

# Paradox Priority Use of Village Funds in Community Empowerment (Case Study in Central Java Province)

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**Abstract.** Law of the Republic of Indonesia Number 6 of 2014 concerning Villages fosters new expectations of village development. The new hope of the essence of village development goals in the regulation is to realize a strong, independent, advanced, democratic and prosperous village without losing its identity. With mandatory implementation of village funds supported by village budgets and village expenditures from state finances (APBN) in the regulation, it is expected that the village and its people can be empowered to realize the ideals of development in the village. This research in Central Java Province shows that hope and reality experience paradoxes (opposites) in implementation. Use analysis based on documentation, observation and interviews. Furthermore, data analysis using interactive analysis techniques shows some paradoxes in their implementation. First, the priority of village funds implementation above 80% is physical development. Second, the purpose of empowerment is not achieved because the regulation and implementation in the field is regulated such as the Local Government Work Equipment Unit (SKPD) which in fact the village is different from the SKPD. Third, the regulation of the use of village funds is expected to grow village initiatives in fact determined from the Ministry and are top down. Fourth, labor-intensive policy aims to move the wheels of the local economy of the village on the one hand, on the other hand turn off the participation of gotong royong villagers. Thus, the implementation of village funds in community empowerment is expected in accordance with the spirit and mandate of Law No. 6 of 2014 on Villages, namely lifting villages from objects to the subject of development.

**Keywords:** Paradox; Village Funds; Community Empowerment

## 1 Introduction

Law of the Republic of Indonesia Number 6 of 2014 concerning Villages fosters new hope in village development. New hope and future construction of village development goals in the regulation is to realize a strong, independent, advanced, democratic and prosperous village without losing its identity, illustrated as the following picture:



**Fig. 1.** Village Construction Ahead  
Data Source: Dispermadesdukcapil Central Java Province (2019)

Looking historically about the Village as outlined in the rationale of the explanation of the Law of the Republic of Indonesia No. 6 of 2014 concerning Villages that juridically village or so-called by another name its existence has been recognized before the Unitary State of the Republic of Indonesia was formed. This shows the position and role of the village is increasingly important and strategic in the system of governance in Indonesia.

According to the Great Dictionary of Indonesian Language (KBBI) paradox has the meaning of a statement that seems to contradict (contrary) to public opinion or truth, but the reality contains truth. Merriam Webster said paradox is defined as the principle of contradiction to accept idea or opinion. Paradox makes us think of something outside of common customs or out of common view. The paradox highlights everything opposite (light-dark, masculine-feminine, life-dead), which is seen as interdependent, fluid, and natural (Chen, 2002). According to Cameron and Quinn (1988): "A key characteristic in paradoxes is the simultaneous presence of conflicting, even mutually exclusive elements".

According to Eko (2004:11) Empowerment is an on going movement and process to generate potential, strengthen participation, build civilization and community independence. According to Law No. 6 of 2014 on community empowerment villages is an effort to develop the independence and welfare of the community by improving knowledge, attitudes, skills, knowledge, abilities and community awareness. Efforts to enable and establish the community are carried out by enabling, empowering, protecting by Fahrudin (2012:96-97).

Village Fund as one of the 7 (seven) sources of village income which is the mandate of the implementation of Law No. 6 of 2014 on Villages budgeted by the Government annually in the State Budget which is part of the policy of central transfer funds to regions and villages. The budget and realization of national village fund distribution for 5 (five) years from the first Village Fund in 2015 to 2019 are as shown below:



Fig. 2. Budget and Realization of Village Fund Distribution in 2015-2019  
(Data Source: Village Fund Distribution Working Meeting, Kemendes PDDT RI, 2020)

Based on picture 2 in 2015 the amount of village funds transfer from the state budget is Rp. 20.67 trillion with an average of Rp. 280.3 million / village with an absorption rate of 82.72%, then in 2016 increased to Rp. 46.9 Trillion with an average of Rp.643.6 million/village with an absorption rate of 97.65%, in 2017 and 2018 village fund transfers amounted to Rp. 60 trillion with an average of Rp. 800.4 million/village with absorption rates of 98.54% and 99.62% respectively. While in 2019 increased again to Rp. 70 Trillion with an average of Rp. 933.9 million / village with an absorption rate of 99.54%, .

Meanwhile, the budget and realization of village fund distribution in Central Java Province in 2015-2019 are as shown below:



Fig. 3. Budget and Distribution of Village Funds in Central Java Province in 2015-2019  
(Data Source: Dispermadesdukcapil Prov. Central Java, 2020)

Based on picture 3 budget policy of Village Fund in Central Java Province in 2015 the amount of village fund transfer from apbn is Rp. 228.89 billion with an average of Rp. 285.43

million/village with an absorption rate of 100%, then in 2016 increased to Rp. 5 trillion with an average of Rp. 640.59 million/village with an absorption rate of 99.84%, in 2017 amounted to Rp. 6.37 trillion with an average of Rp. 817.57 million / village with an absorption rate of 99.84%, in 2018 amounted to Rp. 6.72 trillion with an average of Rp. 682.46 million / village with an absorption rate of 99.84%. Meanwhile, in 2019 it increased again to Rp. 7.88 trillion with an average of Rp. 1,009 billion/village with an absorption rate of 99.9%.

Identification of problems arising in the implementation of village funds in Central Java Province, among others: the use of village funds is dominated by physical development of both village facilities and infrastructure, but in the field of community empowerment still does not get priority through village funds. The government through the Ministry of Villages allocates more village funds to villages that have suffered setbacks. Among them are disadvantaged villages and thriving villages. However, there are findings that villages with a larger allocation of village funds actually go down from developed villages to developing villages, or villages develop into disadvantaged villages.

The research mindset is illustrated by the dimensions of Fahrudin community empowerment theory (2012) among others as follows:



Fig. 4. Research Mindset

## 2 Methodology

This study according to Burhan Bungin (2017) was designed qualitatively by taking a case study of locations in Central Java Province. Data is obtained through documentation, observation and interviews. Furthermore, data analysis uses Milles and Huberman's interactive analysis techniques. According to Miles & Huberman (2014: 16) the analysis consists of three flow of activities that occur simultaneously, namely: data reduction, data presentation, conclusion/verification. This study wants to reveal and explore the facts and explain the phenomenon of the use of Village Funds in community empowerment in Central Java Province between the period of 2015 to 2019.

Central Java province administrative consists of 29 districts, 6 cities, 576 sub-districts, 7,809 villages and 753 villages (Permendagri No. 72 of 2019). The selection of Central Java Province became the location of research on the implementation of priority use of Village Funds in community empowerment with consideration is the province with the most number of villages, namely 7,809 villages from 74,953 villages in Indonesia (10.42%), followed by East Java Province as many as 7,724 villages (10.31%) and Nanggroe Aceh Darussalam Province as many as 6,497 villages (8.67%).

### 3 Result and Discussion

Empowerment according to Calzon and Macauley "frees a person from rigid control and gives the person the freedom to take responsibility for his ideas, his decisions and actions". Another definition of the same source according to Carver and Clatter Back empowerment is "an effort to give courage and opportunity to individuals to take individual responsibility to improve their way of working and contribute to the goals of the organization" (Roesmidi, 2008).

Totok Mardikanto provides the definition of community empowerment is an effort made by the community, with or without the support of outside parties, to improve their lives based on their own power, through efforts to optimize power and improve the bargaining position owned, in other words empowerment should put the strength of the community as the main capital and avoid the "engineering" of outsiders that often turn off the independence of the local community (Mardikanto & Soebiato, 2012).

While the empowerment of village communities according to Law No. 6 of 2014 on Villages is defined as an effort to develop the independence and welfare of the community by improving knowledge, attitudes, skills, behaviors, abilities, awareness, as well as utilizing resources through the determination of policies, programs, activities, and mentoring in accordance with the essence of the problem and priority needs of the village community.

This community empowerment is an effort made by the community to free itself from rigid control, giving freedom to be responsible for its ideas so as to develop independence and welfare by improving knowledge, behavior attitudes, abilities and skills according to the priorities of the community needs.

In that context, the implementation of priority use of village funds during 2015-2019 nationally is regulated by the Regulation of the Minister of Villages, Disadvantaged Areas and Transmigration (Permendesa PDTT) No. 5/2015, Permendesa PDTT No. 21/2015, Permendesa PDTT No. 22/2016, Permendesa PDTT No. 4/2017, Permendesa PDTT No. 19/2017 and Permendesa PDTT No. 16/2018 respectively on The Proritas Of Village Fund Usage The national utilization of village funds in 2005-2019 is as shown below:

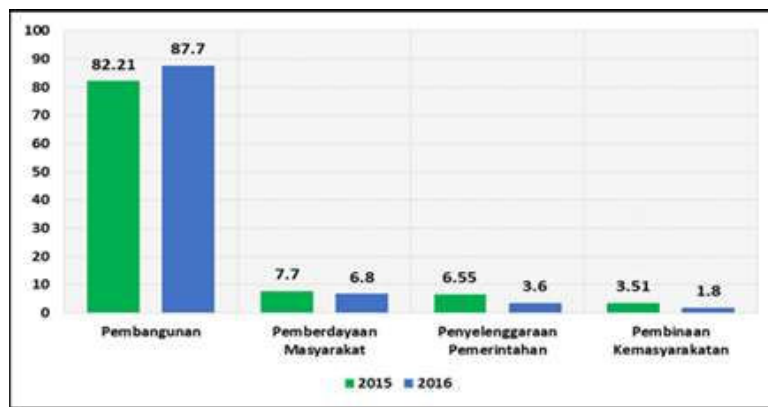


**Fig. 5.** Utilization of Village Funds in 2015-2019  
(Data source: Village Fund Distribution Working Meeting, Kemendesa PDTT RI, 2020)

Based on picture 5, it is known that the utilization of village funds in 2015-2019 at the national level is widely implemented or prioritized for 16 development activities including the

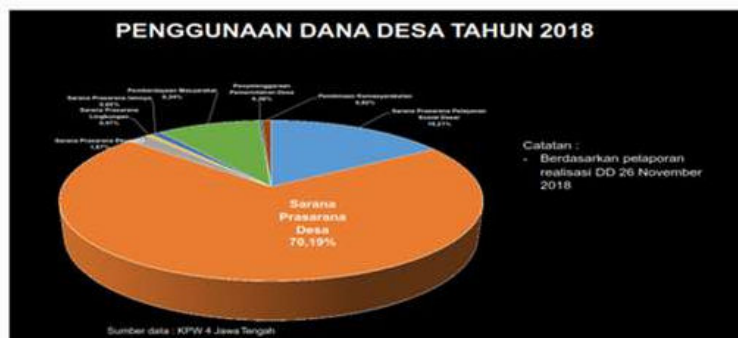
construction of village roads (231,709 km), bridges / boat bridges (1,327 069 meters), village market (10,480 units), BUMDesa (39,226 units of activities), boat moorings (6,312 units), embung (4,859 units), irrigation (65,650,000 units) 626 units), land retention (21,989 units), sports facilities (25,022 units), clean water (993,764 units), MCK (339,909 units), Polindes (993,764 units), MCK (339,909 units), Polindes (993,764 units). 11,599 units), drainage (36,184,121 meters), PAUD (59,640 activities), Posyandu (30,127 units) and wells (58,259 units).

Based on data from the Ministry of Finance (2017), the implementation of the National Priority For the Use of Village Funds policy shows that currently the program is widely used for physical development compared to community empowerment, governance and community development as shown in the following.



**Fig. 6.** Percentage of Village Fund Usage  
(Source: Dana Desa Smart Book, 2017)

Based on picture 6, it can be known that the priority of using village funds is widely used for physical development in rural areas with a percentage by 82.21% in 2015, and the percentage again increased in 2016 by 87.7%. Meanwhile, the priority of using village funds for community empowerment programs implemented was only 7.7% in 2015, and decreased in 2016 to 6.8%. And used for community development only by 3.51% in 2015, which then decreased in 2016 to 1.8%. The use data of Village Funds based on the classification of each field of utilization in Central Java Province in 2018 is as the data picture 7 below:



**Fig. 7.** Utilization and Use of Village Funds in Provisni Central Java in 2018  
(Data source: Regional Escort Coordinator 4 Central Java Province, 2019)

The use of Village Funds in Central Java Province in 2018 as picture 3.3 is allocated include: Field of Development of Village Facilities and Infrastructure (70.19%), Field of Economic Infrastructure (1.87%), Environment Facilities and Infrastructure (0.47%), Field of Facilities and Basic Social Service Infrastructure (16.21%), Government Administration (0.26%), Community Empowerment (9.24%), Community Affairs (0.82%), then the rest for other fields (0.94%).

The data above shows the dominance of the use of village funds in Central Java Province is the field of development covering the field of village facilities and infrastructure, the field of economic infrastructure, environment facilities and infrastructure and basic social service facilities and infrastructure by 88.74% and the field of community empowerment by 9.24%. While implicitly it is clear that based on Permendes PDTT No. 19 of 2017 on The Priority of The Use of Village Funds in 2018 that the use of Village Funds is prioritized in the field of development and community empowerment. In fact, the majority of the use of village funds is physical development. While village funds should not only be on physical development, but there is the impression of ignoring or not touching seriously and becoming a priority in the field of community empowerment activities.

One of the detailed facts of the utilization of Village Funds in Central Java Province in 2019 in the form of physical development includes the construction of village roads (6,077,322 meters), bridges (13,285 meters), village markets (101 units), BUMDesa (92 units), boat moorings (4 units), embung (101 units), BUMDesa (92 units), boat moorings (4 units), embung (37 units), irrigation (1,955 units), sports facilities (504 units), land retention (8,211 units), clean water (6,564 units), MCK (2,147 units), Polindes-Poskesdes (5,561 units), drainage (839,823 meters), PAUD-TK (1,601 activities), Posyandu (796 units) and wells (354 units) which are visually simple as can be seen in the following picture:



**Fig. 8.** Utilization of Village Funds in Central Java Province in 2019  
(Data source: Dispermadesdukcapi Prov. Central Java, 2020)

Data of the Ministry of Villages (2020), the realization of village funds during 2015-2019 is reported to have an impact on per capita income and able to lower the open unemployment rate as shown below:



**Fig. 9.** Impact of Village Fund on Per capita Income and Rural Open Unemployment Rate in 2015-2019 (Data source: Village Fund Distribution Working Meeting, Kemendesa PDTT RI, 2020)

Based on the data in picture 9, the Ministry of Villages reported that the Village Fund was able to impact the increase in rural per capita income from Rp. 572.582,- in 2014 to Rp. 877.074,- in 2019. The Village Fund was able to have an impact on the decline in the open unemployment rate in rural areas from 4.3% as measured in 2016 to 3.45% in 2019. Similarly, the Village Fund reported by the Ministry of Village (2020) was able to have an impact on the decrease in Gini Ratio and the decrease in poverty rate as shown below:



**Fig. 10.** Impact of Village Fund on Gini Ratio and Reduction of Rural Poverty in 2015-2019 (Data source: Village Fund Distribution Working Meeting, Kemendesa PDTT RI, 2020)

Based on the data in picture 10 reported by the Ministry of Villages that the Village Fund was able to impact the decrease in the gini index ratio in rural areas from 0.329 in 2015 to 0.315 in 2019.

0.315 in 2019. This has led to a reduction in the poverty rate in rural areas from 14.09% in 2015 to 12.60% in 2019.

Based on the data on the budget, realization, utilization and impact of village funds during 2015-2019 as described above physically and visible based on field observations, the village has been able to change the face of its physical environment, especially roads, bridges, drainage waterways and other physical buildings improved for the better. However, the author expressed criticism and reviewed the implementation of the Village Fund Priority so far, especially from the point of empowerment of the village community and the essence of making the village as the subject of development is still far from expectations.

The next paradox is that village fund governance is equated with the governance of local government work units (SKPD), especially in relation to village financial governance. For example, the system of accountability for the use of village budget, this is stated in Regulation of the Minister Home Affairs the Republic of Indonesia Number 20 of 2018 concerning Village Financial Management. The problem is the Village Head as the Holder of Village Financial Management Power (PPKD). Then next there is the Village Financial Management Executive (PPKD) by the Village Secretary, Head of Affairs and Section Head. The terms and substance of the duties contained in article 1 paragraph 14-18 Permendagri No. 20 of 2018 on village financial management oblige and force the Village Government to implement, accountability of financial statements such as SKPD. The terms PKPKD and PPKD are each likened as Budget Users (PA) and Technical Implementation Officers of Activities (PPTK) in the Regional Device Task Force (SKPD) will essentially shackle the village government in terms of accountability of the implementation of activities and finances and community participation.

In terms of regulation, instead of providing guidance for the village to translate the principle of recognition (recognition) and subsidy (determination of authority), in fact it sinks the village into patterns of power relations that co-opt the village. This is clearly seen in two government regulations that become derivative regulations of the Village Law, namely Government Regulation (PP) No.43 Year 2014 jo PP No.47 Year 2015 on The Implementation Regulation of Law No.6 Year 2014 on Villages, and PP No.60 Year 2014 jo PP No. 22 Year 2015 jo PP No. 8 Year 2016 on Village Funds Sourced from The State Budget This reinforces Muqowam's critical thinking (2019) that the two PP became the basis of legitimacy for the supradesa to continue to control and control the village through their policies and rules.

From the institutional side, there are two ministries that "oversee the village", namely the Ministry of Villages, Development of Disadvantaged Regions and Transmigration and the Ministry of Home Affairs, inevitably making the village more confused to build referrals. Furthermore, there has not been a change in the reasoning developed by the two ministries that still place the village as an object of development.

While in the village internal, village fund management that is still not fully using the principle of accountability and social inclusion, often make the development programs made by the village government has not been in accordance with the will and aspirations of the villagers. Similarly, when it comes to village assets, the assets in the village that can ideally be used by the villagers to prosper them are still managed by people outside the village or the supra village government. In such situations, the village ends up only being a spectator for the exploitation of local resources and even receiving the impact of environment damage.

In addition, the problem that occurs is in the regulatory perspective. Village Financial Management In the process, the implementation of the Village Law raises dynamics and problems both normative and operational problems in the field. Related to village financial

management, PP 60 Year 2014 on Village Fund sourced from the State Budget stated that the village fund is carried out proportionally by considering the following 4 factors: the number of villagers, the poverty rate of the village, the area of the village, and the level of geographical difficulty of the village. But the fact that happened in the village remains an issue. If imposed, the mechanism of distribution of Village Funds uses the principle of proportionality, resulting in lame divisions and potentially triggering horizontal conflicts in the village realm.

In addition, the distribution of Village Funds according to proportional principles requires the updating and accuracy of regional and demographic data from BPS. The problem arises because the data owned by BPS often comes from data collection in the area is old data that comes from 2-3 years ago. Thus, inevitably, village financial management is one of the crucial issues in the implementation of the Village Law. At the beginning of the implementation period, the Village Law raised confusion, both among the district/city government, village government, and the general public. Village funds are already available in the district / city government coffers, but can't be disbursed because the regulations are not yet clear and operational.

The next problem is related to the everchange regulation and has contradictions in the perspective of policy implementers, namely local governments and village governments. Central-level policymakers would be more ideal not to put too much pressure on the village government with various regulations. This undermining the goal of giving space to the village through village funds. Give space to the village government to carry out activities to absorb the village budget without fear of sanctions arising. The existence of too many technical rules is still applying the principle of top-down. Meanwhile, regional autonomy should change the top-down system to the bottom up. Through the bottom-up system the village government is able to identify what is needed for village programs through village funds. It also reinforces Muqowam's critical thinking in the Book of Building or Damaging Villages (2019) which reveals the paradoxes and contradictions of the spirit and historical purpose of the establishment of the Village Law.

Meanwhile, the last paradox is the policy of Cash Intensive Program that must be financed through Village Fund. The policy is based on the Joint Decree of 4 (four) Ministers, namely the Minister of Home Affairs, Minister of Village PDDT, Minister of Finance and Minister of National Development Planning / Bappenas published at the end of December 2017. The regulation regulates the facilitation of the use of Village Funds for village development activities at least 30% must be used to pay the wages of the community in creating jobs in the village.

The policy is expected to open jobs and provide employment opportunities for the poor in the village, but on the other hand it will potentially reduce the spirit of mutual cooperation among the villagers. This was reinforced through the results of an interview with H. Muhlisin, M.Pd.I Head of Temuroso Village, Guntur District, Demak District, Central Java Province, which is one of the Disadvantaged Villages based on the Status of Village Index Building in Central Java Province which states as follows:

*"With the cash-intensive policy, village chiefs and village devices have difficulty in driving the spirit of mutual assistance for their citizens. The community assumes that by working on village activities carried out by the poor, it is considered that there is no need for mutual assistance because it has been financed from village funds" (Interview end of December 2020).*

This in different occasions was also reinforced by Muh. Mahbub, SH., MH Camat Guntur Kab. Demak Central Java Province as follows:

*"Cash Intensive Activities that must be financed from the Village Fund at least 30% in the implementation of contradictions to encourage the spirit of gotong-royong for the village community, the Village Government and the community in the village that basically has the spirit of gotong-royong become almost extinguished with the birth of a cash-intensive policy, the community feels no need to gotong-royong anymore because it considers all village development activities have been and the energy paid by the Village Government financed from the Village Fund" (Interview end of December 2020).*

And then, if there is no effort to provide a proper understanding little by little will be able to erode the semangat gotong -royong that has existed and developed in the culture of the village community.

#### **4 Conclusion**

Prioritizing the use of Village Funds in community empowerment is paradoxical (opposite) between the objectives and the facts of implementation, there are at least 4 things, namely:

- a. The use of Village Funds is in fact widely implemented on the construction of physical infrastructure facilities compared to the field of community empowerment and other fields.
- b. Village financial management arrangements that are regulatoryly equated with SKPD shackle the village and will be difficult to make the village as the subject of development and will remain the object of development.
- c. The regulation of the use of village funds in a top down (regulated from above) and many rules of many supra desas have shackled the initiatives of the government and the community in building the village through real participation and empowerment of its community.
- d. Cash Intensive Program Policy has the potential to turn off the spirit and culture of gotong in the village community.

In connection with the study, the following are recommended:

- a. Coordination, Integration of Synchronization and Simplification between the Ministry of Home Affairs, Ministry of Finance and Ministry of Village PDTT which publishes norms, standards, procedures and criteria in the implementation of village funds.
- b. Make the village as a subject and not just as an object in the implementation of village funds and community empowerment.
- c. Restoring the essence of community empowerment in the use of village funds in accordance with the spirit and mandate of the Village Law;
- d. The use of village funds should be handed over in full to the Village Government in accordance with the local authority of the village in the form of Village Allocation Fund (DAD) for the Village Government as well as the General Allocation Fund (DAU) for the Local Government.

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