

Community Participation and Stakeholders in Village Fund Management

Budi Siswanto¹ Kridawati Sadhana¹ Yusaq Tomo²

1.Lecture, Faculty of Social and Political Science, Merdeka University, Malang, Indonesia

2.Lecture, Faculty of Economic and Business, Merdeka University, Malang, Indonesia

Abstract

The Village Fund (DD) is a form of state recognition of the authority of the Village to manage autonomously. DD management is conducted in a participatory manner by actively involving all stakeholders and especially the village community in planning, implementation and evaluation. Community participation and stakeholders who become strategic points in the management of DD interesting to investigate further. This study uses descriptive qualitative method to give meaning to the reality that formed socially. The results of the study show that: (1) Village Consultative Board (BPD) and Village Community Empowerment Institution (LPMD) have not been able to act as bridges of community aspiration, (2) Village Deliberations are still routine so that community participation does not have the authority and power to manage the overall program. Increased capacity of village government needed to reach the community empowerment side. Implementation of community empowerment can be seen from the opening of space of participation, authority and control over the decisions for the community, especially the poor, on the implementation of development.

Keywords: Participation, stakeholders, Village Fund management

1. Introduction

In the context of Indonesia, rural areas are an area that is synonymous with underdevelopment in various fields. One of the important provisions of Law No. 6 of 2014 concerning Villages is the presence of Village Funds to address the classical rural issues by improving the welfare of the village community, improving the quality of life of the villagers, tackling poverty through the provision of basic needs, the development of facilities and infrastructure, local economic potential, and sustainable use of natural resources and environment, so that the village community has competitiveness.

The allocation of Village Funds received by the Villages is in the form of transfers, not in the form of projects so as to fully become the authority of the Village. Consequently, the priority of the proposal is from the village community, discussed and decided by the villagers themselves in the village consultative forum (Musdes) and the village development plan (Musrenbangdes) meeting, taking into consideration the capabilities, potentials and assets owned by the village itself and each village's financial resources year. The decision is not made by the Village Head or Village Device, because the Village government is the implementer of the village community mandate.

This is in agreement with the Village Fund management context which mandates the application of the principles of transparency and participation, in order to create mutual trust between the community and the Village Fund manager. Village Fund Management in this case is represented by the village apparatus that is able to accommodate the aspirations of the community by way of village deliberation. The application of this principle is seen as the best way to foster a sense of community ownership over citizen-based projects, develop and nurture democratic institutions, reduce conflicts of interest, and achieve sustainable development goals.

One of the earliest and most vital stages of any development process is the planning stage. At the village level in Indonesia, the planning stage is known as "musrenbangdes", which is a village community consultation forum. Thus musrenbangdes is a planning that will determine the success of the development to be implemented. Community participation in each stage of village development planning is intended as an effort to foster a sense of belonging, a sense of belonging part of the element of social capital, to the facilities or infrastructure to be built.

In the past, development planning and the entire development agenda was determined by the government. This situation makes the community tend to be passive and tend to give birth to society's exceptions to the problem of development so that regional development planning is only seen as the responsibility of government only while the aspirations of the community is only considered as non-binding advice. As a result, the development is not in accordance with the needs of the community, the result is less lifting the quality of community life and become threatened sustainability.

Entering the era of implementation of the Village Law, Village Funds are prioritized for community development and empowerment in accordance with village community agreements contained in RPJMDes, RKPDes and APBDDes. It is hoped that such allocation of Village Fund (DD) will have the potential to accelerate the growth and development of the village to overcome the problems that make the village an ever-marginal area. Development planning and implementation should involve the wider community through the granting of

authority for the planning and implementation of development at the regional level. Many people's aspirations become absorbed so that the implemented development can empower and meet the needs of the people.

However, until the two year implementation period, there are many problems found in the management of the Village Fund. One of the problems is still the lack of maximum participation of self-help community. This means that the low level of community participation in activities funded by the Village Fund also indicates a lack of community involvement and lack of communication from the village administration to the community. In fact, the mandate of the Act says that the use of village funds in determining village development work programs is based on community participation. However, its implementation is often less attention to aspect of participation widely, and usually still a ceremonial and mere routine events. The existence of community elements in musrenbangdes itself is often not well represented, so the results of the forum decisions often do not really facilitate the public interest. Whereas the management of village funds based on community participation is believed to have a sense of ownership. It is at this point that this study is intended to describe the participation of the community and stakeholders in the management of the Village Fund.

2. Community Participation and Stakeholders

Community participation in development is an important issue when it is laid on the premise that people are the ones who know best what they need and the people who know best about the problems they face (Juliantara, 2004). There are at least four reasons for the importance of participation in supporting the success of a program / activity (Krishna and Lovell 1985). First, participation is needed to improve overall program / activity development plans and priority activities in particular. Second, participation is required for the implementation of activities in accordance with the needs of the community. Third, participation is needed to ensure continuity of programs / activities. Fourth, participation can improve equality in the implementation of activities. Participation, therefore, is a mechanism for the beneficiaries of an activity.

In a broader perspective, community participation is a technical process to provide wider opportunities and powers to the community to jointly solve problems. According to Surmayadi (2010) participation means the participation of a person or group of people in the development process both in the form of statements and in the form of activities by giving input thoughts, energy, time, expertise, capital and or material, and participate in utilizing and enjoying the results of development.

In every development program implementation, stakeholders have diverse definitions and understandings. The term stakeholder is used to describe communities or organizations that are permanently impacted by activities or policies, where they are interested in the outcome of such activities or policies. This needs to be realized, given the community does not always receive the impact fairly. Some communities may bear the costs and some others actually benefit from an activity or policy (Race and Millar 2006).

There are at least two keywords according to Crosby (1992) when talking about stakeholders, namely interests and influences. The intended interest will be related to expectations, benefits, resources, commitments, potential conflicts, and relationships. While the influence is related to the power of the activity, including the supervision of the decisions made and the facilitation of the implementation of activities as well as handling the negative impact. This is a description of the stakeholders of Freeman (2004) who call stakeholders as groups and individuals who can influence and / or be influenced by the achievement of the objectives of a program. Stakeholders are also defined as those who have their own interests and decisions, both as individuals and group representatives. Individuals, groups, and communities and communities can be regarded as stakeholders if they have the power, legitimacy, interest in the program.

Freeman's statement is in line with Gonsalves et al. (2005) that describe stakeholders for who has impact and or who is affected by development policies, programs and activities. They can be men or women, communities, socioeconomic groups, or institutions in dimensions at every level of society. Each of these groups has the resources and needs of each to be represented in the decision-making process of development activities.

The outline, Crosby 1992 distinguishes stakeholders from three groups: (1) Key stakeholders, those who receive positive or negative impacts from an activity, (2) Supporting stakeholders, who are intermediaries in assisting the delivery of activities. They can be classified on the part of the funders, executors, supervisors, and private parties. In some activities, support stakeholders may be individuals or key groups with both formal and informal interests, and (3) Key stakeholders, those that are strongly or importantly related to the issues, needs, and concerns for the smooth operation. The role of the community is also influenced by the position of the interested parties in the classification of stakeholders according to their influence and importance.

Through participation, stakeholders are expected to formulate and simultaneously implement joint actions. Selener (1997) classifies participation in two types. First, technical participation that can influence power holders to accommodate their needs. Participation of this type is relatively non-empowering to the empowerment or social change of society. Second, political participation that has the ability to take steps to supervise certain conditions and situations. This type of participation can increase self-help in institutional development and strengthening.

Cohen and Uphoff (1977) in Soetomo (2013) divide participation into several stages, as follows: (1) Decision-making stage, realized through community participation in meetings. The decision-making stage is planning activity, (2) Implementation stage, which is the most important stage in development, because the core of development is the implementation. The concrete form of participation at this stage is classified into three, namely participation in the form of thought contribution, the form of material contribution, and the form of action as a member of the program. (3) The stage of enjoying the results, which can be an indicator of the success of community participation in the planning and implementation phase of the program. In addition, by looking at the position of the community as the subject of development, the greater the benefit of the program is perceived, the program is successful on the target, and (4) The evaluation phase is considered important because community participation at this stage is a feedback that can provide input for improving the implementation the next program.

While referring to the opinion of Oakley (1991), the forms of participation are: (1) Participation as a contribution form, namely the dominant interpretation of participation in development is to see it as a voluntary involvement or other form of contribution from rural communities, (2) organizational differences and participation lies in the nature of the usual form of organization or organization that emerges and is formed as a result of participation, (3) Participation as empowerment, that is participation is an exercise of empowerment for the community as an effort to develop the skill and ability of the community to get involved in development.

To increase community participation, according to Wiyoso (2009), the following conditions are required: (1) There is an opportunity to give advice and attention so that everyone has a contribution in decision-making discussion forums, (2) Two-way communication is required. The existence of an effort to understand each other and the position of mutual negotiation, and dialogue, and the spirit of tolerance with all members of community groups, (3) In each discussion not only produce decisions but together thinking about the implications and consequences of decisions taken on the benefits and obstacles and possible losses, (4) In the interaction there is a process of mutual learning and efforts to optimize the results through a participatory method that is trying to conduct the evaluation process to generate public awareness.

Then, to determine the success of community participation, according to Ventris (2007) stated that there are five conditions as determinant of the success of community participation, namely: (1) The prevailing political system, whether to enable representation, (2) accountability to the public interest), (3) The absence of co-optation practices that kill the participation, (4) the spirit to fulfill their individual interests, and (5) the level of education, population distribution, and so on.

From the description of participation and stakeholders above then participation is a medium in achieving the objectives of the implementation of activities and carried out at all stages of activities while stakeholders are actors in the implementation of activities. Through participation, stakeholders are expected to not only be able to formulate but also at the same time implement it in the form of joint action together.

3. Research Design

This research is descriptive by using qualitative approach, Determination of research subject or this informant pursuant to purposive sampling approach. data collection techniques used, Interviews, Observation and Documentation. To answer questions in this study used analytical techniques with a qualitative approach. The objective of this research is to describe and analyze the participation of the community and stakeholders in managing the Village Fund in some villages in Wajak, Wagir and Bululawang subdistricts of Malang Regency. The type of this research is descriptive with qualitative approach. Determination of research subjects or informants is based on purposive sampling approach. data collection techniques used through interviews, observation and documentation. To answer questions in this study used analytical techniques with a qualitative approach.

4. Results and Discussion

The implementation of the Village Law entering the third year and the liquidity of the Village Fund should be interpreted as a new energy to celebrate the victory of the recognition and sovereignty of the villagers. All stakeholders must synergize the power, so that funds can be utilized as much as possible for the welfare of the community. Participatory village development is the right strategy to be done as an effort to accelerate and improve the quality of service, development, and empowerment of village communities by promoting togetherness, kinship and mutual cooperation. This strategy will bring about the mainstreaming of peace and social justice. Furthermore, synergy between stakeholders is also needed as a key implementation implementation. There needs to be strengthening the coordination and active involvement of all stakeholders at the village level in order to support and organize the activities of each sector and stakeholders in an organized system while preventing overlap.

In the general provisions of Permendagri 114 of 2014 in article 1, paragraph 10, Village Development Planning is a process of stages of activities organized by the village government by involving the Village

Consultative Board (BPD) and the community elements in a participatory manner for the utilization and allocation of village resources in order to achieve the purpose of village development. It is clear that planning is an important process in the implementation of development and community engagement or community participation is an effort to bring community needs closer together within the framework of decision choices in planning.

The found reality indicates that village and other village institutions, as well as community leaders, have not fully understood the contents of Law No. 6 of 2014 on this Village, which substantially has transferred village development authority to the Village Government and the institutions in other villages, so that the realization of the Act in 2015 requires extra hard preparation from various parties in the village. In the end the village development program is not carried out with good planning that will have an impact in the long run.

The findings of this research at the same time reinforce the public signal against the lack of apparatus of the village in playing an active role as the subject of village development in accordance with the mandate of Law no. 06 Year 2014 on the Village. This is revealed from the statement of informants who on average convey the limited resources and facilities. "The budget gained by the village government from the central government for the implementation of the Village Act is quite large, while the village apparatus has not received sufficient training to manage the fund".

Related to this, generally respondents who met agreed that the socialization that has been done by the government on Law No. 6 of 2014 About This Village just arrived at the Village Head level. While other stakeholders such as village apparatus and other village institutions, as well as community leaders, have not fully understood the content of Law No. 6 of 2014 on Villages. Consequently, the Village Consultative Board (BPD) and the Village Community Empowerment Institute (LPMD) are not fully able to co-ordinate village governance and provide positive inputs to village programs that meet the needs of the community. In short, the Village Consultative Body (BPD) has not been able to act as a bridge of community aspirations.

Further research also found that overall community participation in rural development is still at the stage of having the opportunity to argue, but lacks the authority and power to govern the program as a whole. This happened at the Musdes and Musrenbangdes forums as a village decision-making forum. If it follows Arnstein's opinion, the findings of this study relate to the Implementation of Musrenbangdes only to the fifth step of Penentraman, where at this level the community is still heard and allowed to contend, but they have no ability to obtain assurance that their proposals will be considered by the village government. This reality indicates that Village Deliberations are still routine if community participation is still in the form of engineering and mobilization of citizens by the village elite. The routine and mobilization of citizens in Musdes by the village government elite certainly backfires to create accountability and transparency because it does not work in village development planning.

The village elite consists of formal and non-formal elites. Elite non-formal villages (community leaders, heads of groups or village organizations) are people capable of coloring the political spaces and are able to influence village policies. While the formal elite comes from the village itself, starting from the Village Head, Chairman and members of the Village Deliberation Council, Dusun Head or other village apparatus. The mode is to create activities only for the interest of certain groups of groups in the village, or just for the elite elite's interests. In order for the activity to be smooth, in the planning process, the village elite deliberately obscures the participatory and transparent principles that become the principle of village fund management as mentioned in the Village Law. At this point comes the phenomenon of "little kings" as a major player in the elite capture. Consequently, various public resources are used not for the benefit of citizen / public, but for the benefit of local elites. Elite capture is the act of elites who use and or utilize various public resources for their benefit while straddling other community groups. Therefore, the function of service, development, and empowerment can not function so that hamper the achievement of welfare for individuals and villagers. The elite capture reality should not appear in the village if rural values (togetherness, fraternity and mutual assistance) are implemented in the administration of village government and in all aspects of village life. This is in line with Fritzen (2006) and Musgrave and Wong (2016), the elite capture is present when a community-driven development approach is used.

Thus, development planning at the village level has not been participatory. The role of the village elite who claim to represent the aspirations of the people still dominates the power in determining the policy of village development. The terms stakeholder participation is actually adopted as a participatory approach to development. In the village, the term is also quite familiar to the village elite. But the stakeholders involved in development planning still focus on village government actors and formal institutions at the village level (lurah, BPD, PKK, LPMD, RT, and RW). The involvement of community groups, women groups and persons with disabilities is still very limited. In this context it is very relevant to the opinion of Abe (2005) that participatory planning will work well if the necessary conditions are met. There are at least 6 (six) basic principles in participatory planning, namely: (1) Mutual trust, meaning that all parties involved in the preparation of the planning must trust each other, get to know each other and be able to cooperate well. To cultivate mutual trust requires honesty and

openness, (2) Equality, which is intended for all parties involved in the preparation of the planning to speak and express opinions, in the absence of feelings of distress, (3) Democratic, which requires a decision-making process which is mutual agreement, not a particular group engineering, (4) It is real, that planning should be based on any real problem or need, not based on something that is unclear or false, (5) obey the principle of thinking, this principle requires that planning should be objective, steady and focused on the interests of the community, (6) The principle of participation will only be possible in a healthy way, if the focus is on the interests of the citizens, in order to solve problems related to life community.

Thus, participatory planning is a right that people have to be able to engage democratically in determining various matters concerning their lives. It can be interpreted that the community has the right to participate and be fully involved in the planning to determine the direction and agenda of regional development until its evaluation. Therefore, participation in development planning is an obligation that must be met. Although representation has been done correctly, the participation process is still not true if the implementation is done in earnest. Efforts based on honest intentions to accommodate people's opinions on policies concerning their living spaces can be unsuccessful, if the opinions of community representatives who are expected to represent the interests of all elements of society are then only processed simply, without the effort to understand what the reasons behind the opinions expressed representatives. Such participation only adds to the cost of development, without any clear benefit to participants who are invited to participate. The effort to involve the community in the right sense is to give the people the authority to decide for themselves what they think is important in their lives.

5. Conclusion

The mandate of the Village Law gives the village community authority in making decisions through the Musdes and Musrenbangdes. So the priority of the proposal is derived from the village community, discussed and decided by the villagers themselves, as needed by considering the ability, potential and assets owned by the village itself and the village's financial resources every year. The decision is not made by the Village Head or Village Device, because the village government is the implementer of the community mandate from the Musdes and Musrenbangdes results set forth in the document pelaksanaan village development. Village Consultative Board (BPD) has an important role as a bridge of community aspirations in support of village development programs by Village Government (Village Head and Pamong). Therefore, efforts to improve the capacity of village government must also reach the community empowerment side. Implementation of community empowerment can be seen from community participation to build themselves together. Providing space for participation for the community, especially the poor, in development is to give them authority and control over decisions on development resources. This is in line with Suporahardjo (2005) who warned that it is better for actors who seek a collaboration to anticipate and make an evaluation of their ability to overcome the reality and potential obstacles that may be faced. One condition that causes a low success rate, ie when a stakeholder has no power to take unilateral action. The participation of the poor in determining development priorities is needed to ensure that development resources are allocated according to the needs and priorities of the poor.

The facts on the ground show that the people, especially the poor, are less involved in the village development process. In this context, the ability of village apparatus and, in particular, the Village Consultative Board (BPD), to listen, to understand, to accompany and to take the necessary actions to serve the public interest. Empowering communities means investing in communities, especially the poor, so that their assets and abilities increase, both individual and group capabilities. In the end it will enable the poor to interact effectively in any decision-making forum, be able to monitor the policies, decisions and actions of the government and other parties involved. Without effective monitoring of the poor, their interests may be exceeded by other interests. With increasing space and increasing space to participate, the legitimacy of any development plan implemented will be better because it has the support of all levels of society, and in addition the community will automatically realize its function and role in development and feel part of the development itself.

References

- Adisasmita, Rahardjo. 2006. *Membangun Desa Partisipatif*. Graha Ilmu. Yogyakarta.
- Arnstein S. 1969. A Ladder of Citizen Participation. JAIP [35-4]: halaman 216-224. International Finance Corporation. 2007. Stakeholders Engagement [Internet]. 13:12 [Diunduh 2017 Juli 21]. <http://www.ifc.org/ifcext/enviro>.
- Crosby, B.L. 1992. *Stakeholder Analysis: A Vital Tool for Strategic Managers*. Technical Notes, No. 2. Agency for International Development, Washington DC
- Freeman, 2004. *Organisasi dan Manajemen*. (Terjemahan Umara dan Dwiantara). Erlangga. Jakarta.
- Gonsalves, J., T. Becker, A. Braun, D. Campilon, H. de Chaves, E. Fajber, M. Capiriri, J.R. Caminade, and R. Vernooy. 2005. Participatory Research and Development for Sustainable Agricultural and Natural Resource Management: A Resource Book (glossary). *International Potato Center-Users Perspective with Agricultural Research and Development*. Philippines.

- Juliantara, Dadang, 2004, *Mewujudkan Kabupaten Partisipatif*, Pembaruan. Yogyakarta.
- Krishna, R. and C. Lovell. 1985. *Rural and Development in Asia and the Pacific. The Synopsis of ADB Regional Seminar on Rural Development in Asia and the Pacific, 15– 23 October 1984*. Asian Development Bank, Manila.
- Ndraha Taliziduhu. 1982. *Metodologi Penelitian Pembangunan Desa*. Bina Aksara. Jakarta.
- Peraturan Menteri Keuangan Republik Indonesia Nomor 93 Tahun 2015 tentang Tata Cara Pengalokasian, Penyaluran, Penggunaan, Pemantaun, dan Evaluasi Dana Desa. Pemerintah Republik Indonesia. Jakarta.
- Peraturan Pemerintah Republik Indonesia Nomor 60 Tahun 2004 tentang Dana Desa yang Bersumber dari Anggaran Pendapatan dan Belanja Negara. Pemerintah Republik Indonesia. Jakarta.
- Peraturan Menteri Dalam Negeri No. 30 Tahun 2006 Tatacara Penyerahan Urusan Pemerintahan Kabupaten dan Kota Kepada Desa. Jakarta.
- Peraturan Menteri Dalam Negeri No. 114 Tahun 2014 tentang Pedoman Pembangunan Desa. Jakarta.
- Putra C.K, *et al.* 2013. Pengelolaan Alokasi Dana Desa Dalam Pemberdayaan Masyarakat Desa (Studi Pada Desa Wonorejo Kecamatan Singosari Kabupaten Malang). *Jurnal Administrasi Publik (JAP)*. Malang.
- Race, D. and J. Millar. 2006. *Training Manual: Social and Community Dimensions of ACIAR Projects*. Australian Center for International Agricultural Research – Institute for Land, Water, and Society of Charles Sturt University, Australia.
- Reed MS, Graves A, Dandy N, Posthumus H, Hubacek K, morris J, Prell C, Quinn CH, Stringer LC. 2009. Who's in and Why? A Typhology of Stakeholder Analysis Methods for Natural Resources Management. *Journal of Environmental Management* xxx: 1-17.
- Rosalinda, Okta.2014. Pengelolaan Alokasi Dana Desa (ADD) Dalam Menunjang Pembangunan Pedesaan (Studi Kasus : Desa Segodorejo dan Desa Ploso Kerep, Kecamatan Sumobito, Kabupaten Jombang). *Jurnal Ilmiah*. UNBRAW: Malang.
- Selener, D. 1997. *Participatory Action Research and Social Change*. Cornell University, Ithaca, New York.
- Soetomo, 2013. *Strategi-Strategi Pembangunan Masyarakat*. Pustaka Pelajar, Yogyakarta.
- Sumaryadi, Nyoman., 2010, *Sosiologi Pemerintahan*. Ghalia Indonesia, Bogor.
- Sugiyono, 2007, *Memahami Penelitian Kualitatif*. Alfabeta. Bandung.
- Suporahardjo. 2005. *Manajemen Kolaborasi*. Pustaka Latin. Bogor.
- Undang-Undang No. 6 Tahun 2014 tentang Desa. Pemerintah Republik Indonesia. Jakarta.
- Wollenberg, E., Edmunds, D., Buck, L., Fox, J., & Brodt, S. 2005. *Pembelajaran Sosial dalam Pengelolaan Hutan Komunitas*. (Terjemahan oleh Suporahardjo). Pustaka Latin. Bogor.