

# IMPLEMENTATION OF VILLAGE FUND POLICY IN KONAWA REGENCY SOUTHEAST SULAWESI PROVINCE

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**Abstract**—This research aims to illustrate and analyze actual actions taken by policy implementers; identify and analyze public value that is promoted dominantly in the implementation of policy; and any factors giving effects on implementation of policy Village Fund (VF) in Konawe Regency, Southeast Sulawesi Province. This research used quantitative research design with descriptive method. The data include primary and secondary data. There are 15 people as the research informants that are determined by purposive technique. Data collection techniques are participative observation, in-depth interview and document study. Data analysis technique is interactive model qualitative analysis. Data validity checking include credibility, transferability and dependance.

Results of the research show that actual actions by implementers in realizing VF policy objectives include activities and planned budget. All of the actions are mandated in the policy but it is yet consistent. The promoted public values in the implementation of VF policy include basis value of material life production and value on moral, social, politic and other human capabilities. Out of both values, the basis value of material life production is promoted dominantly. Various interests in policy sub-system and pressure from primordial interests on bureaucracy and implementers are contextual factors giving effects on implementation of VF policy in Konawe Regency. Findings of this research imply to definition of implementation concept and approach to understand and describe implementation of public policy.

**Index Term** : Implementation; Village Fund Policy; Actual Actions; public value; Contextual Factor.

## 1 INTRODUCTION

One of the interesting public policies to study from an implementation perspective is village fund policy (VF). This VF policy was adopted since 2014 through the Law of the Republic of Indonesia Number 6 of 2014 concerning Villages (UU Desa). Article 72 paragraph (1) of the Law states that village income comes from allocation of the State Budget (APBN), in addition to other sources. Then, paragraph (2) explains that the budget allocation as referred to is taken from Central Expenditures in order to reach effective implementation of Village-based program equally and equitably. The above shows that the Law Number 6 of 2014 gives a mandate to the government to allocate VF, is budgeted every budget year in the APBN, is seen as one of the sources of village income, and is prioritized for the implementation of development and empowerment of rural communities.

VF general policy regarding objectives, principles of implementation, budgeting, allocation, distribution, use, reporting, monitoring and evaluation is regulated by the Government of Regulation Number 60 of 2014 concerning Village Funds taken from the State Revenue and Expenditure Budget, as has been changed twice, the last is by the Regulation of Government of the Republic of Indonesia (PMK) Number 8 of 2016. Technical provisions for the allocation, distribution, use, monitoring and evaluation of VF are regulated by the Minister of Finance Regulation of the Republic of Indonesia (PMK) which is addressed to for this budget year: PMK Number 247 / PMK.07 / 2015 for VF 2015 budget year; PMK Number 49 / PMK.07/2016 for VF 2016 budget year, and PMK Number 50 / PMK.07 / 2017 as amended by PMK Number 112 / PMK.07

/ 2017 for VF 2017 budget year. The government has allocated VF in the APBN since the 2015 fiscal year by 10% from and outside the Transfer Fund to the Regions in stages. DD is calculated based on the number of villages and is allocated differently for each village on the basis of population size, poverty rate, area size, and level of geographical difficulty. VF allocation in 2015 was IDR 20,766 trillion, then increased to IDR 46,982 trillion in 2016 and IDR 60 trillion in 2017 (Ministry of Finance, 2016: 4; 2017: 5). VF distribution is carried out in two stages, first in April by 60 percent, and second in August by 40 percent (Aziza, 2017: 1). Based on the official explanation of the Ministry of Village, Development of Disadvantaged Regions, and Transmigration (Village-PDPT), VF can be utilized for four things: (a) infrastructure, (b) basic social services, (c) economic development to create village-owned enterprises, and (d) empowerment and training.

Objective of VF is to improve public services in the village, alleviate poverty, advance the village economy, overcome gap of the development between villages, and strengthen rural communities as a subject of development (Ministry of Finance, 2017: 14). The first three years of VF policy implementation have been evaluated by the government to ensure that VF use is according to the established priorities and achieve maximum outputs. The evaluation results show that VF has produced various outputs in the forms of village public facilities and infrastructure, as well as good effects on the quality of life of rural communities. VF outputs in the field of infrastructure include village roads, bridges, village ponds, and drainage / irrigation. VF outputs in basic services include water connec-

tions, wells, polindes, and early childhood education. VF output in the field of economic development is the village market (Ministry of Finance of the Republic of Indonesia, 2017: 18).

One of the VF outcomes is improved Village Gini Ratio from 0,34 into 0,32 and decreased number of village poverty from 14,09% into 13,93% in the periods of 2015-2016. DD is also seen to have positive effects on increasing village independence that can be seen from increased village status. During 2015-2016, there was an increased percentage of independent villages from 0.07% to 1.66%; developed villages increased from 4.88% to 15.81%, decreased underdeveloped village from 43.48% to 29.76%, while decreased extremely disadvantage villages from 13.03% to 6.08% (RI Ministry of Finance, 2017: 19). The statistics above show that in macro term, VF has produced various outputs of village public facilities and infrastructure as well as good effects on the quality of life of rural communities.

Behind the success as mentioned above, evaluations on VF by the government also found obstacles in the distribution and use of VF. In term of distribution, it is distributed gradually from the State General Cash Account (RKUN) to the Regional General Cash Account (RKUD), then from the RKUD to the Village Cash Account (RKDes). In its practice of distribution from the RKUN to the RKUD, it is still found that the calculation procedure has not been in accordance with the provisions, the realization report has not been submitted, and submission of the distribution stage II was done in the last month. In the practice of distribution of the RKUD to the RKDes, it is still found that the Village Regional Budget is yet determined or done late, or there are no planning documents and usage reports. Moreover, the distribution from RKUD to RKDes often exceeds the specified time limit, which is no later than seven working days after the VF is received in the regency / city. In terms of use, there are still uses outside the priority fields, expenditure is not supported by evidences, works by third parties, villages having no ideas about money supply mechanism, and out-of-budget spending (Ministry of Finance, 2017: 22).

Phenomenon complexity of VF policy implementation in Konawe Regency is not a single phenomenon as a result of its implementation in a complex normative and political context. Both village and supra village (district and sub-district) governments being involved in VF policy implementation all of which work according to the direction given by legislation from the center as well as from their existing own local governance framework. One of the village heads told researchers that there was a considerable number of legislations given by the center. There was even a kind of contestation between the Ministry of Home Affairs and the Ministry of Village-PDPT in structuring village financial governance leading to difficulty to understand by village officials in general (interview with JH, January 18, 2018).

At the regency level itself, there are difficulties by the apparatus of the Community Empowerment and Village Administration (DPMPD) in following and understanding changes in policy priorities that occur every year (interview with HM, January 19, 2018). Even more complex is the presence of supra village interests, through the DPMPD, to include certain activities in the Village APB which are not actually included in the

Village RPJM and Village RKP which at the end, the village must revise Village RKP. Such conditions often lead difficulty for any village heads to communicate with the BPD as their partners in the village government and with community members as the subjects of village development (interview with HM, January 19, 2018).

The problematic phenomenon mentioned above attracts attention of researchers to conduct a research with the theme of VF policy implementation in Konawe Regency, Southeast Sulawesi Province. VF policy is the central government policy, implemented in regions and villages according to strict directives from the central government. The research setting is Konawe Regency, Southeast Sulawesi Province with the following main reasons: (1) based on results of the initial study, there are problems concerning less optimal budget absorption, norm and program inconsistency, and less quality of implementation; (2) the problems are suspected to be related to factors in a complex practical normative context but it is necessary for intelligent and wise responses given by implementers from the village level to the regency level; (3) there is no comprehensive explanation of the implementation of DD policy in Konawe Regency by using the operational governance perspective as the current perspective of public administration science.

Based on the research background that has been described, this research focuses on; (a) Actual actions given by the implementers in the process of VF policy implementation in Konawe Regency. (b) Public values that are dominantly promoted by implementers in the VF policy implementation in Konawe Regency and (c) any factors giving influences on the implementation process of VF policy in Konawe Regency. Whereas the objectives to be achieved are: (1). To describe and analyze any actual actions of VF policy implementers in Konawe Regency; (2) identify and analyze the public value that are promoted dominantly by implementers in the VF policy implementation in Konawe Regency; and (c) identify and analyze any factors giving influences on the implementation process of VF policy in Konawe Regency.

## 2 THEORITICAL STUDY

### Factors giving influences on Policy Implementation

Implementation is a complex process and is influenced by various factors. Any factors giving influences on the implementation have been partially well-documented in mainstream literature as described previously. Top-down, bottom-up, and synthesis implementation models as described above, all of which propose an explanation of any factors that facilitate effective implementation or implementation performance. Categorization of any factors that facilitate effective implementation has been done well by Grindle (1980: 11) and various explanatory factors proposed by other authors can be included in one of the mentioned categories.

Grindle (1980: 11) grouped the factors that facilitate effective implementation into two categories, namely: policy content variable and implementation context. The policy content variable includes types of policy benefits, degree of change sought, location of decision making, executors, and available

resources. The implementation context includes the level of strength of the interests and power of affected actors, institutional characteristics, as well as compliance and responsiveness.

The explanatory factors proposed by Meter & Horn (1975: 463) include: (1) policy standards and objectives, (2) allocated resources in policy decisions, (3) inter-organizational communication activities and reinforcement, (4) characteristics of implementing agencies, (5) socio-economic and political conditions, and (6) implementing attitudes. The first two factors are included in the policy content variable while the four latter factors are in the implementation context. The explanatory factors for implementation proposed by Edwards III (1980: 148) include: (1) resources, (2) communication, (3) bureaucratic structure, and (4) implementing attitude. The first mentioned factor is included in the policy content variable while three latter factors are in the implementation context.

### Government of Indonesia Policy on Village Funds

Village Fund (VF) is one of the Indonesian government's substantive policies under the leadership of Joko Widodo - Jusuf Kalla (Jokowi-JK). This VF policy was formally adopted in 2014 through the Law Number 6 of 2014 concerning Villages. Article 72 paragraph (1) of the Law mentions seven sources of village incomes which the second source is taken from the APBN allocation. Then, in paragraph (2), it is explained that the budget allocation as referred comes from Central Government Expenditures by making effectiveness on Village-based programs equally and equitably. The Law Number 6 of 2014 mandates the government to allocate VF, create every budget year in the APBN, use it as one of the village income sources, and it is prioritized for the implementation of development and empowerment of village communities.

VF is a concrete form of State recognition towards Village origin rights and local authority in the village scale. Before the aforementioned Law, significant amount budget for village was Village Fund Allocation (ADD), namely the budget that is allocated by the government of regency district / city to village. VF is taken with certain formulas from Revenue Sharing Funds (DBH) and General Allocation Funds (DAU) as the balance fund components. The balancing funds are the funds taken from APBN revenues that are allocated to autonomous regions to finance regional needs in the context of decentralization implementation. The Balancing Fund Policy was formally adopted through the Law Number 33 of 2004 concerning Financial Balance Between the Central Government and Regional Governments, while the regulations of its implementation were outlined in the Regulation of Government Number 55 of 2005 concerning Balancing Funds. Purpose of the balancing fund is to reduce fiscal disparity between the government and regional governments and between regional governments. In addition the aforementioned issues, the budget for villages is obtained from conventional sources of village finance as regulated in PP No. 72 of 2005 concerning Villages. Article 68 paragraph (1) of the PP mentions two conventional sources of village income, namely village original income and regency / city tax / retribution revenue sharing.

### 3 CONTEXTUAL FRAMEWORK

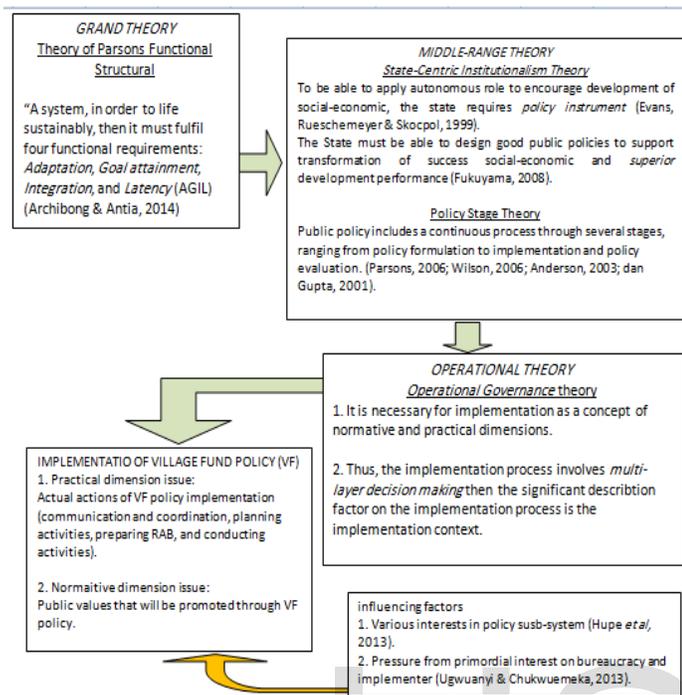
This research is about the implementation of the Village Fund (VF) policy. The VF policy is the substantive policy of the Indonesian government that was formally adopted through the Law of the Republic of Indonesia Number 6 of 2014 concerning Villages. Scheme of the VF policy is the provision of village income sources from allocation of the State Budget (APBN). There are five objectives of VF policy, namely: (1) improvement of village public services; (2) alleviating poverty; (3) advancing the village economy; (4) overcoming inter-village development gaps; (5) improving village welfare and equitable distribution development; and (6) strengthening village communities as the development subjects. Provision of this budget has been implemented since the 2015 budget year and is currently entering its fourth year of implementation.

VF policy is a top-down policy, the central government establishes standards and objectives, formulas for budget allocation and process, implementer officers in the regions and villages in an accountable manner. Implementation here is understood as the process of translating policy into actual actions (Bolaji et al., 2015: 58). Implementation is operational governance (Hill & Hupe, 2013: 19) which includes communication and coordination, resource management, control and output reflecting performance of the implementers. Involvement of regency, sub-district and village governments and other clusters of actors / stakeholders beyond the state-actors indicates that VF policy implementation involves the context of multi-level governance or multi-layer policy-making.

The implementation of policies in the context of multi-level governance or multi-layer policy making covers issues of normative dimensions, practical dimensions, and political dimensions as conceptualized by Hill & Hupe (2014: 7). This research focuses on the policy process to explain what actually happens when a policy is being implemented (practical dimension), and what public value is encouraged through VF policies and programs (normative issues). Furthermore, this research tries to explain the implementation process of VF policies, by highlighting the implementation context as recommended in the latest implementation literature.

To investigate the implementation process of VF policy, this research is directed by theories of public administration at three levels of abstraction, namely grand theory, middle-range theory, and operational theory. For the highest level of abstraction, namely grand theory, this study uses functional structural theory by Parson. The main proposition of Parson's functional structural theory is "a system, in order to live sustainably, it must fulfill four functional requirement: Adaptation, Goal attainment, Integration, and Latency, or known with an acronym of AGIL (Archibong & Antia, 2014: 351). Adaptation is concerned with mediating the interests between the system and its environment. Goal attainment regulates and formulates the relational goals between the whole system and its environment. Integration regulates and adapts individual interests and collective interests in the context of internal harmony. Latency is concerned with maintaining latent patterns of the system (Frankenberger, 2011: 5). For more details, the framework is described in the following figure 3.1:

Figure 3.1.  
Research Conceptual Framework



## 4 RESEARCH METHOD

### Research Design

This research uses qualitative research designs with descriptive methods. The use of this method is to describe and assess qualitatively on the implementation of village fund (VF) policies in Konawe Regency. The use of qualitative approaches in this study is consistent with the current paradigmatic status of public administration.

Phenomena that can be revealed through observation and empirical investigation will be organized and interpreted according to the theoretical direction. The theoretical perspective applied in this study is interpretivism in which the researchers try to understand the meaning of social situations from the viewpoint of VF policy implementers and related stakeholders. The researchers' tasks are to interpret events, understand the process of constructing meaning, and reveal the meaning of what is reflected in the decisions, actions and sayings of implementers and stakeholders.

### Types and Sources of Data

Required data in this study include primary and secondary data. The Primary data is obtained by researchers through field research originating from informants directly in the field by conducting interviews relating to the effectiveness of VF policy implementation in Konawe Regency. Data search is centered on information related to this research focus that is illustrated in the field questions that have been proposed previously.

The secondary data in this study is obtained by conducting

document studies, at government offices, related agencies, research journals, magazines, newspapers, and textbooks. This secondary data covers a variety of things, including geographical and demographic conditions, socio-economic conditions and cultural research areas. So there are two sources of data in this study, namely informants and written documents.

### Research Informants

Determination of the informants in this study is by snowball technique. Initially, the researchers meet with the main informant namely the Regional Secretary (Sekda) of Konawe Regency who understands other informants as (key informants) who can provide the data sought in this study. Informants in this study are obtained or known based on recommendations from the main informant that the researchers first meet. Totally, there are 15 people as the research informants that are determined by purposive techniques. The informants in this study consist of: Regional Secretary (Secretary), Head of the Village Community Empowerment Service (DPMD), Manager of the internal village administration program, Village Secretary, Village Consultative Body (BPD), Village Facilitator, Local Village Companion (PLD), Village Infrastructure Experts (TA-ID), Village Community Empowerment Experts (TA-PM), Participatory Development Experts (TA-PP). And the target community is the people in the village who utilize or have direct connection with the use of the results of VF policies and programs

There are three data collection techniques in this study namely; (1) participatory observation; (2) in-depth interviews; and (3) document study. While the data analysis technique in this study is qualitative data analysis. Data analysis is a process of data preparation and simplification to be a simpler and easier readable and integrated ones. Data analysis has been started since problem formulation and explanation, before exploring into the field and continuing until writing of the research results. In a qualitative research, there are three main components in the data analysis process, namely: (1) data reduction, (2) data presentation, and (3) conclusions or verification. The three data analysis processes play an important role in the process and are interrelated and determine the analysis final results. Source: Miles & Huberman (1991)

## 5 DISCUSSION

### Implementation of VF Policy in Konawe Regency

#### a. Various Interests

The central government's interests towards VF policy implementation are related to several things. First, it is for utilization of public budget efficiently and responsibly. Every year, the central government provides large amounts of VF budgets through scheme of village fund transfer. This scheme is addressed to the government's plan to utilize foreign debt facilities to finance productive activities in each region in order to encourage national development starting from the village. Second, it is for the acceleration of development for disadvantaged regencies and villages as well as poverty alleviation. National poverty rate in 2017 was 6.64 urban percentages and 15.45 rural percentages.

Such reality reflect its own irony since villages are the place to produce community foodstuffs, rice fields and gardens generally; villages also provide natural resources for meeting public basic needs. As for the number of disadvantaged villages, according to the Ministry of Village-PDPT, there were 39,091 villages out of 74,093 villages in Indonesia or 52.79 percent. Meanwhile, poverty alleviation has been a global development agenda that has also been agreed upon by the Indonesian government. Third, it is to realize national development missions. In accordance with number three of Nawacita by the Jokowi-JK government, namely to build from the outskirts, there are many programs with rural areas as the targets, ranging from infrastructure, education, health, economic development, and others. The government's argument is that there is no country that can be said as the prosperous one if the village community is not prosperous. This is related to the large number of villages in Indonesia, in a document issued by the Directorate General of Fiscal Balance of the Ministry of Finance of the Republic of Indonesia (DJPK-Kemenkeu, 2017), it is stated that the number of villages in Indonesia in 2017 was 74,954 villages.

The central (national) government interests towards the VF policy implementation can be seen from structure direction and behavior of VF policy implementation. In the foregoing description, it has been stated that the objectives, principles of implementation, budgeting, allocation, distribution, use, reporting, monitoring and evaluation of VF are regulated by Government Regulations, while technical provisions for VF allocation, distribution, use, monitoring and evaluation are regulated nationally through Permendesa-PDPT. Then, Permendesa PDPT also regulates priority of VF use every year. For example, for 2017, the priority was the use of village funds to finance the implementation of programs and activities in the field of village development and empowerment of rural communities by considering village typologies based on the development level of village progress both in planning programs and village development and community empowerment activities.

There is a challenge faced at the implementation level related to the central government interests towards VF policy implementers in Konawe Regency, namely difficulty of harmonizing the central government interests with the political interests of the Village Head. In the aforementioned illustration, it is said that the structure of DD policy implementation in the village planning stage based on village regulation is the preparation of the RPJMDesa, RKPDesa and APBDesa. Outputs of these three activity is in the form of a document in the form of village regulations. On another hand, related to formal positional assignment, the elected Village Head immediately compiles RJM Village at the latest three months after being appointed. Information obtained by the authors from the Head of the Konawe Regency Village Community Empowerment Office stating that:

“By winning competition of village head election, then the elected one as the village head means going to and to face new challenges. Before passing on 3 selected months, the Village Head must have completed the village medium term development plan, namely a 6-

year development plan, according to one period a village head authority. What will be achieved and how to achieve it must be explained in the Village RPJM. This is stated in Article 79 of Law No. 6 Concerning Villages in 2014” (interview dated on 18, August 2018).

For some Village Heads, extreme strict structure direction and implementation behavior eliminate political rights of the Village Head. These political rights, by some village heads, are interpreted from provisions of legislation governing village medium term development plan. The information that the author obtained from the Head of Silea Village in Besulutu Subdistrict is as follows:

“The village RPJM presents the vision and mission of the village head and what he will do while leading the village within 6 years. Vision is foresight to which the village wants to be directed while the mission is what the village head must do to realize this vision. The vision and mission by village head are outlined in the RPJMDes. The problem is that the vision and mission I deliver is my promises to keep my name as good as possible, so that I can be elected again in the next election and it means longer time for me to lead the village. Later, it turns out that I am not free and independent to realize my promises since I have to give full attention to the provisions from the central government” (interview dated on 20 August 2018).

The contradiction in its reality leads to negative impacts that are hardly manageable by the village government. The negative impact as referred to is the emergence of criticism and rejection from certain community groups concerning any programs and activities as outlined in the Village RKP but not written in the Village RPJM. While the rule is that the Village RKP is an elaboration of the Village RPJM. Information that the author obtained from the Head of Angohi Village, Asinua District is stating that:

“After I was elected as the village head, I immediately compiled the Village RPJM, which I completed in the second month of my term. In the Village RPJM, I present and describe my vision and mission which I delivered at the time of the village head election. However, what I promised to my residents was not a priority in the use of VF in 2016 and 2017, while I was also required to follow provisions given by the central government. The programs and activities that I submitted in the Village RKP that are well-adjusted to my vision and mission were dropped in the regency level because they were considered to be inappropriate. But after I replaced it with any activities that were well-adjusted to any provisions given by the center, there are many residents supporting me at the election time now start to not trust me anymore” (interview dated on 22 August 2018).”

The following stage, after compiling the Village RPJM, the village government compiles the Village RKP, assisted by the village RKP drafting team. The Village RKP materials are well-adjusted to the information from the regency government regarding Village indicative platform and planned activities of

the Government, provincial government and regency government. The Village RKP is compiled by the Village Government in July of the current year, and is determined by Village regulations no later than the end of September of the current year. Preparation of the Village RKP itself is directed by the principle of participation, involving village community and established through village meetings. This structural and behavioral direction is perceived as a serious obstacle by the village government. Information that the author obtained from the Secretary of Laloika Village, Pondidaha District is as follows:

“The preparation of the Village RKP by the village RKP drafting team with principle of participation and established through Village meeting is illogical. The Village RKP must be well-adjusted to information given by the regency government regarding the village indicative platform and planned activities of the government, provincial government, and regency government. It is impossible for the village RKP drafting team, which is generally with high school education background to do so. Because the Village RKP is a requirement for transferring funds to the RKD, it is natural if village head will hand over the matter of Village RKP preparation to officials in the regency” (interview dated on 26 August 2018).

Even though the central government has tried to elaborate in details on technical steps for Village RKP preparation, including those funded by VF, the village government and the village community do not have enough capacity to realize it. Meanwhile, the Village RKP is a mandatory requirement for transferring funds to RKD. Consequently, the village compiling the RKP is seen only as formalization to fulfill its obligations. Information that the author obtained from TA-PP Konawe Regency is:

“The Village RPJM and Village RKP that we collect to the PMD Service are not created well enough; the most important thing to do is to follow its systematic requirements according to what is determined by the central government, if the material described above is available. We have to realize it since it is the instruction from the regency, Konawe Regency Regional Financial and Asset Management Agency will not transfer funds to RKD for any villages that do not collect Village RKP and Village RPJM” (interview dated on 31 August 2018).

The data above shows that the central government interests towards the DD policy implementation are not only difficult to understand and implement by village implementers but are also considered contradictory to any existing provisions regarding duties and political rights owned by village heads. Vision and mission of the village head as outlined in the Village RPJM when elected as the village head must be confronted with the central government interests. Meanwhile, the vision and mission of the village head itself at the time of its preparation had been clearly superimposed by the personal interests of the village head, namely to be elected again in the official period of 6 following years. The motive to win the following election encourages the village head to try to input any

program and activities that are not well-adjusted to the direction and priority by the central government into village RKP though there will be any correction from any authorized officials in the regency level. Meanwhile, incapability to follow technocratic approach in compiling Village RPJM and Village RKP has encouraged village government to take formalistic procedures that actually are seen as not ethic way from the view of public administration.

Main interest of the regional government (Konawe Regency) related to the VF policy implementation is how to realize honest and sincere work practices according to the regional government vision. In the previous description, the author has pointed out that the Regional Vision of Konawe Regency in 2013-2018 was “Working Honestly and Sincerely towards Prosperous, Independent and Competitive Konawe”. This honest and sincere work must be internalized and demonstrated in behaviors by all government officials in Konawe Regency in applying government affairs.

In line with the regional vision above, the Regent of Konawe has instructed all parties involved in the VF management to seriously pay attention to budget transparency and public control towards VF programs and activities.

One of the follow-up actions of the Regent of Konawe direction on VF budget transparency is control of fund transfers from RKUD to RKD by the Konawe Regency Regional Financial and Asset Management Agency. The control instrument is addressed for completeness of administrative requirements by the village and the Konawe Regent Decree (SK) on the scheme of using village funds (DD). Some Village Heads urged to make immediate disbursement of village funds with a reason that planned programs can be carried out as soon as possible. However, the Konawe Regency Regional Financial and Asset Management Agency in transferring funds still pay attention to two instruments and is not affected by pressure from the village head.

In addition to controlling the VF management internally, the Konawe Regency government has also to synergize with the District Attorney of Unaaha to support Government Guard, Security and Regional Development (TP4D) Team under the supervision of District Attorney of Unaaha. Establishment of TP4D District Attorney located in the regency is a follow-up given by Presidential Instruction Number 7 of 2015 concerning Corruption Prevention and Eradication Actions, as well as the President's speech at the 55th Anniversary of Bhakti Adhyaksa Day Commemoration on 22 July 2015 which emphasized the goal of people welfare improvement by maintaining smoothness of development program. The Indonesian Attorney General's Office is considered to provide assistance to any relevant governments in terms of acceleration on development and national strategic development programs.

In addition, the government has adopted a new instrument for transparency in the VF management. The Financial and Development Supervisory Agency (BPKP) in collaboration with the Ministry of Home Affairs has made an application of village financial system (Siskudes) for village financial management.

There is a problem of VF abuse and fraud in Konawe Regency. Results of the study show that there is an effective VF

use, which administratively it can be transparent, but in reality, there are dishonest village heads taking their personal advantages from the VF. The author has shown this in the previous description; among others are what found out in Bajo Indah Village, Soropia District; Silea Village, Besulutu District, and Angohi Village, Asinua District. The author obtained information from Konawe Regency Village Community Empowerment Experts (TA-PMD) that:

“In some villages, VF can be effective due to creative and honest village heads, plus positive participation of village people in conducting supervision. In these villages, there was a productive growth of economies of scale and infrastructure. However, some villages actually impose or create any fake activities so that village funds can be absorbed entirely even though the benefits are unclear and not well-adjusted to priorities by the central and village government. The example is village web program in 72 villages with a budget up to 2.2 billion rupiah (Interview on 29 August 2018).”

Based on the above data, it shows that the interests of Konawe Regency government regarding honest work in the VF policy implementation have been strengthened by administrative and technical instruments such as control of fund disbursement by Konawe Regency Financial and Asset Management Agency and TP4D District Attorney of Unaaha. However, it is still difficult to realize the region interests both at the level of activity implementers and the village government. This is related to vision seriousness of the regional government of Konawe by the VF policy implementers at both levels. This is indicated by inconsistent behavior in planning and budgeting deliberately addressed to be able to take advantage of the VF. Meanwhile, adoption of the Siskudes application developed by the KPK and the Ministry of Home Affairs is still difficult to implement because of low capacity of the village government.

Villages in Konawe Regency are the most interested parties in implementing VF policies. Village's interests regarding this VF policy are village independence and public village welfare. In the aforementioned description, the author has shown that the poverty rate of the Konawe Regency is higher than one in Southeast Sulawesi. Based on BPS Southeast Sulawesi Province in 2016, the poverty rate of Konawe Regency was 16,09%, meanwhile, Southeast Sulawesi had poverty rate only 12,88%. Such poverty alleviation is such a difficult thing to do due to lack of village independence.

Findings of this study indicate that villages in Konawe Regency have awareness on a great importance for the VF policy implementation. The intended interests are village independence and empowerment in the economic, social and ecological dimensions as well as government capacity and dynamic interaction between community organizations in village governance administration. However, awareness on great and strategic interests has not been demonstrated in a consistent manner. Interest at this level has not been well-adjusted to the notion of interest from Mansbridge (1983: 25), namely as preferences that are sourced between policy choices, or as Dahl's conception (1989: 180) stating that interest is related to some-one choice based on achieved understanding entirely from

experience and the most relevant alternatives. The village interest in VF policies in Konawe Regency is still at the cognitive level, yet manifested in the act of choosing policy alternatives that are sourced from their experience and critical knowledge. As a result, the VF policy implementation still tends to be an arena that is controlled only by the village head assisted by certain loyal parties.

#### **b. Primordial's Pressure Toward Bureaucracy**

This study finds an empirical phenomenon of patrimonial administration in VF policy implementation in several villages. In Angohi Village, Asinua Subdistrict, as the author described earlier, the author finds the phenomenon of governance based on personal authority and lack of separation between public interest and private one by village officials. This phenomenon resembles the characteristics of patrimonial administration from Ikpe (2000: 147-148). The author also finds the phenomenon of administrative system operations in which mostly criteria of village official actions are off the record, which resembles the characteristics of patrimonial administration from Brinkerhoff & Goldsmith (2002: 6-7). Preparation of plan (Village RKP) and budget (Village RAB) in 2017 in the village is carried out as household finance management, not applying principle of transparency and not through village meetings. This patrimonial administration operation is possible because structure of village government is full of nepotism. The village secretary as the village financial management coordinator is the son-in-law of the village head, the treasurer is the son of the village head, while the head of BPD is the siblings of the village head. The implementation of VF project in 2017 was carried out only by the village head, daughter-in-law of the village head, son of the village head, and sister of the village head.

In many villages that the authors examine, operation of village fund administration system from the planning stage to the implementation one depends on patron-client networks as intended by Ikpe (2000: 147-148). Administrative operations through the patron-client network in VF policy implementation in Konawe District can be found out by the authors in activities of providing supporting documents for preparation of Village RPJM, Village RKP, Village RAB, and village meetings. Supporting documents such as minutes and attendance lists are formally available, but the provision is done separately. Residents as loyal supporters of the village head are visited one by one or collected in a place to sign the minutes and attendance list. The provision of these documents is not during the Village RPJM drafting meetings, Village RKP, Village RAB, and village meetings. This is closely related to the tendency to simply fulfill formal requirements. Meanwhile, the authorities at the district level is seen to have less understanding about this matter since the importance one for them is availability of such documents as a requirement of funds disbursement and materials for final reporting of the activities.

The phenomenon of patrimonial administration in government offices are treated as a type of property growing income as stated by Brinkerhoff & Goldsmith (2002: 6-7) the authors find VF budget allocations for certain activities irrationally and without taking procedures as specified in legislations.

It is about budget allocation in 72 villages for procurement activity of village web. Each village has a budget of 31 million rupiah for this activity. Meanwhile, other villages in close regencies with almost the same conditions can create a village web only with a budget of 5-6 million rupiah. The village web procurement activity is not listed in the Village RKP that is stipulated in village meetings. The information that the author obtained shows that the village web procurement activity requiring such a considerable budget is not rational. In fact, to fulfill the budget allocation, the village head sacrifices other programs / activities set out in the Village RKP, namely reduction work volume on gutter which was initially reduced to 70 meters, and also other activities, though there were not any reduced volume but decreased work quality. The authors also find out the same patrimonial phenomenon in Bajo Indah Village, Soropia District. In this Village RKP in 2017, there were activities for purchasing fishing vessels with certain medium capacities. However, after being implemented, the fishing vessel engine had much smaller capacity than what has been planned and presented in the RKP so that the community found a considerable difference in prices compared to those listed in the Village Budget.

The findings of this study regarding the influence of primordial pressure are in line with the results of a study by Ugwuanyi & Chukwuemeka (2013) which found that pressure / demand factors and primordial values on bureaucracy gave negative impacts on activities and implementation processes. In the VF policy implementation in Konawe Regency, it can determine any pressure / demands and primordial values at the village level and activities taken by the implementers. In many villages, establishment of an activity implementer team and PTPKD is just formality, they do not carry out their duties and responsibilities as mandated. Personnel are people who are loyal to the village head or family member of the village head so that they can be used as a tool to legitimize any decisions taken by the village head as well as village decisions in general. In such patrimonial condition, authority by the village head gave extreme impacts. Meanwhile, ineffective control and monitoring functions of the authorities at the Regency level, both quality of supporting documents for the implementation of behavioral policies and practices in the VF policy implementation process, have been systematically utilized by implementers to carry out inconsistent or dysfunctional behaviors. Implementation norms in Permendagri Number 113 of 2014 and Number 114 of 2014 are not fully followed not because of many weaknesses and shortcomings related to the material regulated in the regulation but because of strong pressure from primordial values. This finding is in accordance with Suhayati (2009) stating that existence of rules does not guarantee that there will be no any dysfunctional behaviors.

However, related to the above issues, the authors determine that dysfunctional behaviors in the VF policy implementation are a form of failure that can only be minimized through commitment and motivation to conduct policy learning; it will not be overcome by making other policies and regulations that tend to function as top control on authority and budget managed by the village currently. Reduced size of village budget and authority of the village head will only limit

village interests. The author does not agree with the opinion of John Emerich Edward Dalberg Acton Dalberg-Acton stating that "... power tends to be corrupt and absolute power corrupts absolutely; great men are almost always bad men, even when they exercise influence not authority ...". According to the author, village authority and power will have influences on its utilization objectives. Through structured and systematic policy learning, VF policy implementers can improve their competence and change their behavior in a more ethical direction in accordance with the demands of modern public administration and good governance.

The findings of this study show the factors that influence on the policy implementation, namely diversity of interests and primordial factors; it is in accordance with the theoretical operational governance literature. The literature determines that it is necessary to focus explanation factor for implementation process on the implementation context, not the policy content factor as the dominant one in the tradition of mainstream implementation studies. Thus, to be able to improve the implementation process of VF policy in the future, it is necessary for identification on existing interests in the implementation context and development of administrative and political instruments in order to harmonize and coordinate all of these interests. In addition, primordial values that are still dominant in the village community should be identified to find a rational solution. Weberian literature has demonstrated requirements for effective modern administration systems, namely acceptance of legal-rational idea validity, namely it is seen as legal norms that are obeyed by some organization members, officials giving orders impersonally, and person obeying authority is not addressed to authorities as an individual but aimed at an impersonal order (Rufini, 2014: 50). According to the author, this acceptance of legal-rational idea validity requires policy learning by all clusters of implementers in the VF policy system. Therefore, it is necessary for future public administration studies to identify any available means of policy learning and investigate the reasons why VF policy implementers in Konawe Regency are reluctant to conduct policy learning.

## 6 CONCLUSION AND RECOMMENDATION

### Conclusion

Based on research results and discussion as presented in previous chapters, the conclusions to be taken by the authors are as follow:

1. Actual actions by implementers as efforts to realize the objectives of VF policy in Konawe Regency include communication and coordination, planning activities, preparing budget plans, and implementing planned activities and budgets. All of these actions are mandated in policy but are not implemented consistently. Communication and coordination between implementers is not effective that has the most desired effects. Planning activity does not systematically follow formal-legal norms, is not done by formally formed person or teams, and does not utilize village meetings. Budget preparation is also the same as the any plan preparation, which is not systematically following formal-

- legal norms, not done by formally formed persons and teams, while social behavior of village budget compilers tends to be formalistic. In the implementation phase of activities and budgets, implementers at the implementing, village and district levels do not carry out the entire range of implementation activities efficiently, they carry out only selectively implementation activities.
2. Public values that are promoted in the VF policy implementation in Konawe Regency include the base value of material life production and values towards moral, social, political and humanitarian capabilities. Out of both, material life production value is dominantly promoted. Measured by budget proportion, pursuit of this base value covers around 81.1% to 85.5% of total VF. The base value of material life production includes material physical public goods, especially village infrastructure, while values towards moral, social, political and humanitarian capabilities in general covers non-infrastructure fields at the local village scale. In reaching both base and top values, the poor get benefits but the proportion shows a decline.
  3. Diversity of interests in the policy subsystem and pressure of primordial interests given to the bureaucracy and implementers are the contextual factors giving influences on the VF policy implementation in Konawe Regency. By the influences of interest diversity, the central government, the government of Konawe Regency, and the village government all of which have interests for an effective implementation of VF policies. However, the interests of the three administrative layers are complex, different, and partially facing conflict of interests, making it difficult to understand and realize in the actions of implementers at the lower levels. Such complexity of interests has led the village government to take formalistic procedures seen as an unethical way from public administration view. The pressure influence of primordial interests on bureaucracy and implementers seen as patrimonial administration features such as government based on personal authority, lack of separation between public interest and private interest by village officials, off the record criteria, using patron-client networks, and treating institutions as a type of income producing property, all of which have negative impacts on activities and implementation processes in which key implementers take inconsistent or dysfunctional behaviors.

### Recommendations

1. The Government Konawe Regency should optimize any efforts to empower rural communities through monitoring and supervision on the administration process of village governance and village development both at the planning, budgeting and implementation stages of VF policies.
2. In order to optimize supervision and monitoring of DD policy implementation, the government of Konawe Regency should emphasize monitoring and monitoring on the spot by using objective and transparent instruments, not only using reports delivered in stages from the lower levels.
3. The Government Konawe Regency and the Village Government should facilitate the use of village community

- rights to monitor the VF policy implementation starting from the preparation stage of village RPJP, Village RKP, Village RAB and implementation of activities and budgets.
4. The central, provincial and Konawe regency government should design and adopt an incentive system for policy learning processes for all VF policy implementers, and apply disincentives for those who take dysfunctional behavior in compiling Village RPJP, Village RKP, Village RAB and implementation of activities and budget.
  5. The Government Konawe Regency should encourage and facilitate the functioning of village social institutions and village consultative bodies in all stages of VF policy implementation by regularly evaluating performance of these institutions and implementing an incentive system.
  6. The Government Konawe Regency should review the vision and mission of the village head before it is determined by village regulations to maintain consistency with regional public interests and national development priorities.
  7. The central government and the Government of Konawe Regency should revise objective requirements to be able to occupy position of village officials and village consultative bodies to minimize space for the emergence and growth of primordial behavior that can provide demands and pressure on the VF bureaucracy and policy implementers.

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