

## Governance of Village Fund Allocation in Empowering Citizens

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### Abstract

*The Indonesian government's strategy to develop villages to become independent and autonomous is by distributing Village Fund Allocations (ADD). The purpose of this study is to describe the governance of Village Fund Allocation in empowering citizens with the exploration of driving and inhibiting aspects. The research method used is descriptive qualitative. The results of the study showed that some of the ADD funds for community empowerment were used for the operational costs in the village government and the BPD. Thus, the use of the Village Fund Allocation is not in accordance with what it should be. The supporting aspect in managing the Village Fund Allocation is citizen participation. However, the inhibiting aspect lies in the quality of human energy resources and the lack of direct supervision from residents.*

### Keywords

Governance; village allocation fund; community empowerment



### I. Introduction

The allocation of village funds should be managed in a structured and good manner. This condition is reinforced by the large authority of the village government in determining and implementing policies related to village funds. In line with the opinion of Nugroho (2014), a policy in which there are stages of design and implementation must pass through various institutions or organizations to create optimal results. Arifiyanto & Kurrohman (2014) also reinforce Nugroho's statement that the implementation of structured and good policy implementation is certainly influenced by good management as well. The success of a program's policy can be seen from the welfare and independence of a village. Population census data in 2010 recorded the composition of the population or 21% of Indonesians who live in rural settlement areas (BPS, 2015). Therefore, highlighting the priorities and main points in the success of a country's development depends on the development in the village.

Village community institutions are tasked with empowering village communities, participating in planning and implementing development, and improving village community services. As a partner of the Village Government, the tasks of Community Institutions. (Angelia, N. et al. 2020)

Currently, the Government of Indonesia is implementing village funds within the scope of national development as a way to improve and develop rural development (Noviyanti et al., 2018). In fact, this fund was launched through budget revenues at the district and city levels. The provision of these funds is used to finance government administration, development, development, and empowering citizens (Amaliyah & Utomo, 2021). Regarding policy implementation, Ramdhani & Ramdhani (2017) argue that the success of implementing village funds really depends on a program regulation and action plan that is integrated into a certain framework.

However, Azis (2016) states that there are two problems in implementing village funds: 1). The provision of a higher amount of budget funds per year balanced with the

capability of the village apparatus in managing village level finances; and 2) the lack of residents' willingness to participate in the planning and structuring of the Village Revenue and Expenditure Budget, the Village Development Budget and Cost Plan, as well as monitoring the use of the village budget. In addition, there are other problems such as the delay in the determination of the Regent's Regulation (Perbup) or Mayor's Regulation (Perwali) regarding the allocation of village funds (ADD). This condition actually causes the bond between regional planning and needs to be separated, so that villages cannot absorb funds from the government in a structured manner. In this regard, the Government has stated very clearly that it has distributed guidelines regarding the use of village funds or budgets and their allocations in 2015.

Based on the background explanation above, this research aims to analyze the governance of the Village Fund budget allocation as empowering village residents. In addition, this study also aims to dig deeper into the factors that are pressing and limiting the management of the Village Fund allocation in empowering the residents of the Mekar Seaside village in Muaragembong District, Bekasi Regency.

## **II. Review of Literature**

### **2.1 Village Fund**

In Law Number 6 of 2014, traditional villages and villages or those pronounced by other names, are a legal entity that has regional boundaries and is authorized to control and manage government affairs and the needs of citizens based on community initiatives or rights. recognized and respected in a system of government of the Republic of Indonesia. In order to implement village government, the central government through the ministry of finance allocates village funds. Village funds are income budgets that are intended to fulfill village expenditures and needs. The funds are used to finance the implementation and empowerment of citizens and community development.

In principle, the management of village funds or budgets is a series of work that is attempted by community groups in planning, organizing, implementing, and supervising using village fund administrative capabilities (Thomas, 2013). Presidential Regulation of the Republic of Indonesia Number 104 of 2021 regulates in detail the implementation and management of village funds in an effective, transparent and responsible manner for a sense of justice.

Furthermore, the Regulation of the Minister of Home Affairs of the Republic of Indonesia Number 114 of 2014 states that village development is an effort to increase the standard of living of residents. Village development planning is an exposition of development activities to be carried out by the village government, by first consulting the Village Consultative Body (BPD). Law Number 6 of 2014 also states the objectives of improving the welfare of rural residents, quality of life, and combating poverty, building facilities, building economic capacity, and using energy sources for a long time (Suryani, 2019).

Based on Government Regulation Number 60 of 2014, Village Funds are obtained from the APBN which becomes the state budget for income and expenditures for villages which are transferred to the Regency/City area. Nafidah & Suryaningtyas (2015) also relate the definition of ADD as the share of village finances obtained from regional taxes and the share of financial compensation for the district center. Village fund expenditure includes all expenditures in the village account within a period of 1 year.

## 2.2 Implementation of Village Fund Management

Noverman (2018) states that the application of fund management is an action implemented by the government as well as the private sector with the aim of achieving the targets that have been set. Based on this opinion, policy implementation has three interrelated interpretations, as follows:

1. Policy goals and objectives
2. Activities to achieve goals
3. The results of the political activity.

On the other hand, there are three variables that affect the achievement of the implementation of a regulation or policy, including:

1. Source of energy, is a source of much needed implementer.
2. Disposition, the characteristics possessed by the implementer in the context of honesty, commitment, and democratic character.

The word "management" means the same as management which means arrangement or management. Terry (2009) argues that "management is the same as management so that management can be understood as a differentiating process of planning, organizing, mobilizing and controlling". (Aldhilah, A. et al. 2021)

## 2.3 Community Empowerment

Empowerment is an effort or elements that come from outside the order so that they can grow independently (Sumpeno, 2011). Empowerment is also defined as an effort to increase the linkage of the order in distinguishing the elements in it. Furthermore, Sumaryadi (2005) said that community empowerment essentially aims to support authentic human development of the weak, poor, and also marginalized in order to strengthen socio-economically.

## III. Research Method

The method in this research is descriptive qualitative. Interviews, observations, and documentation are instruments used to obtain data. The information analysis process in this research uses applied analysis from Milles Huberman in Sugiyono (2013) which includes the process of reduction, presentation, and inference or inference of information. The data is taken based on the existing facts and adapted to the actual research field.

## IV. Result and Discussion

The management and planning of ADD is tested with efforts to capture the aspirations and needs of the community through systems, counseling or meetings in the village. Deliberations or joint discussions were held in the Mekar Seaside Village, aiming to review the planning, income, and use of the budget in Mekar Seaside Village.

The results of the research show that the level of participation and attention of residents in village deliberation discussion activities can be seen from the number of proposals and opinions submitted by residents. The facts and phenomena that exist in the Seaside Village are in line with the theory presented by Suharto (2006) which explains that the empowerment of community development can be seen from the definition of existing needs. Citizen empowerment can also be seen in terms of ideas in expressing and contributing their opinions in a discussion without any pressure. This is evidenced by the table below, where MSMEs/industry are minimal in Seaside Villages.

**Table 1.** Number of Micro, Small and Medium Enterprises (MSMEs) in Mekar Seaside Village

No	Type of MSMEs	Total
	<b>Industry</b>	-
1	Food industry	-
2	Home appliance industry	-
3	Building material industry	-
4	Agricultural equipment industry	-
5	Craft industry	-
6	Pharmaceutical industry	-
7	Car body industry	-
8	Wood management industry	-
9	Restaurants	3
10	Others	-
	<b>Trading Services</b>	-
1	Traditional market	-
2	Weekly market	1
3	Monthly market	-
4	Special occasion market	-
5	Number of shop/kiosk/stall	400
6	Supermarket	-
7	Livestock business	-
8	Fishing business	-
9	Plantation business	-
10	Minimum effort	-
11	Cultivation business	10
	<b>Entertainment Services</b>	3
1	Music group	-
2	Others	-
	<b>Gas, Electricity, Fuel, and Water Services</b>	-
1	Electric power rental business	-
2	Mini gas station	1
3	Kerosene base	-
4	Gas and fuel oil retailers	2
5	Bottled/refill drinking water business	3

*Source: Compiled from Village Government of Mekar Seaside (2021)*

From table 1 it can be seen how many types of MSMEs have not been empowered by village officials. The stages of implementing ADD in empowerment are still understandable. This is evidenced by the description of the explanation regarding the main tasks of implementing ADD which is still not running optimally. This is due to the lack of communication between local village officials. In addition, the Village Head also organizes himself to lead and invite residents to be active in supporting development activities in RT/RW deliberation. In the implementation of ADD empowerment, the residents of the village of Tepi Laut Mekar have positive values. This is evidenced by the implementation expositions with various efforts by the village government to encourage citizen participation. Even though various efforts have been pushed to the maximum, the active residents have not been fully able to take part in it.

In the study, the residents of the Mekar Seaside Village were in a session of monitoring the use of ADD for empowerment and potential utilization. The results show that the potential for citizen participation is in direct supervision. Transparency of reporting system accountability has not run with optimal provisions. This statement is evidenced by residents who have not received the results of reports regarding the use of village financial budgets in the form of banners, infographics, or photocopies of reports. Report output is also still limited, only sent via RT or RW. There are obstacles in reporting the village financial system, especially in the process of collecting supporting information which is still not well coordinated.

Inherent supervision is carried out by supervising superiors directly through the existing structure by controlling and dividing tasks. investigators make supervision of the Seaside Village which is then tested by the village head on each activity. Research results show that there is no direct visible oversight in ADD improvement. This can arise because the community does not fully understand the ADD Program. Thus, this requires further counseling regarding the use of the Village Fund Budget from the local government.

Talking about the supporting aspects, this is in the management of ADD which is the highlight of citizen participation. The results of the observations that have been made have shown that the involvement of citizens in planning the implementation of ADD is also quite large. The level of community participation in ADD planning in village deliberations in ADD management is in line with empowerment theory. The theory explains that empowerment takes the form of inspiration from ideas, the ability to share ideas, and express without any pressure. The results of the research also show that the culture of gotong royong is one aspect that drives ADD management in Mekar Seaside Village. The culture of gotong royong and collaboration has a big influence in supporting the management of ADD in the activity implementation session. This result is in accordance with the idea put forward by Sumpeno (2011) which explains that empowerment is an effort that aims to produce order and achieve self-building conditions.

**Table 2.** Number of Population by Occupation

No.	Occupation	Year		
		2016	2017	2018
1	Farmer	2180	2275	2296
2	Fisherman	2000	2157	2365
3	Laborer	1100	1180	1256
4	Employee	300	345	425
5	Civil Servant	20	28	35
6	Merchant	400	420	435
7	Other employees	23	25	35

*Source: Compiled from Village Government of Mekar Seaside (2021)*

Table 2 shows that the type of work of farmers continues to increase every year, as well as the types of work of fishermen. The data in table 2 shows that the management of village fund allocations is still weak. Because if it is converted in table 1, it can be seen that the number of MSMEs in Mekar Seaside Village is still a lot that has not been maximized, even though Mekar Seaside Village always gets village funds. The inhibiting aspect or factor found in managing ADD in the Mekar Seaside Village is the lack of manpower. This rural human energy source is categorized as low level. Facts say that most of the population has the status of elementary and high school graduates. This has implications for ADD activities and their management.

In the ADD planning composition activity, this village implements and practices the proposed system of village regulations. However, the opinions of activities expressed and requested by residents tend to focus on the direction of construction of revised irrigation lines and the like. This submission activity is permitted for local communities. The mindset of the residents tends to take it easy and illustrates the low level of learning of residents and village officials. Thus, there is no path of creativity and innovation in the management of ADD.

Aspects of ADD control are used to strengthen the low level of community self-help. The results of the study show that community self-help in the village of Mekar Seaside is still low and categorized as poor. On the other hand, community self-help is a legalized original village income. Communal self-help reflects the level of welfare of the villagers who are still lacking. The results are also seen from the size of most of the livelihoods of the villagers there as laborers in the agricultural sector. This phenomenon is contrary to the objectives of ADD as stated in the Regulation of the Minister of Home Affairs Number 37 of 2007. The purpose of ADD in this regulation is to urge the increase of the regional government itself.

The results of the study also show that there are no updates implemented by the regional government of the Seaside Village. This is because the organizers only adhere to technical instructions. The district government has looked at reforms or innovations in terms of managing village finances with the village financial system at every stage of budget management for the village. The efforts of the Village Community Empowerment Service have an implementation evaluation plan with good and bad criteria. In addition, the organizers are also planning an inter-village innovation competition to improve ADD management.

## V. Conclusion

During the planning and awareness sessions, ADD management activities were not yet focused. There is still some misunderstanding about the new organizational level. However, the existing data sessions have been tested and urge citizens' participation to implement activities in the real environment. Supervision sessions have reached expositions that yielded good, tested, and open results. However, this still needs to be monitored for revisions related to the report. In village financial system (Siskeudes), there is room for revision of system features that require improvement.

There are aspects that support the management of the Village Fund Budget in the welfare of the residents, such as the level of citizen participation, the culture of mutual cooperation, and high functional supervision by the sub-district or district government. The inhibiting aspects found in this study were human resources, the lack of staff, and the lack of a skilled workforce, and the low level of citizen supervision in the management of ADD.

Efforts to overcome the problem are determined by managing ADD and using the Siskudes implementation. The revisions made were tried by collaborating and coordinating with the district government to justify the application feature system. Determination of criteria in management assessment and competency innovation will also be improved in order to achieve goals.

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