

VILLAGE FUND MANAGEMENT MODEL THROUGH PARTICIPATION POLICY

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Abstract-- *Non-autonomous utilization policy has an impact on the use of villages funds. One contributing factor is the regulations governing the technical use of funds, from planning, implementation to reporting. This research, therefore aims to formulate an effective model of village fund management to improve community welfare, with the empirical legal research method, which allows the direct interaction with the community used to obtain data. Furthermore, the purposive sampling technique was used to obtain information from Borobudur District, with the inductive method used for analysis. The results showed that the Borobudur Village Government had developed innovations in the use of funds through the mechanism of equity participation in the BUMD. This innovation was carried out by referring to Law No. 6 of 2014 concerning funds. BUMD was used due to its collective economic activity between the village government and the community. This condition is seen in the construction of a control center (Balkondes) as a means to support rural tourism, which has implications on its budgets and revenues.*

Keywords: *Village funds; Management Model; BUMD*

I. INTRODUCTION

The policy of granting village funds, which is associated with of Law Number 6 of 2014, is intended to accelerate development, finance government, and empower communities. These funds are used for the construction of physical infrastructure to meet community needs, create positive impacts, make leadership responsibilities easier, and create jobs.

Village funds allocated by the State Budget (APBN) increases yearly, as seen in the following table 1:

Table 1. Allocated Village Funds

Y ear	APBN Allocation	Village Reception
2015	20,7 T	280 Million
2016	46,98 T	628 Million

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2	60 T	800 Million
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Based on these allocations, the uses in Borobudur sub-district are described in table 2.

Table 2. Borobudur's Village Funds Usage

Year	The Use of Village Funds			
	Development	Empowerment	Coaching	Financing
2015	96%	2%	2%	-
2016	84%	12%	2%	-
2017	85%	12%	3%	-

The use of village funds for physical development does not produce multiple effects, due to its limitation on goods and services, thereby preventing economic growth. Therefore, a breakthrough is needed for these funds to be used accordingly without violating applicable rules. This research therefore aims to formulate a model on the proper use of village funds to suit the needs of the community without violating the existing rules.

II. METHOD

The sociological legal method is used to determine the behavior of village governments in formulating policies for utilizing funds allocated to the community, without violating its laws and regulations.

The descriptive and qualitative approaches were used to analyze legal materials obtained through planning and budgeting documents with the purposive sampling method used to obtain data from 20 villages at Borobudur District, Magelang Regency..

III. RESULT AND DISCUSSION

The Use of Village Funds

In 2017, the Indonesian government allocated funds to villages for the third time since the commencement of this policy three years ago. Although these funds are obtained from APBN, the Central Government is entitled to its regulation due to various rules and regent regulations each year.

The governing principle prioritizes the use of these funds, with limitation to local initiatives in designing development programs/activities, to properly analyze needs and resources (Desa, 2016).

Village funds are the same every year, however, it is solely influenced by factors such as population, poverty level, and geographical location. This is shown in the data of 20 villages in 2017, as follows:

Village Name	Village Funds In
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o	2017	
	Giripurno	802.124.000
	Giritengah	807.964.000
	Tuksongo	794.164.000
	Majaksingi	784.171.000
	Kenalan	766.957.000
	Bigaran	759.224.000
	Sambeng	758.050.000
	Candirejo	801.282.000
	Ngargogondo	771.657.000
	Wanurejo	782.634.000
0		
	Borobudur	812.112.000
1		
	Tanjungsari	752.679.000
2		
	Karanganyar	758.701.000
3		
	Karangrejo	780.032.000
4		
	Ngadiharjo	824.864.000
5		
	Kebonsari	780.763.000
6		
	Tegalarum	772.626.000
7		
	Kembanglimus	769.520.000
8		
	Wringinputih	812.062.000
9		
	Bumiharjo	768.110.000
0		
TOTAL		15.659.696.000

Source: Consolidated Report on the Realization of Village
Fund Absorption in the District of Magelang 2017

The funds are then used based on priorities for development and empowerment, with the percentage of usage as follows:



Figure 1. Realization of the use of village funds in 2015



Figure 2. Realization of the use of village funds in 2016



Figure 3. Realization of the use of village funds in 2016

Source: Consolidated Report on the Realization of Village Fund Absorption in the District of Magelang
2017

It is seen that from 2015 to 2017, a large amount of these funds were used for infrastructure development such as roads and irrigation, with only 12 % allocated to community empowerment based on consideration, with the provision of more opportunities. Furthermore, Borobudur region has received other assistance in the framework of being designated as a national tourism center.

Village-Owned Enterprises (BUMD)

Currently, the concept of BUMD on community life, nation, and state is known, with limitation to village locus. Therefore, the issuance of the Village Law is a collective forum in state and society, with traditions created as a concept of life in the community (Eko, 2014).

The core ideas of the Village Tradition are as follows:

1. It becomes the basis of social capital, which fostered a tradition of solidarity, cooperation, self-help, and mutual cooperation that transcended the exclusive boundaries of kinship, ethnicity, religion, flow, etc.
2. The village has power and governance, with the authority and accountability to regulate and manage community interests.
3. It is present as a local economic activator capable of carrying out protective and distributive functions of basic services to the community.

Village-Owned Business Entity has a majority of its capital owned by the community through direct participation, which separates and manages assets and services for the maximum welfare of the village community.

The conception of Village Tradition is one of the fundamental ideas accompanying the founding of BUMD. It is parallel to the wealth of social and political capital, which influences the durability and sustainability of BUMD (Putra, 2015). The core ideas of the Village Tradition in establishing BUMD are as follows:

1. It requires social capital such as cooperation, solidarity, and trust for business development to reach a more comprehensive and broader network.
2. It develops in inclusive politics through consultation.
3. BUMD is a form of village economic effort that is collective between the government and community, which comprises social and economic businesses.
4. It is a business entity, mandated by the village law as an effort to accommodate all activities in the economic sector and public services.
5. BUMD has become a learning arena for villagers in forging managerial capacity, entrepreneurship, good governance, leadership, trust, and collective action.
6. It transforms programs initiated by the government to become "Village-owned".

However, BUMD requires professionalism in management, to realize the purpose of its existence for community welfare. This is proven from the Supreme Audit Board or BPK test report results as follows:

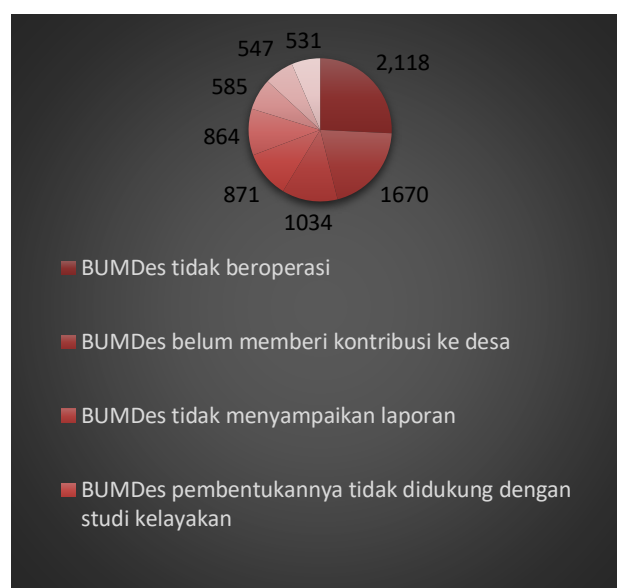


Figure 4. BPK's test results on 8,220 BUMD

Village Fund Management Model through BUMD

According to the Indonesian dictionary, a model is a pattern that consists of examples, references, and variations, of something to be produced. The requirements for a good model are as follows:

1. It needs to be elegant and not easily influenced by environmental factors.
2. Contains several simple and customizable elements.
3. It is based on research and accurate observation
4. To make future predictions. (Mlodinov, 2010)

The model used for village fund is for physical builders. However, Karangrejo Village uses a different innovative model by allocating part its funds to the formation of BUMD, which was formed on July 15, 2016, under the name "BUMI MULIA." Presently, this community has been able to generate multiple effects, with 10% of its tourism sector adequately managed by BUMD. Furthermore, its activity rate has managed hot organic strawberry orchard, Punthuk Setumbu, and Bukit Rhema Chicken Church. The existence of BUMD is also one of the factors required by the 2019 Nusantara Tourism Village Competition Verification Team from the Ministry of Development of Disadvantaged Areas and Transmigration of the Republic of Indonesia, where Karangrejo village was nominated in the top 28, out of 158 participants across the nation.

To develop the Borobudur Temple tourism support area, BUMD Karangrejo consolidates with actors to map natural, cultural, and human resources potentials of the village. Furthermore, there are several BUMDs used in Borobudur District, such as Graha Mandala, but the BUMD Karangrejo is the most commonly used amongst all. The BUMD Graha Mandala is engaged in the tourism sector, where most of the business units, in collaboration with PT Taman Wisata Borobudur Temple, are able to reap 90-100 million profits per month from a total of 300 thousand tourists visits annually and shopping 100 thousand per day. In addition, in Tegalarum Village located in Borobudur, Saka Pitu is the Economic Center and one of the BUMD's business units. The proper utilization of village funds makes it possible to adequately allocate resources for the physical development and community empowerment towards independence. Furthermore, the existence of BUMD is intended to increase independence towards people's welfare.

The Karangrejo village was used as the object of research though it already had an innovative model in managing village funds to form a BUMD capable of generating multiple effects. The presence of BUMD is also one of the supporting factors for the development of Borobudur temple tourism, which consolidates with other locations in terms of mapping the potential of villages in accordance to nature, culture and human resources, thereby, making it possible to allocate funds for physical development, and community empowerment towards its independence.

IV. CONCLUSION

Funds are a form of commitment from the central government as a consequence of the recognition of village autonomy. Its use in Borobudur District shows a significant disparity between development activities and community empowerment used to achieve an ideal optimization to increase community welfare by mobilizing its participation. The most appropriate solution is to invest in villages through BUMD. This research, therefore, identifies patterns of Village Fund management that are more effective in accordance with applicable regulations.

ACKNOWLEDGMENT

This research was conducted on the 2018 Higher Education Flagship Fund Grants facility, number 002 / PDUPT-LP3M / II.3.AU.F / 2018, under the title Optimization of Village Funds to Increase Community Economies in Magelang District through Village-Owned Enterprises in Borobudur Temple Tourism Area. The researchers are grateful to the Ministry of Research and Higher Education for Basic Research Grant in 2018, entitled “Optimization of Village Funds To Increase Community Economy in Magelang District Through Village-Owned Enterprises in Borobudur Temple Tourism Area,” the Chairperson of the Institute for Research, Development and Community Service (LP3M), Muhammadiyah University, Magelang, and head as well as staff of Borobudur District.

AUTHOR CONTRIBUTIONS

Conceptualization (D.A.S.D, H.M.S)); Material research preparation (D.A.S.D, H, S, M.H.S)); Methodology (D.A.S.D, H); Data collecting (D.A.S.D, H, S, H.M.S); Data analysis and visualization (D.A.S.D, H) Writing—original draft (D.A.S.D, H.M.S); Presentation (S).

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