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The Impact of Village Funds and Realization Village Budget to Economic Growth of Districts in South Kalimantan

Amelia Nafiza[1*], Hj. Imawati Yousida[2], Nofarina Maulida[3]
[1,2,3] Accounting Study Program , Pancasetia College of Economics , Banjarmasin, Indonesia

**Corresponding Author: mlfnz.ya@gmail.com*

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ABSTRAK

This study examines the influence of Village Funds (Dana Desa/DD) and the realization of Village Revenue and Expenditure Budgets (APBDes) on the economic growth of regencies in South Kalimantan Province during the 2021–2023 period. It also identifies the variable with the greatest contribution to regional economic growth. A quantitative causal-associative approach was employed using secondary panel data from 11 regencies observed over three years, yielding 33 observations. The data were analyzed using panel multiple linear regression with the Common Effect Model (CEM), selected based on the Chow test, and processed using EViews 13. The results indicate that Village Funds and APBDes realization jointly have a significant effect on economic growth (Prob. F-statistic = 0.0099). Partially, Village Funds have a significant negative effect (Prob. = 0.0028), while APBDes realization has a significant positive effect (Prob. = 0.0228). Village Funds represent the most influential variable in the model. The coefficient of determination (R^2 = 0.2649) indicates that 26.49% of the variation in economic growth is explained by the independent variables, whereas the remaining variation is attributable to other factors outside the model. These findings suggest that increasing Village Fund allocations should be accompanied by effective and productive village budget management to achieve sustainable regional economic growth.

INTRODUCTION

Growth economy is one of the indicator main success development national. In framework decentralization fiscal, the Indonesian government places village as center development through distribution of Village Funds every year reach dozens trillion rupiah. Village development is one of the instrument important in push growth economy area through strengthening capacity fiscal government village . Although government every year allocate sufficient funds big to village , improvement welfare public Not yet always walk along with improvement allocation of the funds . In corner view macroeconomics , spending government trusted hold role strategic in move wheel economy through mechanism productive and planned fiscal, so that decentralization fiscal become trend many policies adopted by developing countries For speed up development area (Al Khairi, 2021; Susila et al ., 2014).

The implementation of fiscal decentralization in Indonesia began with the enactment of Law Number 22 of 1999 concerning Regional Government and Law Number 25 of 1999 concerning Fiscal Balance between the Central and Regional Governments. This policy was then strengthened by the issuance of Law Number 6 of 2014 concerning Villages and various derivative regulations, including Government Regulation Number 60 of 2014 which regulates Village Funds sourced from the State Budget (APBN). The distribution of Village Funds is carried out in stages from the State General Treasury Account (RKUN) to the Regional General Treasury Account (RKUD), then forwarded to the Village Cash Account (RKD), before being budgeted in the Village Budget (APBDes) as the main instrument for village financial management (Rimawan & Aryani, 2019). Village Funds were selected as focus study Because its nature as a fiscal transfer pure from government the center of magnitude set based on a certain formula , so relevant For evaluate effectiveness fiscal transfer policy center to growth economy area.

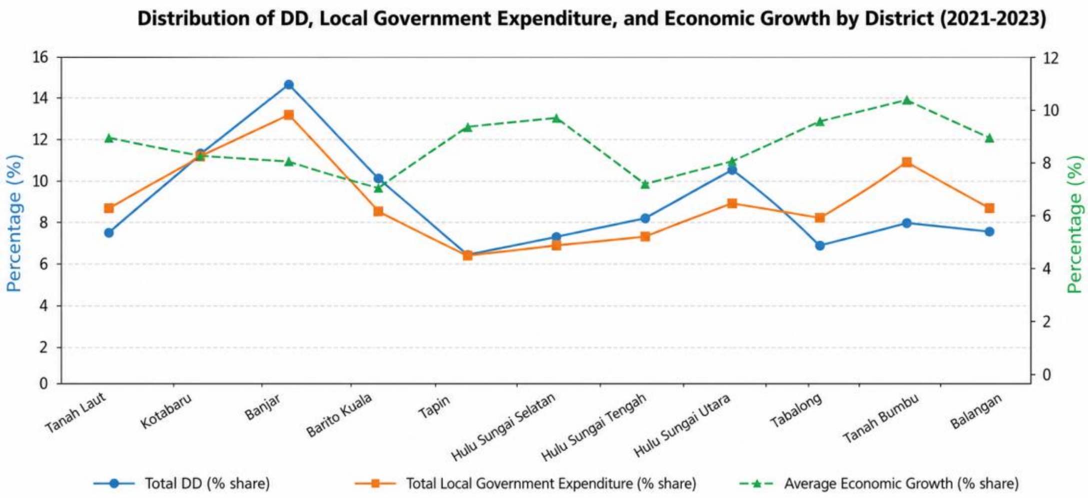

Figure 1 Dual-Axis Line Chart of Village *Funds* (DD), Realization Village Budget and Economic Growth of Districts in South Kalimantan 2021–2023

Source : Central Statistics Agency South Kalimantan Province , Directorate General Balance Ministry of Finance , & Ministry of Villages, Development of Disadvantaged Regions , and Transmigration

Based on Figure 1, total Village Funds throughout South Kalimantan have decreased from IDR 1,525.76 billion in 2021 to IDR 1,426.50 billion in 2022, then only crawl to Rp1,438.52 billion in 2023, while realization shopping Village Budget precisely Keep going increase from Rp2,485.79 billion, Rp2,484.22 billion, to Rp2,940.44 billion in the same period. Growth economy the province also jumped from 3.48% (2021) to 5.11% (2022) before slope to 4.84% (2023), a pattern that is not in line with the ups and downs of Village

Funds. Some regency such as Tanah Bumbu and Tabalong show growth high economy although receive relative Village Funds more low, while Hulu Sungai Tengah and Barito Kuala received sufficient funds big However growth the economy remains below the provincial average. Conditions This indicates that the amount of funds received Not yet Of course become factor main driver growth economy, so that effectiveness its utilization need tested more carry on in a way empirical.

Study about the influence of Village Funds and realization budget village to growth economy show results that have not been consistent . Susila et al . (2014) and Lamaya & Mei (2021) found influence positive realization budget area to growth economy , meanwhile Rimawan & Aryani (2019) noted that Village Funds have an influence positive However Not yet capable pressing poverty . Nugroho & Rohman (2012) and Al Khairi (2021) on the other hand find that low effectiveness absorption budget cause shopping area Not yet capable push growth economy in a way significant , in line with the flypaper effect concept proposed by Siregar & Badrudin (2017). Meanwhile that , Lubis et al . (2025) in Medan City found that income and expenditure area No influential significant to growth economy.

Inconsistency results the indicates existence gap necessary research tested back to context districts in South Kalimantan, considering characteristics geographical and structural fiscal of this region different from areas that have been reviewed previously . Besides still there is inconsistency results research , some big study previously using the district / city APBD as variables fiscal, whereas study regarding Village Funds and realization Village Budget to growth economy regency Still relatively limited , especially in South Kalimantan Province.

Study This offer a number of aspect novelty compared to with study previously . First , research integrating Village Funds as fiscal transfer instruments from government center with realization Village Budget as representation performance management finance village in one analysis model . Approach the allows more assessment comprehensive to connection between capacity fiscal villages and growth economy area . Second , the object study covers all over district in South Kalimantan Province which has characteristics economy based source Power natural and dominated by rural areas . Characteristics the give context different empirics from part big study previously generally carried out in areas with condition economy and characteristics different fiscal . Third , research utilizing panel data for the 2021–2023 period which describes phase recovery economy after the COVID-19 pandemic , when reuse of Village Funds focused on activities development and empowerment a society that is productive. Data usage from 11 districts during three year resulting in 33 observations that were assessed adequate For implementation analysis multiple linear regression panel data based.

With referring to the background behind said , research This intend to For analyze in a way empirical the influence of Village Funds and realization Budget Village Income and Expenditure (APBDes) against growth economy districts in South Kalimantan Province , in general simultaneous and partial , at the same time find dominant variables . Research results expected can enrich study about decentralization fiscal and management finance village , at the same time become reference For government to compile plan regulations allocation and management efficient and appropriate village fund budget target so that capable increase level life public in a way sustainable.

RESEARCH METHODS

The approach used in study This is quantitative design For analyze connection causality variables independent and variable dependent (Sugiyono , 2019). The variables independent from study This is the Village Fund and its realization APBDes , whereas variables dependent is growth economy districts in South Kalimantan Province . The unit of analysis used in the form of secondary data shaped annual panel data regression during 2021–2023 period . Data source comes from from publication official Directorate General Balance Finance (DJPK) Ministry of Finance, System Village Information from the Ministry of Villages, Development of Disadvantaged Regions , and Transmigration , and the Central Statistics Agency (BPS) of South Kalimantan Province.

Population study There are 11 districts in South Kalimantan Province that meet the requirements condition as population research , whereas government city No included Because No own the village that became Village Fund recipients . Sampling was carried out with saturated sampling technique (*census sampling*), where all over member population made into sample . With period observation during three year (2021–2023), research This produce 33 units observation in panel data form.

Study This involving three variable . Village Funds (X_1) is measured of the total realization distribution of Village Funds per district in unit billion rupiah, sourced from from the DJPK Ministry of Finance and the System Village Information Ministry of Villages . Realization Budget Village Income and Expenditure (X_2) is proxied by total realization shopping Village Budget per district in unit billion rupiah, because shopping village represent component expenditure government (G) which is direct form output in identity income national , sourced from BPS South Kalimantan. Growth economy (Y) is measured from rate growth Product Gross Regional Domestic Product (GRDP) base price constant per district in unit percent , sourced from the BPS of South Kalimantan Province.

Data analysis was performed with a number of the first stage is determine and select a regression model through testing to obtain the most appropriate model . Based on Chow Test results , selected model is the Common Effect Model (CEM). Stages next, done testing assumptions classic to ensure the model meets requirements, which consist of from the normality test , multicollinearity test, heteroscedasticity test, and autocorrelation test . Stage end is estimate the influence of Village Funds (DD) and realization Village Budget to growth economy use analysis multiple linear regression of panel data. The equation is is as following :

$$\mathbf{Y = \alpha + \beta_1}$$

Description :

Y = Growth economy (rate GDP growth above base price constant , %)

α = Constant

β_1 = Coefficient regression DD variable

β_2 = Coefficient regression variables realization Village Budget

X_1 = Village Fund (in billion rupiah)

X_2 = Realization Village Budget (in billion rupiah)

ε = Error term

With Y as growth economy , α as constants , β_1 and β_2 as coefficient regression of X_1 (Village Fund) and X_2 (realization) APBDes), as well as e as an error term. Testing hypothesis done through the F Statistical Test (simultaneous test), t Statistical Test (partial test), and Coefficient Test Determination (R^2) for measure ability variables independent explain variation variables dependent (Ghozali , 2018). All data analysis was performed with utilise *software* Eviews 13.

RESULTS AND DISCUSSION

Quantitative data analysis done against panel data sourced of 11 districts in South Kalimantan Province throughout period time three year (2021-2023), producing a total of 33 units observation statistics.

Statistics Descriptive

Aggregate data summary province For third variables study during period observation presented in Table 1.

Table 1. Aggregate Data Summary South Kalimantan Province 2021-2023

Year	Total Village Funds (Rp Billion)	Total Realization Shopping Village Budget (Rp Billion)	Provincial Economic Growth (%)
2021	1,525.76	2,485.79	3.48
2022	1,426.50	2,484.22	5.11
2023	1,438.52	2,940.44	4.84

Source : DJPK Ministry of Finance , SID Ministry of Villages , and BPS South Kalimantan, 2026 (processed)

Panel Data Regression Model Selection

Stages panel data regression model selection is carried out through the Chow Test, Hausman Test, and Lagrange Multiplier (LM) Test. Based on the Chow Test, the Common Effect Model was selected so that estimate end using CEM. The results obtained is mark Cross-section probability F as much as 1,0000 , far above level significance 0.05, p This show that H0 is accepted and the Common Effect Model (CEM) is the best model than the Fixed Effect Model, because CEM has selected at the stage this , testing can stopped without need continue to the Hausman Test and the LM Test. The results of the Hausman Test (Prob. = 0.0000) and the LM Test (Prob. Breusch-Pagan Cross-section = 0.2430) remain the same. support consistency selection of CEM as an estimation model end.

Assumption Test Classic

In the normality test obtained Jarque-Bera value of 1.954226 with probability of 0.376396, which is more from 0.05 so that the regression model normally distributed . Assumptions normality this is also supported with The skewness value is -0.011084 and the kurtosis is 1.808042.

Table 2. Multicollinearity Test

Variable	X_1	X_2
X_1	1	0.6256
X_2	0.6256	1

Source : Processed data use Eviews 13, 2026

Coefficient correlation between Village Funds (X_1) and realization APBDes (X_2) is 0.6256, below the threshold of 0.80 , so that No happen serious multicollinearity between second variables independent and estimation coefficient regression can interpreted in a way reliable .

Table 3. Heteroscedasticity Test

Test Type	Likelihood Ratio	Df	Probability
Cross-section	1.620892	11	0.9994
Period	4.685277	11	0.9454

Source : Processed data use Eviews 13, 2026

probability values of the Likelihood Ratio Cross-section (0.9994) and Period (0.9454) are far above level significance of 0.05, so that No happen heteroscedasticity in regression models Good from cross-section and period sides.

Table 4. Autocorrelation Test

Area	Value Range	Information
Autocorrelation positive	0 < DW < dL (1.2576)	-
Doubtful (positive)	dL < DW < dU (1.2576 - 1.5610)	-
n't any autocorrelation	dU < DW < 4-dU (1.5610 - 2.4390)	-
Doubtful (negative)	4-dU < DW < 4-dL (2.4390 - 2.7424)	DW = 2.698649 is here
Autocorrelation negative	4-dL < DW < 4 (2.7424 - 4)	-

Source : Processed data use Eviews 13, 2026

The Durbin-Watson value of 2.698649 is in the inconclusive area approaching autocorrelation negative, so that No can concluded in a way firm There is or whether or not autocorrelation. However, because its value Still relatively near with number 2, regression model Still can tolerated without indication problem serious autocorrelation .

Multiple Linear Regression Results

Based on Common Effect Model (CEM) estimation model, obtained equality multiple linear regression as following :

$$\mathbf{Y = 4.614878 - 1.35E - 11}$$

Description :

Constant (C) = 4.614878: if X1 and X2 are 0, then estimated Y value amounting to 4.614878.

Coefficient X1 = -1.35E-11 (negative): every increase of 1 unit in X1, Y will down of 1.35E-11 units , with assuming X2 remains constant (ceteris paribus). Considering X1 scale is very large (rupiah units , billions), the coefficient appears very small This still give significant effect in a way real .

Coefficient X2 = 5.78E-12 (positive): each increase of 1 unit in X2, Y will increase by 5.78E-12 units , with assuming X1 remains constant.

Constant value of 4.614878 shows that if Village Funds and realization Village Budget worth 0, growth economy estimated of 4.614878 percent . The coefficient of X_1 of -1.35E-11 (negative) indicates that every increase in Village Funds, with assumptions realization Village Budget still , precisely followed by a decline growth economy . Considering unit X_1 very large scale (billions of rupiah), the coefficients that appear small This still give significant effect in a way real. On the other hand , the coefficient of X_2 of 5.78E-12 (positive) indicates that every increase realization Village Budget followed by an increase growth economy , with assumption of Village Funds remains the same.

Hypothesis Testing

Table 5. F Statistical Test (Simultaneous)

F-statistic	Prob(F-statistic)	df model	df residual
5,405209	0.009891	2	30

Source : Processed data use Eviews 13, 2026

The F-statistic value is 5.405209 with Prob(F-statistic) of 0.009891 < 0.05, so H0 is rejected and H_1 received : Village Funds and realization Village Budget in a way simultaneous influential significant to growth economy in South Kalimantan.

Table 6. Statistical t Test (Partial)

Variables	t-Statistic	Prob.	Conclusion (α = 5%)
X_1	-3.254739	0.0028	Significant (negative)
X_2	2,399544	0.0228	Significant (positive)

Source : Processed data use Eviews 13, 2026

Village Fund (X_1) has a t-statistic of -3.254739 with probability 0.0028 (< 0.05), so influential significant in a way partial However with direction negative . Realization APBDes (X_2) has a t-statistic of 2.399544 with probability 0.0228 (< 0.05), so influential significant in a way partial with direction positive . Based on magnitude t-statistic value , Village Funds are influential variables dominant to growth economy , although direction its influence negative .

Table 7. Coefficient Test Determination (R^2)

R-squared	Adjusted R-squared
0.264894	0.215886

Source : Processed data use Eviews 13, 2026

The R-squared value of 0.264894 indicates that Village Funds and realization Village Budget in a way simultaneous capable represents 26.49% of the variation growth economy in South Kalimantan, the rest 73.51 % is explained by other variables outside the model. The Adjusted R-squared value of 0.215886 strengthens conclusion that the regression model own Power clear moderate However still relevant in a way statistics.

Discussion

Village Funds and realization Village Budget influential in a way simultaneous to growth economy in South Kalimantan

Test results hypothesis First show that Village Funds and realization Village Budget together influential significant to growth economy in South Kalimantan. These results indicates that second instrument fiscal village the own close relationship in push activity economy at the level local . Village Funds as source funding originating from from Budget State Revenue and Expenditure (APBN) provides capacity fiscal For government village in implement development and empowerment programs society. In addition, the realization

Village Budget reflect ability government village in manage and implement the budget that has been planned become activity real that produces benefit economy for society. With Thus, a significant influence in a way simultaneous show that size allocation of funds only Not yet Enough For create growth economy If No balanced with realization effective and appropriate budget target.

Findings This can explained through perspective theory Keynesian macroeconomics which places expenditure government expenditure as one of the component main in formation income national through identity (Y = C + I + G + (XM)). In context development village, Village Fund and realization Village Budget is form real expenditure government allocated For development infrastructure village, implementation governance, development community, as well as empowerment society. Expenditure the create request to power work , materials raw materials and services local so that capable push income society , giving chance work , and improve consumption House stairs. Through mechanism *multiplier effect* , increase activity economy at the level the village in the end give contribution to growth economy regency and province.

In addition, the relationship simultaneous between Village Funds and realization Village Budget show that effectiveness development economy village No only caused by Because the amount of funds obtained , however quality Village fund management also influences it . Villages that are able to realize The optimal APBDes tends to will make it easier implementation of development programs , quality service public improve , improve accessibility infrastructure , as well as strengthen activity economy productive public . On the other hand , if realization budget experience delay or Not yet reach the target, then benefit economy from Village Funds no can felt in a way maximum so that the impact to growth economy become less than optimal. Therefore that , synergy between the amount of Village Funds and effectiveness realization Village Budget become factor important in support success development economy area.

Condition the relevant with characteristics South Kalimantan Province, part of which large administrative area is area rural areas with activity the economy is still dominated by the field agriculture , plantations , fisheries , and business micro and small based village . In the area with characteristics like this , policy fiscal village own more space big For influence activity economy public compared to structural area the economy more relying on the sector trade , services , or industry urban areas . Therefore that , the increase in Village Funds is accompanied by with realization Effective Village Budget potential speed up rotation economy at the level local and contribute to increasing growth economy area.

Findings This strengthen results research by Susila et al. (2014) which states that realization management finance area contribute positive to improvement growth economy . This is in line with research by Lamaya and Mei (2021), which states that expenditure government that is realized in a way effective capable increase activity economy at a time support welfare society. With Thus, one of the factor important thing that drives optimization role policy fiscal to growth economy is effectiveness implementation budget.

However, the results This different with research by Lubis et al. (2025) where found that income and expenditure area No give significant influence to growth economy in Medan City. Differences the allegedly related with characteristics regional economy that becomes object research. Medan City is area urban with structure economy dominated by the sector trade , services, and industry, so growth the economy more influenced by activity sector private sector , investment, and level consumption community. On the other hand, the districts in South Kalimantan Province have more characteristics dominated by rural areas , so that policy fiscal village through Village Funds and realization Village Budget play a role more big in support development economy at the level area . This show that influence policy fiscal to growth economy No nature uniform, but rather influenced by characteristics economy , regional structure , and capacity management finances in each region.

Village Funds have an impact in a way partial to growth economy in South Kalimantan

Hypothesis test results second state that Village Funds have an impact significant in a way partial to growth economy in South Kalimantan, however with direction negative relationship . Findings This indicates that improvement Village Fund allocation is not always accompanied by increasing growth economy. On the other hand , in period observation research , increasingly the amount of Village Funds received by a district , growth the economy precisely tend experience decline. The results show that the amount of fiscal transfers to village Not yet Of course capable produce impact optimal economy if Not yet balanced with effective , efficient , and activity - oriented management and utilization of funds productive.

Reviewed from perspective theoretical , findings study This Not yet fully support theory decentralization fiscal which explains that delegation authority along with source Power fiscal to government area and government village expected capable push efficiency allocation source power , accelerate the development process , and improve growth economy through service more public responsive to interest society . Based on theory mentioned , Village Funds are positioned as instrument fiscal role in strengthen development village through provision infrastructure , development potential economy area , and improve ability society . However , the results study show that size Village Fund allocation has not been in a way automatic produce improvement growth economic conditions the indicates that success policy fiscal village No only depending on the size the budget distributed , but also determined by the quality of governance finance , accuracy planning and budgeting , program compliance with need society , as well as ability government area in manage and realize budget with effective so that capable create impact sustainable economy.

Findings study This indicates that in some districts in South Kalimantan, the increase in Village Funds has not yet been fully translated become activity capable economy create mark plus in a way directly . Some of the Village Fund allocation is still used for programs that benefit the economy nature term short or more protection - oriented social so that his contribution to increase in economic output relatively limited . As long as period research 2021–2023, government Still continue policy Help Direct Cash (BLT) Village Funds as part from effort guard Power buy public post-pandemic . Although policy the own benefit important social in guard consumption House stairs and reduce vulnerability economics , allocation sufficient budget big For help consumptive potential reduce room fiscal for financing activities that are of a nature productive , such as development infrastructure economy , development of Village-Owned Enterprises (BUMDes), as well as empowerment business society that has effect more multiplier *effect* big to growth economy.

In addition, the direction connection negative can also be indicates existence difference characteristics inter-district in Village Fund receipts . Regencies that receive Village Fund allocation is greater big generally is an area with amount village more many , level relative poverty more height , condition more geographical difficult reachable , or level development the economy is still left behind . With characteristics the amount of Village Funds is often greater reflect need fiscal and level regional backwardness than height capacity economy area . As a result , although receive more Village Fund transfers big , increase growth economy No can happen in a way instant Because Still required time for development infrastructure , improvement quality source Power human resources and empowerment programs public produce impact real economy.

In a way empirical, findings study show that size Village Fund allocation has not been always followed by an increase growth economic conditions the can observed in several districts, such as Hulu Sungai Tengah and Barito Kuala, which received Village Funds in amount relatively high , but level growth the economy Still is below the average for South Kalimantan Province during period 2021–2023. This fact indicates that increase in fiscal transfers to village No in a way direct create growth economy if Not yet supported by effective program implementation . With Thus , the contribution of Village Funds to growth economy No only influenced by the funds obtained , but also by the quality management budget, program effectiveness , and ability government village in allocate spending on activities that are capable increase productivity and activity economy public.

Findings the strengthen results research by Nugroho and Rohman (2012) which states that low effectiveness absorption budget cause shopping government Not yet capable give optimal impact for growth economy . This also supports Al Khairi's research (2021) which shows that management insufficient budget effective can reduce contribution shopping government in push growth economy area . In addition , the findings study This can explained through draft *flypaper effect* proposed by Siregar and Badrudin (2017), namely trend government area or government village For more depends on the transfer funds from government center compared to optimize utilization . As a result , additional fiscal transfers more Lots allocated For fulfil need regular shopping or programs that provide benefit term short than investment capable public push ability production and increase growth economy in term long . Therefore that , the increase in Village Funds is not always compared straight with growth economy if its management Not yet directed at productive, sustainable and capable activities create mark plus for economy village.

Realization Village Budget influential in a way partial to growth economy in South Kalimantan

Test results hypothesis third show that realization Village Budget influential significant in a way partial to growth economy in South Kalimantan with direction positive relationship . Findings This confirm that height level realization Village Budget , then will height and growth economic results achieved by the district . These results indicates that growth economy No only determined by the amount of funds available , but also by the ability government area in realize budget become programs and activities that provide benefit real for society . In other words, the effectiveness implementation Village Budget is factor important thing that determines success policy fiscal village in push activity economy local.

Findings This support with theory Keynesian macroeconomics states that expenditure government *expenditure* is one of the part main in form request aggregate . When the budget village realized through development infrastructure, provision facility general , empowerment society , as well as support to activity economy creative, then will happen improvement request to power work , goods and services at the level local. Condition the create *multiplier effect* , namely increasing income society which then push consumption , investment scale local , and activities economy other so that contribute to improvement growth economy area .

Different with Village Funds which only describe size allocation of transfers received village , realization Village Budget reflect how far the budget the truly used For finance activity development and services to society . With Thus , the realization Village Budget can it is said more represent performance management finance village compared to just the amount of funds received . The more tall level realization budget , increasingly big opportunity the creation of development outputs that can push productivity society , improve regional connectivity , making it easier distribution goods and services , also strengthens activity economy based potential local.

In a way empirical , results study This supported by conditions a number of districts in South Kalimantan in 2023. Tanah Bumbu Regency recorded realization shopping Village Budget amounting to Rp. 387.76 billion accompanied by growth economy by 4.84%, while Regency Tabalong capable reach growth economy by 4.90% even though the Village Fund allocation he received relatively more low compared to a number of regency other. Conditions the show that ability government village in realize budget in a way effective more influential to improvement activity economy compared to the nominal amount of Village Funds received. With Thus, the quality implementation budget become more factors determine than the amount of fiscal transfers solely.

Research result this also supports with research by Susila et al . (2014) which concluded about shopping development government influential positive and significant to growth economy in West Sumatra Province . Findings Lamaya and Mei (2021) also stated the same thing that realization shopping government area capable push improvement activity economy and regional growth through provision infrastructure as well as improvement service public. Similarities results the the more confirm that effectiveness realization budget is very important factor For realize objective development economy.

Implications from findings This is that success regulations fiscal village No solely determined by the amount of Village Funds allocated government center , but also by the ability government village manage and realize Village Budget with appropriate timely , efficient , and precise target . Therefore that , the increase quality planning , acceleration program implementation , strengthening capacity apparatus village , as well as supervision to implementation Village Budget become necessary aspects Keep going strengthened so that every realized budget capable produce benefit sustainable economy. With Thus, the realization Village Budget No only useful For become indicator performance , but also as tool strategic in push growth economy at the level area.

Variables dominant between Village Funds and realization Village Budget to growth economy in South Kalimantan

Based on mark absolute *t-statistic*, Village Funds are variables that have proof the most powerful statistics in confirm variation growth economics in research models this . Test results show that Village Funds have an impact significant to growth economy in South Kalimantan, although direction its influence negative . Findings This indicates that compared to with realization APBDes , changes to Village Funds have connection more statistics strong to change growth economy during period research . With Thus, Village Funds can it is said as the most dominant variable in the model based on size statistics used.

Although thus, the direction negative coefficient show that the dominance of Village Funds is not identical with size contribution positive to growth economy. On the other hand , the results the indicates that increase in the nominal Village Funds received by the district Not yet capable in a way direct push improvement growth economic conditions This show that the amount of fiscal transfers government center Not yet Of course produce impact optimal economy if Not yet accompanied by with effectiveness and efficiency management budget, as well as oriented towards activities that are capable increase productivity community. In other words, the amount of Village Funds is still more reflect fiscal transfer capacity than effectiveness its utilization in produce mark plus economy.

In a way empirical , phenomena the seen in several districts in South Kalimantan. Tanah Bumbu and Tabalong Regencies capable take notes growth relative economy tall although receive Village Funds in more amount low compared to a number of regency others . On the other hand , Hulu Sungai Tengah and Barito Kuala Regencies received relatively large Village Funds. more big , but growth the economy Still is below the provincial average during period research . Differences the show that the amount of Village Funds is not is the only one determining factors growth economy region . The impact of Village Funds is highly dependent on the quality planning , accuracy program objectives , capabilities government village in realize budget , as well as proportion use of funds for activities that are of a nature productive compared to more shopping consumption - oriented or need term short.

Research result this also strengthens discussion on the hypothesis previously that effectiveness Village Fund management has more roles important compared to the nominal amount of the transfer received. Village funds are directed towards development infrastructure economy , strengthening Village-Owned Enterprises (BUMDes), empowerment perpetrator business micro, improvement quality source Power humans, as well as development potential economy local tend give greater impact big to growth economy compared to the funds that are partly big allocated For activity with benefit economy term short . Therefore that , the increase Village Fund allocation is necessary balanced with strengthening governance finance village so that every additional funds available produce benefit sustainable economy.

Findings This show that the dominance of Village Funds in statistical models No means that Village Funds are the most effective factor in increase growth economy . On the other hand , the results study hinting that Village Funds are the most sensitive variable to change growth economy , so that quality its utilization become very determining aspect . With Thus , the policy increase in Village Funds should be No only focused on adding magnitude allocation , but also followed with improvement capacity apparatus village , repair system planning and budgeting , supervision program implementation , as well as evaluation to effectiveness use of funds for the purpose development economy village can achieved optimally.

CONCLUSION AND SUGGESTIONS

Based on data analysis , obtained results that village funds and realization Village Budget influential in the Regency South Kalimantan Province for the 2021-2023 period , so that can withdrawn conclusion as following , Village Funds and realization Village Budget influential together to growth economy in South Kalimantan. Second , in general partial Village Funds have significant influence to growth economy , but with direction negative , contradictory with expectation theory decentralization fiscal conventional . Third , in terms of partial realization Village Budget own significant influence with direction positive to growth economy . Fourth , among second variables independently researched , Village Funds have more influence dominant to growth economy.

For development academic, researcher furthermore recommended enrich the analysis model with add variables other suspected independents participate influence growth economy areas , such as investment region , government capital expenditure , level poverty , level unemployment , Human Development Index , and inflation , as well as expand period observation and research area coverage outside South Kalimantan . For deepen proof empirical , study future is also necessary browse side qualitative village fund management , such as quality of governance , transparency , and capacity apparatus participating villages determine effectiveness absorption budget.

In a way practical, government district and Regional Development Planning Agency are advised increase effectiveness management of Village Funds through strengthening planning, monitoring and evaluation sustainable , so that budget distributed truly directed at activities that boost productivity economy society. Government villages and the Community and Village Empowerment Service are advised optimize realization Village Budget with prioritize impactful programs direct to economy society , such as empowerment of MSMEs, development of Village-Owned Enterprises, and strengthening infrastructure support economy, so that realized budget truly become instrument driver growth economy inclusive and sustainable local.

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