problem Formulation**

Problem formulation is a completed and detailed questions regarding the scope of issues to be examined based on the identification and limitation of the problem.<sup>11</sup>

Based on the background above, the researcher limits this research into two main points, those are:

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<sup>10</sup> Nurizal Ismail, *Maqashid Syariah dalam Ekonomi Islam*, 1<sup>st</sup> edition, (Yogyakarta: Smart WR, 2014), p. 11-12

<sup>11</sup> Nasrullah Z. M, et al, *Pedoman Penulisan Skripsi*. 2<sup>nd</sup> Edition, (Ponorogo, Lembaga Penelitian dan Kajian Ilmiah Institut Studi Islam Darussalam, 2007), p. 15

1. How is the management of village fund in Wukirsari village, Imogiri Sub-district, Bantul Regency, Yogyakarta?
2. How is the influence of village fund in Wukirsari village, Imogiri Sub-district, Bantul Regency, Yogyakarta toward the achievement of welfare of Society according to *Mashlahah* Concept?

### **C. Purpose Of Study**

Based on the problem formulation above, the researcher completes this research purposed:

1. To know the management of village fund donation program in Wukirsari Village
2. To investigate the influence of village fund implementation towards the achievement of welfare of society in the term of *maslahah* concept



## **D. Significance Of Study**

Significance of study shows the benefits or the importance of research contained the usefulness of research in the science and society development or in implementation of the development broad sense.<sup>12</sup> In this research, the researcher hopes that the results of this research can be useful not only for the researcher personally, but also can produce the benefits for other. And the benefits of this research are divided into theoretical and practical:

### **1. Theoretical Significance**

As for theoretical significance, the researcher hopes that this research can:

- a. Be as a practice media for the researchers in science practice and knowledge about financial management primarily about village fund program that have been

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<sup>12</sup> Ibid., p. 16

studied in the scholar and coursework to the real conditions of society

- b. Provide an explanation of the village fund and its management to all academics, than can be the reference and research material by students of Islamic Economic studies program at the University of Darussalam Gontor and other universities in Indonesia.

## 2. Practical Significance

From the results of this research, the researcher hopes for:

- a. The local authorities in order to understand the purposes and the main functions of village fund program, so that the implementation is right on target and it can develop the welfare of society.
- b. The local government in order to have a more effective strategy in the management of village fund

program for economic development based on of *maslahah* concept

- c. The villagers to more understand the practical knowledge and ability about village fund Program so that economic development goes well and can develop economic growth

## **E. System Of Study**

This research is divided into five chapters. The first chapter contains an introduction to the research by the outline of background of study, problem formulation, purpose of study, significance of study and system of study.

The second chapter contains a Literature Review which concerns on the discussion about previously researches and theoretical framework which consist of the basic theory related to this research about two main

theories those are the theory of village fund donation program (definition, purpose, priority, allocation and distribution process) and the concept of *Mashlahah*.

The third chapter contains about the research procedures which explains about the research methodology includes: kind of research, triangulation method, steps of the research, research sources, data collection techniques and data analysis techniques.

The fourth chapter contains of research investigation. It is explaining about profile of research object (Wukirsari village, Imogiri sub-district, Bantul Regency, Yogyakarta), explanation and presentation of qualitative and quantitative data that gained in the research process regarding the management of village fund Donation Program in Wukirsari village and data analysis result describes the influence of village fund implementation in the village toward society welfare according to *Mashlahah* concept.

The fifth chapter contains the conclusion from this research, advices on village fund Assistance Program implementation in Wukirsari village so that the research meets it purpose and significance.