COMMUNITY WELFARE IN THE ASPECTS OF GOVERNMENT ADMINISTRATION AND SUPPORT FOR THE VILLAGE ECONOMY

Aida Nahar, Fellia Aprianti, Nola Fajar Arum
Faculty of Economics, Universitas Islam Nahdlatul Ulama Jepara
Jl. Taman Siswa, Tahunan, Jepara Regency, Central Java, 59451, Indonesia
aida@unisnu.ac.id

ABSTRACT
This study aims to explore the determinants of community welfare by focusing on village governance and the supporting elements of the local economy. The dependent variable in this study is the level of community welfare, while the independent variables include village fund allocation, village-owned enterprises (BUMDes), and the three pillars of governance: transparency, accountability, and community participation. The data collection method was conducted through distributing questionnaires to 100 respondents in Kabupaten Jepara, with statistical analysis using multiple linear regression based on SPSS version 29 software. The results of the analysis revealed that the allocation of village funds and BUMDes had a significant positive influence on community welfare. In the context of governance, accountability shows a significant positive contribution, while transparency shows a significant negative correlation. Community participation has no statistically relevant influence. The policy implications of these findings emphasize the need to optimize the allocation of village funds, strengthen accountability, and increase the role of BUMDes as the main strategies for improving welfare. In addition, this study recommends a thorough evaluation of the implementation of the transparency principle as well as an increase in the collective awareness of the community to actively participate in the oversight of village financial management, in order to create synergy between top-down policies and community participation.

Keywords: Use of Village Fund Allocation, Accountability, Transparency, Village-Owned Enterprises, Community Welfare

INTRODUCTION

Community welfare is a condition that reflects the quality of life of individuals and communities, covering social, economic, and environmental aspects that support the achievement of a decent life (Bappenas, 2020). Community welfare involves not only the fulfillment of basic needs, such as food, education, and health, but also includes a sense of security, opportunities for development, and active participation in decision-making that affects their lives (World Bank, 2021). Therefore, community welfare is a primary goal in various development programs at both the local and national levels. Improving the welfare of rural communities presents its own challenges. Rural areas often face limitations in infrastructure, access to basic services, and limited economic opportunities (Todaro & Smith, 2020). To overcome these problems, a community-based development approach is highly relevant. This approach emphasizes the importance of active community involvement in every stage of the development process, from planning and implementation to the evaluation of programs, so that the results are more in line with local needs and can improve welfare in a sustainable manner.

The effectiveness of government management plays an important role in improving the welfare of the community. When the government implements honest and responsible governance, this can build public trust, which ultimately motivates the community to actively participate in development activities (Good Governance Institute, 2019). Community participation, on the other hand, provides opportunities for citizens to express their aspirations and contribute to decision-making, which can increase their sense of ownership of development outcomes. In addition, economic aspects are an important component of community welfare. Adequate income, access to employment, and the existence of productive local businesses are key factors that influence welfare levels (UNDP, 2020). In this regard, community economic development, such as cooperatives and Village-Owned Enterprises (BUMDes), has great potential to make a significant impact. These initiatives not only open up new job opportunities, but also encourage the strengthening of the local economy by optimizing the resources owned by the village (Yusran et al., 2023).

Jepara Regency, located in Central Java Province, was officially established as a regency under Law No. 13 of 1950. Covering an area of 1,057.10 km², this region consists of 16 subdistricts, 184 villages, and 11 urban villages. Based on data from the Central Statistics Agency (BPS), the population of Jepara in 2023 reached 1,264,598 (Fallahnda, 2023). Jepara's economy is very diverse, with the main sectors including the furniture industry, fisheries, tourism, agriculture, and trade. Government support through infrastructure development, investment promotion, and human resource capacity building has contributed to economic growth. The Regent of Jepara, Edy Supriyanta, reported that the poverty rate in Jepara decreased from 6.88% in the previous year to 6.61% in 2023, based on data from BPS Jepara (Fadhilah, 2023). The welfare of the people in Jepara is reflected in their living conditions, access to basic needs, education, and health services. Welfare is achieved when individuals are able to meet these needs, thereby improving their quality of life based on their resources and physical and mental well-being (M. T. Sari & Mildawati, 2019). Community welfare is influenced by various factors, such as village fund management, accountability, transparency, citizen participation, and the contribution of Village-Owned Enterprises.

Village fund management plays an important role in promoting the progress and empowerment of villagers. In accordance with the provisions of Article 14 Paragraph (7) of Law No. 28 of 2022 concerning the 2023 State Budget, the allocation of village funds in the regional transfer budget aims to strengthen the capacity of village administrations, accelerate infrastructure development, and increase community participation in the village development process. More specifically, village fund management is outlined in Minister of Finance Regulation No. 201/PMK.07/2022, which regulates in detail the mechanism for the distribution and utilization of village budgets to ensure the achievement of development and empowerment targets. Recent studies have found that the allocation of village funds accompanied by transparent and accountable governance can contribute significantly to improving the quality of life and welfare of rural communities. For example, there is research reporting that effective allocation of village funds can improve the quality of village infrastructure, provide facilities that support education and health, and create economic opportunities that directly benefit the community (Rahmah et al., 2021). However, other research findings show that the realization of village fund allocations is not always directly proportional to an increase in the welfare of the population (Khasanah & Marisan, 2022). These findings indicate the existence of structural obstacles, such as errors in budget planning, inaccuracies in fund distribution, low levels of community involvement in the planning and supervision of village budget use, or problems in program implementation that hinder the achievement of desired goals. In addition, limited village fund allocations and dependence on central or regional government decisions can also affect the effectiveness of fund use.

Accountability plays an important role in creating transparent and trustworthy relationships between resource managers and the communities they serve. In general, accountability can be defined as the obligation to report, explain, and be responsible for actions or performance to the authorities and the community (Kuswanti, 2020). In the context of village fund management, accountability includes transparency in reporting the use of funds, community participation in the decision-making process, and effective supervision to prevent irregularities. Previous studies have provided mixed findings regarding the relationship between accountability and community welfare. There is research showing a positive relationship between high accountability and improved community welfare (Amalia, 2022). However, several other studies report no significant influence between accountability and community welfare (Nisa et al., 2023). This may be due to other factors, such as uneven distribution, programs that do not match local needs, or a lack of capacity in program implementation, which have a more dominant influence on welfare.

Community participation is a crucial aspect in ensuring transparency, accountability, and effectiveness in village resource management. This participation is not limited to financial contributions, but also includes various other forms of involvement, such as contributing ideas, labor, criticism, and constructive feedback. With direct community involvement in the planning, implementation, and monitoring of village programs, village resource management can be more adaptive in adjusting to the dynamics of local needs and aspirations. Empirical findings confirm that collaborative and sustainable community participation is closely correlated with improved living standards and socioeconomic welfare at the community level. There is research proving that direct community involvement in the joint management of village funds can strengthen the effectiveness of participatory development programs (Amalia, 2022). The implication is that this not only encourages efficient resource allocation, but also creates a domino effect in the form of improved access to basic services and holistic community welfare improvement. High participation also encourages a sense of ownership of development outcomes, increases program sustainability, and strengthens a sense of togetherness within the community.
Transparency plays an important role in the management of village resources, especially in terms of finance. Transparency requires local governments to disclose information openly, accurately, and in a manner that is accessible to the public. This step not only builds public trust but also serves as an effective oversight mechanism, thereby minimizing the risk of corruption and misuse of funds. With good transparency, the allocation and use of village resources can be better directed towards the interests of the wider community (Mardiasmo, 2021). However, research findings on the impact of transparency on community welfare show mixed results. Several studies report that high transparency has a positive impact on well-being (Agusman, 2022). Conversely, other studies, show that transparency has a negative effect on welfare (Khasanah & Marisan, 2022). This may be due to sharply increased public expectations as a result of information disclosure, which ultimately cannot always be met. In addition, transparency can also reveal imbalances or injustices in resource management, which can trigger social conflict or public dissatisfaction.

Village-Owned Enterprises (BUMDes) play a very important role in managing the assets and resources owned by villages for the benefit of the community. BUMDes are not only tasked with managing village resources, but also serve as the driving force behind the local economy, creating new business opportunities, increasing community income, and strengthening the economic resilience of villages. Through various economic activities such as savings and loans, agriculture, livestock, or other businesses, BUMDes have the potential to reduce dependence on external markets and provide solutions for communities facing economic problems. There are studies showing that the existence of BUMDes can have a positive impact on improving the economy of rural communities (Yusran et al., 2023). However, several studies show that the impact of BUMDes on community welfare is not always significant (Fauzi et al., 2021). This may be due to a lack of managerial capacity, limited business capital, or an inability to identify and optimize market opportunities. In addition, the lack of transparency in the management of BUMDes or the failure to involve the community in decision-making can lead to inefficiency and reduce its impact on welfare. The diversity of findings on factors affecting community welfare indicates a research gap, necessitating further study. This study aims to address this gap by examining the main factors affecting community welfare in Jepara Regency.
9iu

LITERATURE REVIEW AND HYPOTHESIS

Community Welfare

Community welfare is defined as a situation in which primary needs, including clothing, food, shelter, education, and holistic health services, are met equally. The fulfillment of these needs creates a life ecosystem that not only guarantees security and peace of mind, but also promotes sustainable prosperity that encompasses both the physical and psychological aspects of individuals. In Sanskrit, the word “sejahtera” comes from catera, which means “umbrella,” symbolizing protection from poverty, ignorance, and fear

(Fahrudin, 2018). According to KBBI, welfare is a state of security, peace, and prosperity (Notowidagdo, 2022). Welfare indicators include economic justice (equitable distribution of resources), social justice (equal access to basic services), and democratic justice (participation in the political process) (Khasanah & Marisan, 2022). The village government plays a strategic role in improving welfare through transparent financial management, equitable distribution of funds, and adaptation to socio-economic challenges. The main objective is to create a harmonious and independent community with a decent standard of living. Community Welfare Variables are measured using indicators of economic justice, social justice, and democratic justice (Khasanah & Marisan, 2022).

Village Fund Allocation

The Village Fund Allocation (ADD) is a budget sourced from the State Budget (APBN) and allocated through the Regional Budget (APBD) mechanism with the main objectives of improving village administration capacity, accelerating infrastructure development, and encouraging local community empowerment and development. These funds come from local taxes and balancing funds, and are distributed in stages through a mechanism involving local and village governments (Sinambela, 2022). The use of ADD is measured through two indicators: target accuracy, which includes program relevance, community participation, transparency, and impact evaluation; and the achievement of ADD objectives, such as infrastructure development, economic empowerment, improved quality of life, and environmental management. The variable of Village Fund Allocation (ADD) usage is measured by the indicators of accuracy of target in the use of village fund allocation and the achievement of the functions and objectives of village fund allocation (Khasanah & Marisan, 2022). As explained in a study, this stems from the distribution of local taxes and central-local balance funds received by the district. Effective and targeted management of ADD can improve community welfare (Sinambela, 2022). Other studies also show that the use of ADD positively affects the level of community welfare (Khasanah & Marisan, 2022). Based on this, the research hypothesis states: H_1: The use of village funds has a significant positive effect on community welfare.

Accountability

Accountability is a principle that requires a party to transparently report the process of resource management and the results of policy implementation to institutions or authorities with relevant authority (Hanum, 2019). According to previous research, accountability in village financial management requires the obligation to account for all activities through the submission of reports, documentation of activities, and comprehensive explanations to the mandating party (Mardiasmo, 2021). This principle emphasizes the importance of transparency and responsibility in every stage of budgeting to the implementation of village programs. Accountability aims to maintain trust and achieve the objectives set. Accountability indicators include: active involvement of the village government in planning and managing funds, transparent and detailed accountability reports, and effective supervision by the implementing team to prevent irregularities. The implementation of accountability indicators in village fund management aims to improve the integrity and efficiency of financial management, thereby promoting sustainable development and improving the overall welfare of the community. Accountability variables are measured through three main aspects, including the active involvement of village governments in the planning and distribution of funds, the availability of transparent accountability reports to all stakeholders on a regular basis, and the existence of an independent monitoring mechanism by the implementing team to ensure consistency between the budget plan and program implementation (Khasanah & Marisan, 2022). In the context of village funds, the principle of accountability aims to improve community welfare. The results of the study indicate that the level of accountability in the management of village funds contributes positively to improving community welfare (Ardelia & Handayani, 2022). Based on these findings, the hypothesis proposed in this study is: H_2: Accountability has a significant positive effect on public welfare.

Transparency

Transparency is defined as the principle of openness that guarantees public access to up-to-date, objective, and non-discriminatory information regarding organizational governance. This principle also balances public rights with the protection of individual privacy, the interests of certain groups, and the confidentiality of strategic state data to prevent conflicts or abuse of authority (Hanum, 2019). Transparency enables the public to access financial data, policies, decision-making processes, implementation, and results achieved, in accordance with the principle of openness as stipulated in Permendagri No. 113 of 2014. The main benefit is open access to information, so that the public can understand, monitor, and evaluate government performance. Transparency indicators include: deliberations involving the community in development planning and village fund management, broad and easy access to information related to planning, implementation, accountability, and openness in the village fund management process from collection to reporting. The implementation of transparency is expected to increase public trust, participation, and development effectiveness, supporting the welfare and sustainability of village development. Transparency in village fund management is measured through three main indicators. First, the implementation of participatory forums that actively involve the community in the decision-making process, such as village deliberations to formulate program priorities. Second, the availability of public access to detailed information on budget planning, activity implementation, and financial accountability reports in an open and easily understandable manner. Third, operational transparency is reflected in the openness of fund management documents, from the allocation and distribution stages to the final evaluation, including program outcome audits (Khasanah & Marisan, 2022). Transparency makes it easier for the community to obtain information, avoids suspicion of village officials, and increases public trust in financial management oversight. The results of the study reveal that transparency has a positive impact on community welfare, as seen in Jambu Village, Mlonggo District, Jepara Regency (Khasanah & Marisan, 2022). Based on these findings, the hypothesis proposed in this study is: H_3: Transparency has a significant positive effect on public welfare.

Community participation

Community participation refers to the active and voluntary involvement of citizens in the policy formulation process, program implementation, and monitoring and evaluation (monev) of development activities. This involvement aims to create collaborative synergy to ensure that village development is inclusive, sustainable, and oriented towards equitable distribution of benefits to improve collective welfare and social justice (Anggraeni et al., 2023). In village development, participation involves identifying problems, exploring local potential, and involving the community in planning and implementing programs. The success of development is highly dependent on active community participation; without it, the development process is at risk of failure (Hanum, 2019). Indicators of community participation include: (1) involvement in reporting program progress or obstacles, (2) an active role in monitoring village funds to prevent misuse, and (3) attendance at village deliberations as a forum for exchanging ideas, information, and aspirations in accordance with Law No. 6 of 2014 concerning Villages. Community participation ensures the active involvement of citizens in all stages of village development, from strategic planning to program evaluation. Community Participation Variables are measured through three main indicators: collaborative decision-making processes, in which the community is involved in village deliberation forums to determine development priorities; participatory budgeting, which involves residents in designing the Village Revenue and Expenditure Budget Plan (RAPBDes) to suit the aspirations and real needs of the community; and the implementation of a mutual assistance-based budget, in which the community contributes to the physical and non-physical implementation of programs, such as infrastructure development or economic empowerment training (Ani, 2020). A higher level of participation supports more effective development implementation, thereby contributing to improved community welfare. Research shows that community participation has a positive influence on community welfare (E. F. Sari, 2020). Based on this, the hypothesis proposed is: H_4: Participation has a significant positive effect on community welfare.

Village-Owned Enterprise

Based on Article 1 Paragraph (7) of Government Regulation Number 43 of 2014, Village-Owned Enterprises (BUMDes) are defined as community-based business entities whose majority shares originate from village assets separated from village assets to optimize the management of local resources, business units, and public services in order to improve the welfare of the village community. In line with this, Minister of Villages Regulation No. 4 of 2015 emphasizes that BUMDes are designed to integrate economic aspects with the provision of village public services, so that business activities are not only profit-oriented but also address the priority needs of residents through inclusive and sustainable business schemes. BUMDes assets include: Current Assets in the form of cash, accounts receivable, and inventory that can be easily liquidated; Fixed Assets such as land, buildings, and equipment with an economic life of more than one year; and Intangible Assets such as patents and trademarks. Indicators of BUMDes success include village infrastructure that supports economic and social activities, as well as educated, healthy, and skilled human resources. The combination of these two factors promotes inclusive and sustainable local development, improving the welfare of rural communities. The variable of Village-Owned Enterprises is measured by indicators of village infrastructure and human resources (Harjunanto, 2023). In its management, BUMDes is required to systematically record or bookkeeping every daily transaction, using an accounting system to present financial information that supports decision making. Research shows that the existence and performance of BUMDes have a positive effect on community welfare, as evidenced in Pandansari Village (Dewi, 2020). Based on these findings, the hypothesis proposed in this study is: H_5: Village-Owned Enterprises (BUMDes) have a significant positive effect on community welfare.

METHODS

This study uses a quantitative approach with a cross-sectional design, in which cause-and-effect variables are measured at a specific point in time to analyze the influence of Accountability, Use of Village Fund Allocation, Transparency, Community Participation, and Village-Owned Enterprises on Community Welfare in Jepara Regency. The independent variables in this study include the Use of Village Fund Allocation (X_1), Accountability (X_2), Transparency (X_3), Community Participation (X_4), and Village-Owned Enterprises (X_5), while the dependent variable is Community Welfare. The research population consisted of 1,264,598 people in Jepara Regency, and the sample used consisted of 100 respondents, which was determined using the Slovin formula. The sampling technique used was random sampling, which is the selection of samples at random without considering social status, with the aim that the research results could represent the existing conditions and answer the research questions. The respondents consisted of 42% men and 58% women, with a total of 100 people. The majority were aged 16–25 years (82%), and the rest were aged 26–35 years (18%). Based on education, 58% were high school graduates, 37% were bachelor's degree holders, and 5% were junior high school graduates. In terms of occupation, 75% were categorized as “others,” 14% were self-employed, 6% were laborers, and 5% were temporary employees, as shown in Table 1.

RESULTS

The results of the data quality test show that the measurement instruments are accurate and consistent. All variables, namely Village Fund Allocation Use (X1), Accountability (X2), Transparency (X3), Community Participation (X4), Village-Owned Enterprises (X5), and Community Welfare (Y), are validated and reliable. All classical assumption tests were met: residual normality (Asymp. Sig. Kolmogorov-Smirnov = 0.069 > 0.05), absence of multicollinearity (tolerance > 0.1; VIF < 10) and absence of heteroscedasticity (count

58 < table 123.225). Multiple linear regression (Table 2) analysis shows that X1, X2, and X5 have a significant positive effect, X3 has a significant negative effect, and X4 has an insignificant effect on Y. The F test (Sig. = 0.001 < 0.05) validates the goodness of fit of the model, making it reliable for analyzing variable relationships. As indicated by the adjusted R2 = 0.760, 76% of the variation in Y is caused by independent variables, and the remaining 24% is caused by external factors.

Table 1 Sample Profile

Characteristic	Category	Number	Percentage (%)
Gender	Male	42	42%
	Female	58	58%
Age	16–25 years	82	82%
	26–35 years	18	18%
	36–45 years	0	0%
Education	No Schooling	0	0%
	Elementary School	0	0%
	Middle School	5	5%
	High School	58	58%
	Diploma	0	0%
	Bachelor's Degree	37	37%
Occupation	Civil Servant	0	0%
	Entrepreneur	14	14%
	Contract Worker	5	5%
	Laborer	6	6%
	Others	75	75%

Source: Researcher (2024)

Table 2 partial T-test results

Variable	B	T	Sig	Hypotesis
Village Fund Allocation (X1)	0.207	2.759	0.007	Accepted
Accountability (X2)	0.277	3.151	0.002	Accepted
Transparency (X3)	-0.18	-2.31	0.023	Accepted
Community Participation (X4)	0.145	1.926	0.057	Rejected
Village-owned enterprises (X5)	0.541	7.999	<0.001	Accepted

Source: IBM SPSS 29 Output (2024)

The Effect of Village Fund Allocation on Community Welfare

Based on the findings of statistical analysis and hypothesis testing, the effective use of village funds has been proven to contribute significantly and positively to improving the welfare of residents in Jepara Regency. This study reinforces empirical evidence that the proportion of village funds allocated in a participatory manner and oriented towards community needs is directly proportional to the achievement of welfare indicators, such as access to basic services, household income, and local economic stability. In other words, optimizing the distribution of village budgets for social inclusion and sustainable development programs can be a catalyst for economic transformation that has a direct impact on the quality of life of the community. Conversely, low fund allocation tends to reduce community welfare.

Based on the results of the questionnaire, the majority of respondents (80%) responded positively to the high allocation of village funds, which was considered to have a positive impact on improving community welfare. They believed that the use of the village fund allocation budget was in line with its function, so that it could provide direct benefits to the community through various assistance programs that were distributed. However, around 20% of respondents felt that low village fund allocations correlated with low levels of welfare. They considered that limited fund allocations hindered the implementation of programs that could effectively reduce poverty and improve welfare. Overall, it can be concluded that the community understands the objectives and functions of village fund allocations, and the majority feel the positive impact of the use of these budgets. Effective management of village funds can be an important effort in reducing poverty, especially in the Jepara Regency. These findings are in line with previous research, which also concluded that the use of village fund allocations has a positive effect on community welfare (Khasanah & Marisan, 2022).

The Impact of Accountability on Community Welfare

Based on the findings of statistical studies and hypothesis testing in Jepara Regency, accountability practices in resource management have been proven to contribute significantly and positively to improving the quality of life of the community. These results confirm that the principles of transparency and accountability in village financial management play a crucial role as pillars of socio-economic welfare for residents, particularly in efforts to improve collective welfare through effective and locally-oriented fund management. The higher the level of accountability, the greater the community's welfare. Conversely, low accountability has a negative impact on community welfare.

The results of this questionnaire provide an overview of the community's perception of village fund management, particularly in terms of participation, accountability, and its impact on the economic welfare of the community. A total of 83% of respondents stated that high accountability, characterized by information disclosure and good oversight, contributes significantly to improving welfare. This includes the involvement of various elements of the community in the stages of village fund management and a primary focus on the public interest in program implementation. The community also feels that access to detailed information related to accountability reports on the use of village funds is very important to ensure transparency and strengthen public trust. In addition, the majority of respondents assessed that the supervision carried out by the implementation team was running well, so that the management of village funds could be more effective in improving the economic conditions of the community. However, 17% of respondents highlighted that low accountability, such as a lack of transparency or minimal oversight, has the potential to cause negative impacts on community welfare. These findings underscore the need to improve management and oversight mechanisms, as well as public education, to ensure that village funds are managed optimally and provide equitable benefits to all residents. These results are consistent with previous research, which also concluded that accountability has a positive effect on community welfare (Ardelia & Handayani, 2022).

The Impact of Transparency on Public Welfare

Based on the findings of statistical analysis and hypothesis testing, the principle of transparency in village fund management has been proven to have a significant impact on improving the welfare of the people of Jepara Regency. These results indicate that openness of information related to the allocation, distribution, and accountability of village finances plays a crucial role in creating an inclusive development ecosystem, thereby directly or indirectly contributing to improving the quality of life of residents through increased access to public services, strengthening the local economy, and reducing social inequality. Theoretically, the higher the level of transparency, the greater the community welfare should be. However, the research data shows different results.

The results of this questionnaire provide insight into the relationship between transparency in village fund management and its impact on community welfare. A total of 92% of respondents stated that low transparency in village fund management can still be linked to an increase in community welfare. These findings show that community welfare can be achieved even though the level of information disclosure is not yet fully optimal, possibly due to high trust in fund managers or the efficiency of program implementation as directly felt by the community.

Respondents also assessed that deliberations on village fund management planning had involved the community, although there were differences in perception regarding the openness of managers to the process. In addition, most community members mentioned that information related to village fund management was easily accessible, supporting residents' aspirations and suggestions in the planning and implementation of village fund-based programs. However, only 8% of respondents associated high transparency with a negative impact on welfare. This may be due to higher expectations of program outcomes as transparency increases. Nevertheless, it is important to note that transparency remains an important aspect of building trust, strengthening participation, and ensuring the sustainability of the benefits of village fund programs. Thus, efforts to increase transparency in village fund management must continue to be encouraged in order to achieve better and more comprehensive governance. These findings are in line with research that also concludes that transparency has a negative effect on community welfare, indicating that there are unique dynamics in the influence of transparency on community welfare in this region, which requires further study to understand the factors that influence this relationship.

The Impact of Community Participation on Community Welfare

Based on the findings of statistical analysis and hypothesis testing, active community involvement in development programs in Jepara Regency does not show a significant correlation with improvements in community welfare. These results indicate that community participation in the context of this study has not been able to become a determining factor in optimizing welfare outcomes, whether through economic, social, or infrastructure aspects. These findings suggest the possibility of limitations in program design or implementation that are not on target, so that participation does not have a real impact on the quality of life of residents. This means that the level of community participation, whether high or low, does not directly affect welfare.

Research data supports these findings. The results of this questionnaire provide an overview of community involvement in decision-making, preparation, and implementation of village funds, and its relationship to community welfare. A total of 67% of respondents stated that high community participation in village fund management contributes to improved welfare. This reflects the importance of active community involvement in the decision-making process, whether through deliberation, providing suggestions, or constructive criticism. At the budget formulation stage, community involvement in proposing alternative budget plans and attending budget discussion meetings helps create a more inclusive space for discussion. This participation shows that the community has the opportunity to voice their aspirations and contribute to determining development priorities that are more in line with their needs.

However, 33% of respondents associated high participation with low welfare, which could be caused by expectations that were not matched by program results or obstacles in implementing agreed-upon decisions. On the other hand, the majority of respondents (79%) who associated low participation with high welfare indicated that trust in village fund managers could replace the need for direct participation. They tended to feel that welfare could still be achieved even with minimal community involvement, as long as the program was implemented properly and fairly. At the budget implementation stage, the majority of respondents felt that the community was involved in overseeing the implementation of the village budget and played a role in utilizing the results of development as a form of real village fund management. However, a small portion of the community (19%) who linked low participation with low welfare highlighted the importance of improving communication between village officials and the community to create a more collaborative relationship. Overall, these results indicate that although community participation levels vary, trust in village fund management and the tangible impact of development programs play an important role in determining community welfare levels. Efforts to increase community involvement are still needed to ensure that village fund management is transparent, inclusive, and equitable. These results indicate that community participation levels are not a major factor in determining community welfare.

The Impact of Village-Owned Enterprises on Community Welfare

Based on the findings of statistical analysis and hypothesis testing, the presence of Village-Owned Enterprises (BUMDes) in Jepara Regency has been proven to contribute significantly to promoting community welfare. These results confirm that BUMDes acts as a catalyst for local economic development through community-based business management, which directly impacts increased household income, expanded employment opportunities, and more equitable access to public services for residents. The better the performance of BUMDes, the higher the community welfare. Conversely, if the performance of BUMDes declines, community welfare also declines. Research data supports this finding. The results of this questionnaire describe the community's perception of the role and performance of Village-Owned Enterprises (BUMDes) in improving welfare. A total of 76% of respondents stated that the high performance of BUMDes contributed significantly to improving community welfare. This can be seen from the various benefits felt, such as easier access to business capital, the opening up of job opportunities, and economic activities oriented towards community needs, such as savings and loan programs and animal husbandry. The majority of respondents also revealed that the existence of BUMDes helped them in facing financial challenges, both through easier access to financing and by supporting the development of local businesses. In addition, the existence of BUMDes was considered capable of creating new job opportunities, which not only increased community income but also encouraged overall village economic growth.

However, 24% of respondents who associate low BUMDes performance with low welfare indicate challenges that need to be addressed. Several factors that may influence this perception include limitations in BUMDes management, a lack of innovation in the programs implemented, or minimal community involvement in BUMDes management. Overall, these results emphasize the importance of strengthening BUMDes performance to support the welfare of rural communities. Increasing the capacity of managers, transparency in financial management, and developing more innovative and inclusive programs are strategic steps to ensure that BUMDes can continue to be the driving force for sustainable rural economic development. These findings are in line with research (Dewi, 2020), which also shows that BUMDes has a positive influence on community welfare, as is the case in Pandansari village.

CONCLUSION

The results of the study reveal that the use of village funds, accountability practices, and the performance of Village-Owned Enterprises (BUMDes) significantly contribute positively to improving the welfare of the community in Jepara Regency. However, counterintuitive findings show that transparency actually has a negative impact on welfare, while community participation has no statistically significant effect. Based on these findings, village governments are advised to optimize the distribution of village funds by focusing on programs based on the priority needs of residents, strengthening accountability systems through structured reporting mechanisms and independent audits, and empowering BUMDes as drivers of the local economy through the development of businesses based on village potential. On the other hand, a critical evaluation of the implementation of transparency is needed to identify the root causes of negative effects, such as potential community resistance or the incompatibility of information disclosure procedures with the local context. In addition, efforts to increase transparency and community participation also need to be carried out continuously to support more inclusive and sustainable development. For further research, it is recommended to increase the number of samples and research objects, use secondary data such as the minimum wage to measure welfare, and add village policy or institutional variables.

REFERENCES

Agusman, I. (2022). Pengaruh Penggunaan Alokasi Dana Desa, Akuntabilitas, dan Transparansi Pengelolaan Keuangan Desa Terhadap Kesejahteraan Masyarakat di Kabupaten Halmahera Tengah. *Sekolah Tinggi Ilmu Ekonomi Yayasan Keluarga Pahlawan Negara*. http://repositorybaru.stieykpn.ac.id/id/eprint/275

Amalia, K. F. (2022). Pengaruh Akuntabilitas, Partisipasi Masyarakat, Kepemimpinan, Transparansi Add, dan Kebijakan Desa Terhadap Kesejahteraan Masyarakat (Studi Kasus pada Desa di Kecamatan Muncar Kabupaten Banyuwangi). *Universitas Islam Malang*. http://repository.unisma.ac.id/handle/123456789/3678

Anggraeni, D. D., Theorupun, M. S., & Triatmaja, N. A. (2023). Pengaruh Akuntabilitas, Transparansi Pengelolaan Keuangan Desa dan Partisipasi Masyarakat Terhadap Kesejahteraan Masyarakat Pada Desa Di Kecamatan Simo Kabupaten Boyolali. *Ekobis : Jurnal Ilmu Manajemen dan Akuntansi*, *11*(2), 202–210. https://doi.org/10.36596/ekobis.v11i2.1078

Ani, S. U. (2020). Pengaruh Partisipasi Masyarakat, Sistem Pengendalian Intern, Dan Pemanfaatan Teknologi Informasi Terhadap Akuntabilitas Pengelolaan Dana Desa Dengan Profesionalitas Sebagai Variabel Moderasi (Studi Kasus Pada Desa Se-Kecamatan Kota, Kabupaten Kudus). *Jurnal Akuntansi, 1(1).*

Ardelia, S. N., & Handayani, N. (2022). Pengaruh Akuntabilitas dan Transparansi Pengelolaan Keuangan Desa Serta Partisipasi Masyarakat Terhadap Kesejahteraan Masyarakat. *11*.

Bappenas. (2020). Laporan Pembangunan Nasional. Badan Perencanaan Pembangunan Nasional.

Dewi, S. P. (2020). Pengaruh Badan Usaha Milik Desa (Bumdes) Terhadap Kesejahteraan Masyarakat Di Desa Pandansari Kecamatan Sine Kabupaten Ngawi. *JURNAL SOSIAL : Jurnal Penelitian Ilmu-Ilmu Sosial*, *21*(1), 34–38. https://doi.org/10.33319/sos.v21i1.52

Fadhilah, N. I. (2023, Oktober). Jepara Raih Peringkat 1 Pengentasan Kemiskinan Tingkat Kabupaten se-Jawa Tengah. *KlikFakta.Com*.

Fahrudin, A. (2018). *Pengantar kesejahteraan sosial*. PT Refika Aditama.

Fallahnda, B. (2023, January 9). Profil Kabupaten Jepara: Sejarah, Letak Geografis, dan Peta. *Tirto.Id*.

Fauzi, M., Asa'ari, A., Arzam, A., Mursal, M., Zufriani, Z., Novia, A., & Syarif, D. (2021). Welfare Beneficiary Community BUMDes Karya Dermawan Dusun Dalam Village. *International Journal of Social Science and Business*, *5*(3), 319. https://doi.org/10.23887/ijssb.v5i3.38621

Good Governance Institute. (2019). *Principles of Good Governance*.

Hanum, F. (2019). Akuntabilitas Keuangan Desa (Studi Kasus Desa Ngentrong Kecamatan Karangan Kabupaten Nganjuk). *Jurnal Mediasosian : Jurnal Ilmu Sosial Dan Administrasi Negara*, *2*(1). https://doi.org/10.30737/mediasosian.v2i1.207

Harjunanto, D. (2023). Pengaruh Akuntabilitas Pengelolaan Keuangan Alokasi Dana Desa, Badan Usaha Milik Desa, Dan Pendapatan Asli Desa Terhadap Kesejahteraan Masyarakat. *Universitas Islam Nahdlatul Ulama Jepara*.

Khasanah, A. N., & Marisan, I. (2022). Pengaruh Penggunaan Alokasi Dana Desa (ADD), Akuntabilitas dan Transparansi Pengelolaan Keuangan Desa Terhadap Kesejahteraan Masyarakat (Studi Pada Desa Jambu Kecamatan Mlonggo Kabupaten Jepara). *Jurnal Rekognisi Akuntansi*, *6*(1), 32–48. https://doi.org/10.34001/jra.v6i1.189

Kuswanti, A. P. E. (2020). Pengaruh Akuntabilitas, Transparansi Add, Kebijakan Desa, dan Partisipasi Masyarakat Terhadap Kesejahteraan Masyarakat. *9*.

Mardiasmo. (2021). *Akuntansi sektor publik-edisi terbaru*. Penerbit Andi.

Nisa, H., Diana, N., & Junaidi. (2023). Pengaruh Akuntabilitas, Partisipasi Masyarakat, dan Transparansi Pengelolaan Dana Desa Terhadap Kesejahteraan Masyarakat (Studi Kasus di Kecamatan Tempursari Kabupaten Lumajang). *e_Jurnal Ilmiah Riset Akuntansi*, *Vol. 12 No. 02 Agustus 2023,* Hal 35-44.

Notowidagdo, R. (2022). *Pengantar Kesejahteraan Sosial: Berwawasan iman dan takwa*. Amzah.

Rahmah, N. A., Pratiwi, L., & Rismayani, G. (2021). Analisis Pengelolaan Dana Desa dan Prioritas Penggunaan Dana Desa Terhadap Kesejahteraan Masyarakat Desa Sindangkasih Di Era Pandemi Covid-19. *Jurnal Ekonomi Perjuangan*, *3*(2), 55–67. https://doi.org/10.36423/jumper.v3i2.831

Sari, E. F. (2020). Pengaruh Partisipasi Masyarakat dan Transparansi Dana Desa terhadap Kesejahteraan Masyarakat. *Universitas Kristen Satya Wacana.*

Sari, M. T., & Mildawati, T. (2019). Pengaruh Akuntabilitas Pengelolaan Keuangan Desa, Transparansi, dan Kebijakan Desa Terhadap Kesejahteraan Masyarakat. *8*.

Sinambela. (2022). Akuntabilitas Pengelolaan Alokasi Dana Desa Di Kecamatan Percut Sei Tuan Kabupaten Deli Serdang. *Universitas HKBP Nommensen Medan*. http://repository.uhn.ac.id/handle/123456789/7713

Todaro, M. P., & Smith, S. C. (2020). *Economic development* (11. ed). Addison-Wesley.

UNDP. (2020). Human Development Report 2020. *UNDP (United Nations Development Programme)*. http://report2020.archive.s3-website-us-east-1.amazonaws.com/

World Bank. (2021). *World Development Indicators*.

Yusran, Sofyan Marzuki, & Ayu Ariska. (2023). Pengaruh Badan Usaha Milik Desa (BUMDes) Terhadap Kesejahteraan Masyarakat Di Desa Pajalele Kecamatan Tanasitolo Kabupaten Wajo. *Journal of Research and Development on Public Policy*, *2*(2), 56–74. https://doi.org/10.58684/jarvic.v2i2.59