

The Relationship of Direct Cash Assistance From Village Funds to Community Welfare in Labuan Induk Village, Labuan District, Donggala Regency

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Abstract

Despite having received Direct Cash Assistance from Village Funds (BLT-DD), the poor in Labuan Induk Village, Labuan District, Donggala Regency still face limitations in meeting their daily needs, with household expenditure still dominated by food needs. This study aims to analyze the relationship between Direct Cash Assistance from Village Funds and community welfare in Labuan Induk Village. The study used a quantitative approach with a survey method of 30 respondents, namely all Direct Cash Assistance Village Funds recipients in the village. Data was collected through an online questionnaire and analyzed using the Spearman Rank correlation test as a non-parametric approach. The results showed that there was a significant positive relationship between Direct Cash Assistance Village Funds and community welfare (Spearman correlation coefficient = 0.335; significance = 0.035 < 0.05). However, the strength of the relationship that is relatively weak indicates that assistance of Rp300,000 per month has not been able to make a meaningful change to the welfare of the community as a whole, considering that the average income of respondents is only Rp511,500 per month and the majority of recipients are elderly groups with limited economic productivity. This study recommends reviewing the amount of assistance to be more proportionate to the real needs of the community, increasing the accuracy of targets, and strengthening productive economic assistance for beneficiary groups.

INTRODUCTION

National development essentially aims to improve the welfare of the community in an equitable and equitable manner. Law Number 11 of 2009 states that social welfare is a social life and livelihood, both material and spiritual, which is covered with a sense of safety, morality, and inner peace so as to enable every citizen to meet their physical, spiritual, and social needs. However, poverty is still a complex problem that continues to be a development challenge, especially in rural areas of Indonesia. This condition is characterized by low community income, limited access to basic services, and lack of opportunities to improve the quality of life (Ferian & Gunanto, 2021). Poverty is a situation in which a person or a group of people are unable to fulfill their basic rights to maintain and develop a dignified life (BPS, 2011).

Labuan Induk Village is one of the villages that still faces structural problems in terms of community welfare. Most heads of families depend on the informal sector with uncertain income and limited access to business capital (Labuan Induk Village, 2025). This condition encourages the government to present various poverty alleviation programs, one of which is Direct Cash Assistance for Village Funds (BLT-DD). The Direct Cash Assistance Village Funds program is designed to strengthen the social safety net at the rural level through the provision of financial

assistance to poor and vulnerable families to ease the economic burden, maintain purchasing power, and encourage improvement in people's living standards. Since the COVID-19 pandemic, this program has continued to be implemented as part of the economic recovery strategy and the reduction of socio-economic disparities in rural areas (Latif et al., 2022).

Based on Article 1 number 28 of the Regulation of the Minister of Villages PDTT Number 6 of 2020 concerning Amendments to the Regulation of the Minister of Villages, Development of Disadvantaged Regions, and Transmigration Number 11 of 2019 concerning the Priority Use of Village Funds in 2020, BLT Village Funds is a provision of cash to poor families in villages to ease the economic burden due to the COVID-19 pandemic. Recipient criteria include poor families who are recorded or not recorded in the Integrated Social Welfare Data (DTKS), do not receive other social assistance such as PKH/BPNT/Pre-Employment, do not have sufficient economic reserves to survive for the next three months, and have family members with chronic diseases or disabilities (PMK Number 190 of 2021). In Labuan Induk Village, the distribution of BLT-DD is carried out three times with a nominal value of IDR 300,000 at each stage so that the total assistance received in a year is IDR 1,200,000 (Labuan Induk Village, 2025).

The BLT-DD policy is expected to be able to maintain the purchasing power of people who are declining, especially in rural areas. In the context of welfare measurement, one of the indicators that can be used is the proportion of household consumption expenditure. According to Engel's Law, the proportion of expenditure on food needs will decrease along with increasing income, so that the structure of food and non-food expenditure can reflect the level of community welfare. This study uses Keynes' Consumption Theory and Engel's Law as a theoretical basis (grand theory) to analyze the relationship between Direct Cash Assistance Village Funds and community welfare, especially by highlighting changes in the structure of food and non-food expenditure of beneficiary households. Thus, changes in the spending patterns of recipient households can be used to assess the extent to which BLT-DD contributes to improving welfare.

Although the BLT-DD program has been running for several years in Labuan Main Village, the reality on the ground shows that the nominal assistance of Rp300,000 per stage is considered relatively small compared to the increasing needs of the community. This condition raises the question of whether the assistance is really able to provide meaningful changes to the welfare of the community, especially in terms of food expenditure, education, and the health of the beneficiary families. This phenomenon shows that there is a gap between the program's goals in improving welfare and the real conditions of the community in the field.

Various previous studies have examined the relationship between BLT and community welfare and produced diverse findings. Djako et al. (2022), Rafi'i et al. (2024), and Rusadi et al. (2024) found a positive and significant influence of BLT on community welfare with contributions of 58.9 percent, 45.3 percent, and 52 percent, respectively. However, Firdaus et al. (2021), Wati et al., (2023), and Masese et al. (2026) concluded that BLT has not been able to significantly improve welfare due to the relatively small nominal amount of assistance. In addition, most of the studies use a linear regression approach in areas with a relatively large number of samples, while research on villages with a limited number of recipients using a non-parametric approach is still very limited. This is the research gap that this study aims to fill. Based on these conditions, this study aims to analyze the relationship between Direct Cash Assistance Village Funds and community welfare in Labuan Induk Village.

LITERATURE REVIEW

Consumption Theory

Consumption theory explains that household consumption is a fundamental economic activity in the form of spending on goods and services to meet the needs of life (Sukirno, 2000; Mankiw, 2006). From a macroeconomic perspective, consumption is the largest component of Gross Domestic Product (GDP) which plays a role in determining aggregate demand, economic growth, and economic stability (Hone & Marisennayya, 2019). At the micro level, consumption reflects household welfare through the allocation of income to basic and non-basic needs. The expenditure structure consisting of food and non-food consumption is also used as an indicator of living standards and poverty, especially in developing countries (Deaton, 1997).

According to Keynes (1936) in Mankiw (2006), consumption is influenced by income through the consumption function, with the Marginal Propensity to Consume (MPC) indicating additional consumption due to increased income. Increased income encourages an increase in consumption, but not as much as an increase in income. This principle is in line with Engel's Law which states that the higher income, the smaller the proportion of expenditure on food and the greater the proportion for non-food needs (Engel, 1857). Because food needs are relatively inelastic, the proportion of food expenditure to total expenditure can be an indicator of welfare and poverty (Deaton, 1997). Thus, consumption theory is the basis for analyzing the influence of changes in income, including social assistance, on people's spending patterns and welfare (Mankiw, 2006).

Community Welfare

According to Law Number 11 of 2009 concerning Social Welfare, community welfare is a condition for the fulfillment of the material, spiritual, and social needs of citizens so that they can live a decent life and be able to develop themselves so that they can carry out their social functions. The concept of welfare is multidimensional which not only includes economic aspects, but also involves social, health, education, environmental, and social justice dimensions that affect each other. Suharto (2014) emphasized that welfare is a state of fulfillment of basic living needs, such as food, clothing, housing, education, and health services. Prosperous conditions reflect the state of a prosperous, healthy, and peaceful society, so that welfare can be used as a benchmark for the quality of people's lives as seen from the standard of living achieved (Anilah et al., 2024).

Direct Cash Assistance for Village Funds

Direct Cash Assistance from Village Funds (BLT-DD) is a government policy sourced from the Village Fund and aimed at the poor as part of the Social Safety Net (JPS) scheme. Based on the Regulation of the Minister of Villages PD'TT Number 6 of 2020, BLT-DD is given to poor people affected by the COVID-19 pandemic, while the allocation and determination of recipients is carried out by the village government through a village deliberation mechanism. In the use of the 2022 Village Fund, BLT-DD is also an instrument to support poverty alleviation efforts as well as disaster mitigation and management as stipulated in the Regulation of the Minister of Villages PD'TT Number 7 of 2021.

BLT-DD aims to maintain the purchasing power of rural communities, help meet basic needs, and reduce poverty in the short term due to economic pressure. This program is also prioritized for families who have members with vulnerable conditions of illness or chronic/chronic diseases. The target recipients are the poor who have not received other social assistance, such as PKH, BPNT, BST, and Pre-Employment Cards (Saroh & Panjaitan, 2021). In

addition, recipients do not have adequate economic reserves to survive in crisis conditions and have family members who are susceptible to illness or suffer from chronic/chronic diseases.

METHODS

The research method used is a quantitative approach because this study aims to examine the relationship between Direct Cash Assistance Village Funds (X) and community welfare (Y) through data that is measured numerically and analyzed using statistics. This type of research is a survey research according to Sugiyono (2018), which is a research conducted by collecting data from respondents using questionnaires as the main instrument to obtain an overview of field conditions and objectively test the relationship between variables in a certain time.

This research was carried out in Labuan Induk Village, Labuan District, Donggala Regency, Central Sulawesi Province. The selection of the research location was based on the consideration that this village is one of the areas in Donggala Regency that still has a relatively high poverty rate. This condition encourages the village government to carry out various poverty alleviation efforts, one of which is through the Direct Cash Assistance (BLT) program sourced from the Village Fund.

Table 1
Research Variable Indicators

Variable	Indicator
Direct Cash Assistance Village Funds (X)	<ol style="list-style-type: none"> 1. Right on target 2. Right Amount 3. Right Time 4. Right Price 5. Right Administration (Regulation of the Minister of Social Affairs Number 20 of 2019 concerning the Distribution of Non-Cash Food Assistance)
Community Welfare (Y)	<ol style="list-style-type: none"> 1. Revenue 2. Housing 3. Education 4. Health 5. Food Production (Ramadhan, 2016)

Source: Primary data processed, 2025

The Direct Cash Assistance Village Funds variable (X) is operationalized as the beneficiary's perception of the accuracy and effectiveness of the implementation of the BLT-DD program. Measurement refers to the 6T principle of social assistance distribution as stipulated in Regulation of the Minister of Social Affairs Number 20 of 2019 concerning the Distribution of Non-Cash Food Assistance Article 2 paragraph (1) letter c, which states that the distribution of aid is carried out on target, on time, in the right amount, in the right quality, at the right price, and as well as administered. Although the regulation specifically regulates the distribution of Non-Cash Food Assistance (BPNT), the 6T principle is used in the research as a general concept to evaluate the

accuracy of the distribution of social assistance, including the Village Fund BLT. Of the six principles, this study only uses five indicators, namely Right on Target, Right Amount, Right Time, Right Price, and Right Administration, while the Right Quality indicator is not used because BLT-DD is distributed in the form of cash, not goods, so the physical quality aspect of the assistance is not relevant to be measured.

The five indicators are described as follows: Right Target measures the extent to which assistance is received by households that are truly poor and entitled to receive benefits; Right Amount measures the conformity of the nominal assistance received by respondents with applicable provisions, which is IDR 300,000 per distribution stage; Right Time measures the accuracy of the assistance distribution period, which is once every three months; Right Price measures whether or not there are deductions, additional fees, or other levies charged to recipients at the time of disbursement of assistance; and Right Administration measures the ease and clarity of administrative procedures that must be met by recipients in the process of applying for and disbursing assistance. The five indicators describe the extent to which the BLT-DD program is implemented appropriately and provides benefits to the recipient community.

Meanwhile, the Community Welfare variable (Y) is operationalized as a condition of the household's ability to meet basic needs after receiving BLT-DD. Measurements are carried out through indicators of income, housing, education, health, and food expenditure. The five indicators reflect the level of family living standards, especially in terms of economic adequacy, affordability of housing, ability to finance education and health, and ability to meet food needs as basic household needs.

This study uses primary data as the main data source. Primary data was obtained directly from respondents through the distribution of questionnaires to the recipients of Direct Cash Assistance (BLT) from Village Funds in Labuan Induk Village. The data collected reflected the perception and actual conditions of respondents regarding the implementation of the Village Fund BLT and their level of welfare, which was then analyzed to answer the research objectives.

The data collection method in this study was carried out through observation and the distribution of questionnaires. Observations were carried out to understand the phenomenon in accordance with field conditions in Labuan Induk Village. The main data collection was carried out through a questionnaire which was distributed to the Village Funds BLT recipients with a target of 30 respondents out of a total of 54 BLT-DD recipients. The questionnaire was compiled based on the indicators of research variables and distributed online through Google Form to facilitate the data collection process and ensure the efficiency and accuracy of filling in by respondents.

Each statement item in the questionnaire is measured using the Likert Scale, which is a scale used to measure the attitudes, opinions, and perceptions of a person or a group of people towards a social phenomenon (Sugiyono, 2018). This scale consists of five alternative answers with a score range of 1 to 5, namely Very Disagree (score 1), Disagree (score 2), Netral (score 3), Agree (score 4), and Very Agree (score 5) (Scott, 2018).

The population in this study is all recipients of Direct Cash Assistance from Village Funds (BLT-DD) in Labuan Induk Village, which amounted to 30 people in the research year. In Labuan Induk Village, the distribution of BLT-DD was carried out three times with a nominal value of IDR 300,000 each stage so that the total assistance received in a year was IDR 1,200,000. In 2024, the number of recipients will be recorded as 30 people spread across four hamlets, namely Mpanau Hamlet (5 people), Mpandake Hamlet (8 people), Lumbu Hamlet (8 people), and Taripapanda Hamlet (9 people) (Labuan Induk Village, 2025). All of these populations are beneficiary families who are the subjects of measuring the relationship between BLT Village Funds and community welfare (Labuan Main Village, 2025). The four hamlets are the entire administrative area of Labuan Induk Village which has residents registered as BLT-DD recipients in the research year, so there are no other hamlets outside the four that are part of the population. The entire population is a beneficiary family that is the subject of measuring the relationship between BLT Village Funds and community welfare.

The sampling technique used in this study is saturated sampling (Total Sampling), which is a sample determination technique if all members of the population are used as samples (Scott, 2018). This technique was chosen because of the relatively small population, which is only 30 people, so that all BLT-DD recipients in the four hamlets were involved as respondents without going through a further sample extraction process. Thus, there was no additional selection or screening process for the population, because all members of the population, namely 30 BLT-DD recipients spread across Mpanau Hamlet, Pnggawa Hamlet, Lumbu Hamlet, and Taripapanda Hamlet, were used as research samples. The respondent involvement criteria only required that the person concerned be recorded as an official recipient of BLT-DD and willing to fill out a questionnaire distributed through Google Form.

In this study, data analysis was carried out through several stages, namely the data quality test and the Spearman correlation test as the main analysis.

a. Data Quality Test

Data quality tests are carried out to ensure that the questionnaire instrument used is feasible and consistent as a measuring tool.

The validity test is performed using Pearson Correlation to determine the ability of each statement item in measuring the research variable. A statement item is declared valid if the calculated r value is greater than the r of the table at a significance level of 5 percent; On the other hand, if the value of r is calculated to be smaller than the r of the table, then the statement item is declared invalid and needs to be removed from the research instrument. Furthermore, the reliability test is carried out using Cronbach's Alpha to measure the consistency level of respondents' answers. Reliability level criteria based on values Cronbach's Alpha according to Sugiyono (2018) are as follows:

Table 2
Reliability Level Criteria

Cronbach's Alpha Values	Reliability Level
0,00 – 0,199	Very low
0,20 – 0,399	Low
0,40 – 0,599	Medium
0,60 – 0,799	Height
0,80 – 1,000	Very high

Sources: Sugiyono, 2018

An instrument is declared reliable if the Cronbach's Alpha value obtained is in the high to very high category, which is ≥ 0.60 .

b. Spearman Correlation Test

The main analysis in this study uses the Correlation Test Spearman Rank. This test is used to determine the relationship between the variables of Direct Cash Assistance Village Funds (X) and Community Welfare (Y), as well as to measure the strength and direction of the relationship between these variables. The interpretation of the strength of the relationship is based on the value of the correlation coefficient (r_s) according to Sugiyono (2018), as follows:

Table 3
Correlation Coefficient Interpretation Criteria

Interval Coefficient	Relationship Level
0,00 – 0,199	Very weak
0,20 – 0,399	Weak
0,40 – 0,599	Moderate
0,60 – 0,799	Strong
0,80 – 1,000	Very Strong

Sources: Sugiyono, 2018

The direction of the relationship is determined by the correlation coefficient sign, where a positive value indicates a one-way relationship between the BLT of the Village Funds and community welfare, while a negative value indicates the opposite relationship. The significance of the relationship is tested by comparing the significance value (p -value) to the real level of 0.05; if

the significance value is less than 0.05, then the relationship between variables is declared significant.

RESULTS AND DISCUSSION

RESULTS

Respondent Overview

This study involved 30 respondents who received BLT Village Funds in Labuan Induk Village (Labuan Induk Village, 2025). An overview of respondents is presented based on age, gender and income level as measured through total food and non-food consumption.

a. Respondents by Age

Based on data obtained from 30 respondents, the age distribution can be grouped as follows:

Table 4
Distribution of Respondents by Age Group

Age Group	Quantity	Percentage (%)
< 50 Years	3	10
50-59 Years	3	10
60-69 Years	13	43.3
≥ 70 Years	11	36.7
Total	30	100

Source: Primary data processed, 2026

The average age of respondents was around 64.4 years, which shows that the majority of BLT recipients of Village Funds in Labuan Induk Village are in the elderly age category. Most of the respondents are in the age range of 60–69 years (43.3%) and ≥ 70 years old (36.7%). This indicates that the BLT-DD program in Labuan Induk Village is widely accepted by the elderly group who tend to have limitations in economic productivity, so the assistance plays an important role in helping to meet daily living needs.

b. Respondents by Gender

Based on data obtained from 30 respondents, the gender distribution can be grouped as follows:

Table 5
Distribution of Respondents by Gender

Age Group	Quantity	Percentage (%)
Women	22	73.3
Male	8	26.7
Total	30	100

Source: Primary data processed, 2026

Based on the table above, the majority of respondents are women as many as 22 people (73.3%), while men are 8 people (26.7%). This shows that the recipients of the Village Funds BLT

in Labuan Induk Village are dominated by women, who in many cases play the role of household financial managers.

c. Respondents by Expenditure

Based on data obtained from 30 respondents, a statistical summary of household expenditure on food and non-food consumption is presented in the following table:

Table 6
Statistics of the Ladder of BLT-DD Recipients Per Respondent in Labuan Induk Village

Statistics	Food (Rp)	Non Food (Rp)	Total Expenditure (Rp)
Minimum	150.000	22.000	180.000
Maximum	789.000	240.000	903.000
Average	381.767	129.733	511.500
Total	11.453.000	3.892.000	15.345.000

Source: Primary data processed, 2026

Based on the table above, household income (measured from total food and non-food consumption) per respondent varies between Rp180.000 to Rp903.000 per month, with an average income per respondent of Rp511.500 per month. The average expenditure on food needs is Rp381.767 per month, much higher than the average non-food expenditure of Rp129.733 per month. It can be seen that most of the respondents' income is still dominated by expenditure on food needs compared to non-food. This condition shows that households receiving BLT-DD in Labuan Induk Village still prioritize basic needs, so their welfare level is still relatively low based on the structure of consumption expenditure.

Data Quality Test Results

The data quality test was carried out to ensure that the questionnaire instruments used in this study were valid and reliable.

a. Validity Test

The validity test was carried out to determine the extent to which the statement items in the questionnaire were able to accurately measure the variables studied. The validity test in this study used the Pearson Product Moment technique by looking at the Corrected Item-Total Correlation value. An item is declared valid if it has a correlation value greater than 0.30 and is significant at the level of 5 percent. The results of the validity test for the variables of Direct Cash Assistance from Village Funds (X) and Community Welfare (Y) are presented in the following table.

Table 7 Results of the Validity Test of the Variables of Direct Cash Assistance from Village Funds (X)

No.	Item Code	Corrected Item-Total Correlation	Result
1	P1	0,645	Valid
2	P3	0,661	Valid
3	P5	0,748	Valid

No.	Item Code	Corrected Item-Total Correlation	Result
4	P6	0,770	Valid
5	P9	0,668	Valid
6	P10	0,498	Valid
7	P13	0,788	Valid
8	P14	0,661	Valid
9	P15	0,722	Valid
10	P16	0,665	Valid
11	P17	0,670	Valid
12	P19	0,791	Valid
13	P20	0,838	Valid

Criteria: $r > 0.30$ = valid

P = Questionnaire statement on the variable of Direct Cash Assistance from Village Funds

Source: SPSS 27, 2026

Based on the results of the validity test of 20 statement items on the Direct Cash Assistance Village Funds variable (X), there were 13 items that met the validity criteria with a Corrected Item-Total Correlation value of > 0.30 . Meanwhile, the other 7 items, namely P2, P4, P7, P8, P11, P12, and P18, were declared invalid and were not used in the next analysis. Based on Table 5, all items that were declared valid had a Corrected Item-Total Correlation value above 0.30. The highest correlation value was found in item P20 of 0.838 and the lowest in item P10 of 0.498. Because the entire correlation value is greater than 0.30 and significant at the level of 5 percent, it can be concluded that the statement items used in the Direct Cash Assistance Village Funds variable are declared valid and able to measure the Village Fund BLT variable accurately.

Table 8 Results of the Validity Test of the Community Welfare Variable (Y)

No.	Item Code	Corrected Item-Total Correlation	Result
1	P1	0,645	Valid
2	P2	0,661	Valid
3	P3	0,748	Valid
4	P4	0,770	Valid
5	P5	0,668	Valid
6	P6	0,498	Valid

Criteria: $r > 0.30$ = valid

Y = Questionnaire statement on the Community Welfare variable

Source: SPSS 27, 2026

Based on the results of the validity test of the statement items on the Community Welfare variable (Y), all items meet the validity criteria with a Corrected Item-Total Correlation value of > 0.30 so that they can be used in the next analysis. Based on Table 8, all statement items have a Corrected Item-Total Correlation value above 0.30. The highest correlation value is found in item P4 of 0.770, while the lowest value is found in item P6 of 0.498. Because all correlation values are

above the minimum limit of 0.30, it can be concluded that all statement items in the Community Welfare variable are declared valid and able to measure the community welfare variable appropriately in accordance with the indicators that have been set.

b. Reliability Test

The reliability test was carried out to determine the level of consistency of the research instrument in measuring variables. The reliability test in this study used the Cronbach's Alpha coefficient. An instrument is declared reliable if it has a Cronbach's Alpha value greater than 0.60, and the closer it is to 1, the higher the level of reliability. The results of the reliability test for the Variables of Direct Cash Assistance from Village Funds (X) and Community Welfare (Y) are presented in the following table.

Table 9 Results of the Reliability Test of the Variables of Direct Cash Assistance from Village Funds (X)

Cronbach's Alpha	Number of Items	Result
0,934	13	Very High

Source: SPSS 27, 2026

Based on Table 9, the results of the reliability test showed a Cronbach's Alpha value of 0.934 with a total of 13 statement items. Referring to the interpretation criteria in Table 2, the value is in the interval of 0.80-1.000 so it is included in the very high category. This means that the research instrument on the BLT variables of the Village Fund has a very good level of internal consistency and can be trusted to be used in the research.

Table 10 Results of the Reliability Test of Community Welfare Variables (Y)

Cronbach's Alpha	Number of Items	Result
0,949	6	Very High

Source: SPSS 27, 2026

Based on Table 10, the results of the reliability test showed a Cronbach's Alpha value of 0.949 with a total of 6 statement items. Referring to the interpretation criteria in Table 2, the value is in the interval of 0.80-1.000 so it is included in the very high category. This shows that the community welfare variable instrument has a very high level of consistency and is suitable for use in the analysis of future research.

Based on the results of the validity and reliability test on both variables, it can be concluded that all research instruments have met the valid and reliable criteria. Thus, the questionnaire used in this study is feasible and can be used to analyze the relationship between Direct Cash Assistance from Village Funds and community welfare in Labuan Induk Village.

Spearman Correlation Test Results (Non-Parametric)

To analyze the relationship between Direct Cash Assistance from Village Funds and community welfare, this study uses the Spearman Rank correlation test as a non-parametric

analysis tool. The use of this test is based on the consideration that the data obtained on an ordinal scale from a questionnaire with a relatively small sample number of 30 respondents, so the Spearman correlation test is more appropriate because it does not require data normality. The results of the Spearman correlation test are presented in the following table.

Table 11 Correlation Test Results Spearman

Description	Value
Method	Spearman's Rho
Correlation Coefficient (rho)	0,335
Sig. (1-tailed)	0,035
N	30
The power of relationships	Weak positive
Conclusion	Significant

Source: SPSS 27, 2026

Correlation test results Spearman In the table above, the value of the correlation coefficient (rho) of 0.335 with a significance value (Sig. 1-tailed) of 0.035. Since the significance value of 0.035 is less than 0.05, then H_0 rejected and H_a accepted, which means that there is a significant relationship between the Direct Cash Assistance from Village Funds and the welfare of the community in Labuan Induk Village. The correlation coefficient value of 0.335 is in the interval of 0.20–0.399 so it is classified as a weak category, with a positive relationship direction, meaning that the better the distribution of the Direct Cash Assistance from Village Funds, the community welfare tends to increase, even though the relationship is not strong. The weak positive of this relationship is likely due to the relatively small nominal assistance of IDR 300,000 per month so that it has not been able to provide significant changes to the overall welfare condition of the community. This is in line with the findings Firdaus et al. (2021) and Wati et al. (2023) which concluded that BLT has not had a major impact on welfare because the nominal assistance received is not proportional to the increasing needs of the community.

DISCUSSION

The results of the study showed a positive and significant relationship between Direct Cash Assistance from Village Funds and community welfare in Labuan Induk Village, with a Spearman correlation coefficient of 0.335 and Sig. = 0.035 (< 0.05). Although significant, the strength of the relationship is relatively weak. This condition can be explained through the contribution of Direct Cash Assistance from Village Funds to household expenditure. The average total household expenditure of respondents was IDR 511,500 per month, while Direct Cash Assistance from Village Funds of IDR 300,000 per stage three times a year was equivalent to IDR 75,000 per month. Thus, Direct Cash Assistance from Village Funds only contributed around 14.7% to total expenditure, while 85.3% came from independent income, small businesses, daily work, and family assistance. This shows that Direct Cash Assistance from Village Funds functions more as a supplement than the main source of income, so its leverage for improving welfare is still limited.

When compared to the Central Sulawesi Province Poverty Line in March 2024 of Rp600,872 per capita per month, the average respondents' expenditure of Rp511,500 is still below that line. Without Direct Cash Assistance from Village Funds, the average expenditure is only Rp436,500, so assistance plays a role in narrowing the gap to the poverty line, but it is not enough

to lift recipient households out of the poverty category. This comparison is indicative because the BPS poverty line is calculated per capita, while the study uses aggregate household expenditure without taking into account the number of family members.

The findings are strengthened by the structure of household expenditure, with an average food expenditure of Rp381,767 per month, higher than non-food expenditure of Rp129,733. Based on Engel's Law, the high proportion of food expenditure indicates a limitation of welfare because income is allocated more to basic needs than non-food needs such as housing, education, and health. With a nominal Direct Cash Assistance from Village Funds of Rp75,000 per month, assistance has not been able to encourage significant changes in consumption structures or improve overall welfare.

The strength of the relationship is weaker than the research of Djako et al. (2022), Rafi'i et al. (2024), Rusadi et al. (2024), and Maspawati et al. (2023) which found the influence of Direct Cash Assistance from Village Funds with moderate to strong strength, can be influenced by the characteristics of the respondents, the majority of whom are elderly (≥ 60 years) by 80% and the relatively small number of samples. The limited economic productivity of the elderly group causes Direct Cash Assistance from Village Funds to be used more for daily consumption than productive activities. This finding is in line with Firdaus et al. (2021) and Masese et al. (2026) that Direct Cash Assistance from Village Funds helps meet basic needs, but has not been able to improve long-term welfare due to the limited nominal assistance, as well as Wati et al. (2023) who stated that the nominal assistance is not proportional to the increase in people's living needs.

In addition to the amount of assistance, the effectiveness of Direct Cash Assistance from Village Funds is also influenced by the accuracy of the target. The study found that there are people who are considered worthy of receiving BLT-DD but have not been accommodated due to limited data collection or the mechanism for determining recipients. These findings are in line with Nabillah et al. (2023) who identified the accuracy of targets, distribution transparency, and supervision as obstacles to the effectiveness of Direct Cash Assistance from Village Funds. Therefore, the optimization of the Direct Cash Assistance from Village Funds needs to be directed at increasing the proportion of assistance to household needs as well as strengthening data collection, transparency, and economic assistance, so that the program not only functions as a fulfillment of short-term consumptive needs, but is also able to support the improvement of community welfare in a sustainable manner.

CONCLUSION

Based on the results of the study, Direct Cash Assistance (BLT) of Village Funds has a positive and significant relationship with the welfare of the community in Labuan Induk Village, Labuan District, Donggala Regency, although the strength of the relationship is relatively weak. This shows that the Direct Cash Assistance from Village Funds is related to community welfare, but has not provided meaningful changes overall. The limited nominal assistance causes the funds to be used more to meet daily food needs rather than to improve the quality of life more broadly. In addition, the dominance of recipients from the elderly group with limited economic productivity also affects the low impact of assistance on long-term welfare. Therefore, the village government needs to review the amount of the Direct Cash Assistance from Village Funds to be more proportional to the needs of the community and to increase the accuracy and transparency of recipient data collection through village deliberations involving various elements of the community. For future researchers, similar research is recommended to expand the number of

samples and consider other variables, such as education level and access to health services, so that the analysis of people's welfare can be carried out more comprehensively.

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