



Rural Development in Rural Autonomy Era (Case Study at Pandeglang District, Banten Province - Indonesia)

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Abstract

In 2014 the Government issued Law No 6/2014 about village to reconstruct the village's financial arrangements in order to accelerate the development of sustainable and inclusive rural areas. This study aimed to see how the effects of the financial management of the village on the performance of rural development. This study was conducted in 326 villages in Pandeglang District using primary and secondary data. The analysis tool of research using balanced scorecard. The success rate of village financial management implementation in Pandeglang Regency varies depending on the village typology. The total value of successful implementation of village financial management based on balanced scorecard is 48.3 percent. This achievement rate is very low because the village is still in the process of adaptation to the policy of autonomous management of village finance that was first rolled out in 2015.

Keywords: rural development; performance; financial management; rural autonomy.

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1. Introduction

The issue of development disparitas in Indonesia has become an old issue that continues to grow and has not met a comprehensive solution to the policy implementation. These inequalities occur in such diverse dimensions as development imbalances between the eastern and western regions, inter-island imbalances, inter-provincial inequality, inequality among districts, income inequality, and contemporary strategic issues are rural-urban inequality.

There are several factors causing inequality among regions, including: the level of regional economic activity development [1], geographic and demographic conditions [2], availability of natural resources as endowment factor [3], concentration of economic activity of the region [4], and Policy of allocation of development fund (investment) between regions [5].

In general, inequality in Indonesia can be seen from the ratio gini in 1996 to 2013 which relatively experienced an increasing trend with a value of 0.41.

In 2014 the Government enacted Law No. 6/2014 on Villages with a view to accelerating equitable development starting at the village level. The development of the national economy aims to improve the welfare of society and create an equitable distribution of income [4].

This is in line with the statement described by Seers [6], according to which economic development is essentially aimed at eradicating or reducing poverty, reducing income inequality, and providing employment in the context of an evolving economy. Successful economic development is indicated by reduced poverty and income inequality [7].

The great theme of the Village Law in the form of equal distribution of welfare and reducing inequality between regions is expected to be one of the great historical jumps in the ongoing rural development process [8].

However, the reality in 2016, when the number of Village Development Index is calculated, of the total 326 villages in Pandeglang there are still 156 villages left behind (48%), 158 villages are left behind (48%), 10 developing villages (3%), 2 developed villages (1%), and there is no independent village yet (0%). Based on the above, this research tries to analyze the success rate of the implementation of village development in the village autonomy era.

2. Method

2.1 Data Collection Method

This study uses primary data and secondary data, related to the implementation of village development. Data sources were obtained from village budget realization reports, village statistics books, village monographs, and other secondary data. Methods of data collection, detailed as follows:

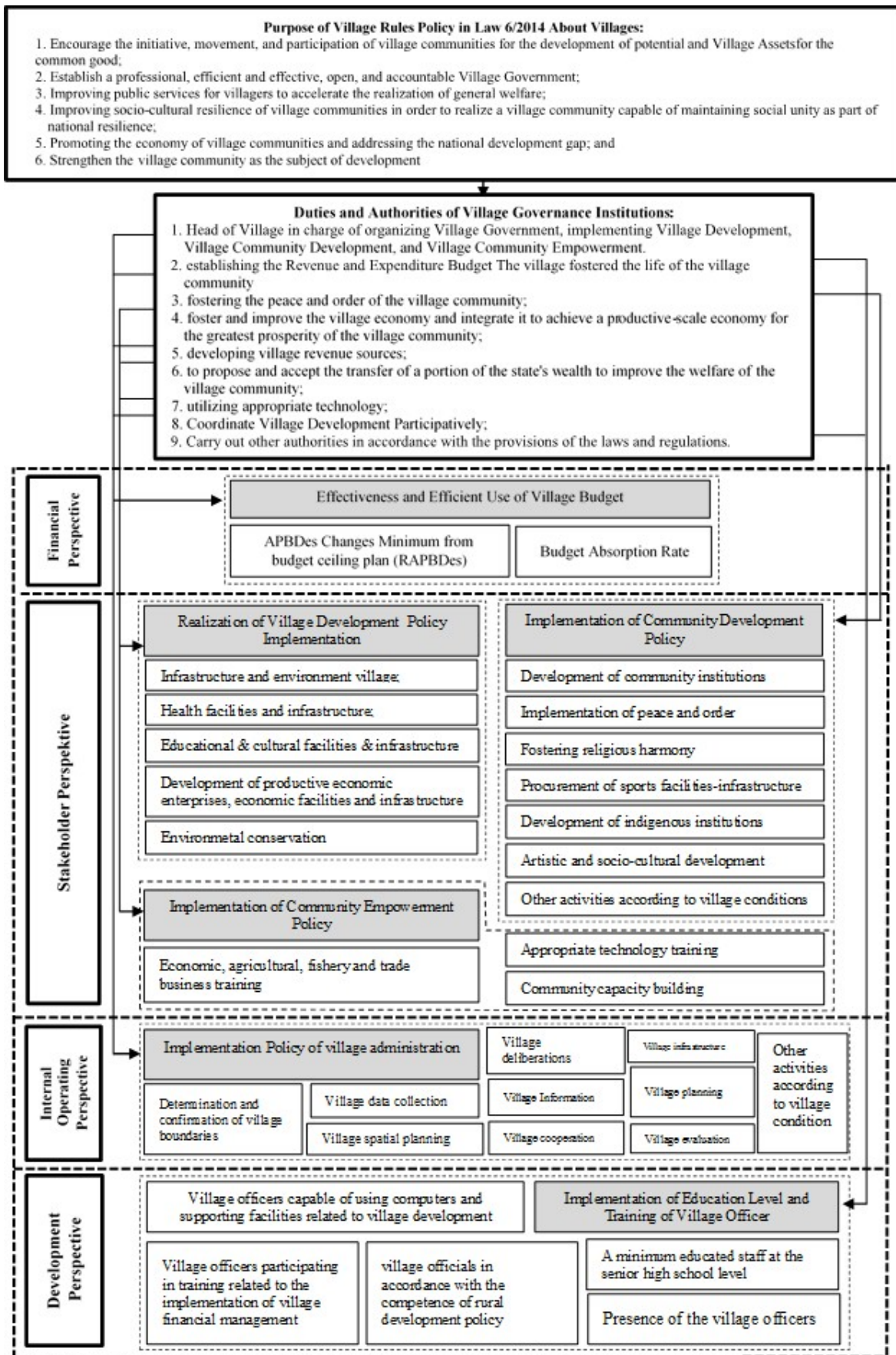


Figure 1: Strategic Map of Balanced Scorecard

Table 1: Types and source of data

No	Type of Data	Source of Data
1	Potential Village Data 2017	Central Bureau of Statistics
2	Village Monograph Data 2017	Village Government
3	Report on the realization of the development of village governance in 2017	Village Government
4	Report on realization of development in the implementation of Village Infrastructure development 2017	Village Government
5	Report on the realization of Community Development development 2017	Village Government
6	Report on the realization of Community Empowerment development 2017	Village Government
7	Report on the realization of Education Level and Training of Village Officers 2017	Village Government

2.2 Data Analysis Methode

The success rate of village development implementation using balanced scorecard analysis tool. Through the balanced scorecard can be identified the success rate of village development both from the financial aspect in the form of efektivitas use of funds from village government institutions (weight 10%); Aspects of village development in the form of implementation of infrastructure development and community development (weight 65%); Aspects of internal operations in the form of implementation of village administration (weight 15%); and aspects of learning and growth in the form of educational and training development of Village Officers (weight 10%) [9]. Measurement of village development performance using minimum service standard of village development. The strategic map of balanced scorecard analysis can be seen in the chart below.

3. Result

Implementation of village financial management is analyzed using balanced scorecard. The first step will be the preparation of a strategic map. The strategy map allows a village institution to describe in clear and general language the strategic goals and objectives and benchmarks used to assess organizational performance and the relationship between a goal and other strategic objectives and between a benchmark with other benchmarks. The main purpose or vision of rural development refers to Law No. 6 of 2014 on Village Article 4 on the purpose of village management.

3.1 Financial Perspective

Performance Measurement with Balanced Scorecard The Financial Perspective looks at the extent to which APBDes rate changes are approved against the proposed RAPBDes ceiling and the implementation level of the absorption of the Village Expenditure Budget. Total implementation of financial perspectives performances for

developed villages is 99 percent, developing villages 99 percent, villages under 98.5 percent, and villages are lagging behind 98.5 percent. The revision of APBDes to the initial ceiling of RAPBDes in Pandeglang Regency has not changed significantly. Absorption of village budget in 2016 reached 100 percent.

Table 2: Achievement of Village Financial Management Implementation

Perspectives and Strategic Objectives		Result Size	Target 2016	Realization 2016	Weight	Score
			1	2	3	2x3
Finance (K) Bobot 10 %	K1 : Effectiveness and Efficiency of Village Funds Usage	Percentage of Budget Changes (APBDes) Realization of Village Institutions	100%	97%	5%	4,9%
		Percentage of Budget Absorption	100%	100%	5%	5,0%
Total achievement of financial perspective (score x 100 : total weight)			100%	99%	10%	9,9%
Field of Development (P) Weight 55 %	O2: Field of Village Development Implementation	Development, utilization and maintenance of village infrastructure and environment	100%	49%	12%	5,9%
		Development, utilization and maintenance of health facilities and infrastructure	100%	61%	5%	3,1%
		Development, utilization and maintenance of educational and cultural facilities and infrastructure	100%	43%	5%	2,2%
		Development of productive economic enterprises as well as development, utilization and maintenance of economic facilities and infrastructure	100%	16%	5%	0,8%
		Environmental conservation	100%	14%	5%	0,7%
		Development of community institutions	100%	3%	3,50%	0,1%
	P1: Field of Community Development	Implementation of peace and order	100%	73%	3,50%	2,6%
		Fostering religious harmony	100%	65%	3,50%	2,3%
		Procurement of sports facilities and infrastructure	100%	58%	3,50%	2,0%
		Development of indigenous institutions	100%	0%	3,50%	0,0%
		Coaching the arts and social culture of the community	100%	0%	3,50%	0,0%
		P2: Field of Community Empowerment	Economic, agricultural, fishery and trade business training	100%	2%	4,00%
Appropriate technology	100%		3%	4,00%	0,1%	

Perspectives and Strategic Objectives		Result Size	Target 2016	Realization 2016	Weight	Score
			1	2	3	2x3
		training Community capacity building	100%	30%	4,00%	1,2%
Total achievements in the perspective of development (score x 100 : total weight)					55%	20,9%
		Determination and confirmation of village boundaries	100%	95%	2,30%	2,2%
		Village data collection	100%	84%	1,60%	1,3%
		Village spatial arrangement	100%	37%	1,60%	0,6%
		The implementation of village deliberation	100%	98%	1,60%	1,6%
Internal Operation Process (O) Weight 15 %	O1: Field of administration of village administration	Village information management	100%	71%	1,60%	1,1%
		Village planning	100%	80%	1,60%	1,3%
		Organizing evaluation of the village government development	100%	100%	1,60%	1,6%
		The implementation of inter-village cooperation	100%	0%	1,60%	0,0%
		Construction of facilities and infrastructure of Village office	100%	93%	1,60%	1,5%
		Total achievement Internal operation perspective (score x 100 : total weight)				
		Number of village officers capable of using computers and means of supporting village development	100%	38%	2%	0,8%
Learning and Growth (L) Weight of 10%	L1: Level of Professionalism of Employees through Education and Training of Village Officer	Number of village officers participating in training related to the implementation of village fund management	100%	70%	2%	1,4%
		Number of village officers in accordance with the competence of village development policy	100%	65%	2%	1,3%
		A minimum educated staff at the senior high school level	100%	58%	2%	1,2%
		The attendance of the village officers	100%	82%	2%	1,6%
Total achievement of development perspective (score x 100 : total weight)					10%	6,3%
TOTAL ENTIRE PERSPECTIVE STRATEGIC TARGET					100%	48,3%

The success of this absorption can not be separated from the BPMPD has conducted training for the village apparatus in order to manage and arrange the budget and reports of activities funded from the village funds and

also the allocation of village funds, assisted by experts BPMPD Pandeglang. In the process, it has been emphasized early on if Village Expenditure is prioritized to meet the development needs agreed upon in the Village Deliberation. In terms of APBDes accounting records, there is still a need for further coaching and training, as it is not fully in accordance with the provisions. The main obstacles are the ineffectiveness of training of village apparatuses and human resource competencies, thus still requiring special attention from village government officials on an ongoing basis [10].

The village head's leadership factor has a very important role in managing village financial management. The quality of leadership will encourage a collaborative culture that allows developing the skills and knowledge necessary to implement administrative reform. Ultimately, regions or villages can create performance-based budgeting that is a significant improvement of management from the previous budgeting [11].

3.2 Village Development Perspective

In implementing the performance measurement with the balanced scorecard of the perspective of the development field, the implementing agency of Rural Development needs to establish three strategic objectives, including the development of the village development area, the development of community development, and the development of community empowerment. The policy assessment of this aspect will see to what extent the village government institutions are able to provide services to improve village development to communities that use services.

Total implementation performance of perspective for rural development sector advanced by 43 percent, growing 36 percent rural, 31 percent of underdeveloped villages, and villages are lagging 25 percent. Implementation of rural development activities in 2016 was dominated by the development of road infrastructure, so that the construction of supporting infrastructure such as housing, education, health, economy, environment, social development, and community empowerment is still not a priority. This condition is a cause of why the level of implementation in the field of development perspective is still low.

Most villages in Indonesia are lagging behind rural infrastructure, so in the early days of village development it was prioritized on infrastructure. Rural infrastructure development is considered a primary need of rural communities to realize economic potential [12]. Rural infrastructure as the basis of physical capital, social, and institutional fundamental to improve the production, distribution and consumption of rural residents, and ultimately the quality of life [13].

Of all the infrastructure required by the village, the infrastructure that has the most significant effect on improving the village economy is the infrastructure that supports the transportation and mobility of the villagers. The influence of new road construction is strong enough as shown in studies conducted by the World Bank in India, Pakistan and Brazil [14,15]. Using the Spatial General Equilibrium (SGE) model for Norway found that the provision of transport infrastructure significantly affected welfare in the context of monetary and increased growth in future production [16]. Improving transportation infrastructure with regional economic implications can use private production factors more productively. Better transport infrastructure means lower capital and

labor requirements [17].

3.3 Internal Operating Perspective

The measurement of Balanced Scorecard's performance on the internal operation perspective is essentially the best type of activity that the Village Government should undertake to support and achieve financial and customer satisfaction or stakeholder objectives. Total implementation of internal operations perspective performance for advanced villages is 87 percent, developing villages 81 percent, villages are 75 percent behind, and villages are lagging behind 72 percent

In detail, this internal operation is divided into three parts namely the availability of data and information on population administration of the village, the availability of accurate land data and information, and completion of the provision of village certificate. This level of internal operation will be directly affected by the availability of the capacity of the village officers, the better the capacity of the officers, the better will be the services that enter into the internal operation perspective.

The performance of the village government, especially its officials, plays a very big role in determining the success of village office services. The role of village government as the pioneer of village development has been able to handle the problems of development in the village including the planning of village development programs, socialization activities attended by most of the villagers, in the deliberation of the village not only one-way socialization, but also given the opportunity to speak Or express their opinions.

One of the ways in which village governments manage complex responsibilities and dynamic social conditions is to have innovative and creative attitudes. Multi-dimensional innovative capacities can be done at the individual, organizational, and network level. The multi-dimensional nature includes the ability to absorb knowledge, responsiveness to community service, and learning capacity. Innovation as a new conceptual (technical, organizational, policy, institutional or other) application that alters and substantially improves the function and outcomes of the public sector [18], thereby creating public value for rural communities [19].

3.4 Learning and Growth Perspective

The measurement of balanced scorecard performance on the learning and growth perspective stems from human resource factors, systems, and organizational procedures. The attributes included in this perspective are the training of officials and the culture of the village officers relating to the improvement of individual and village government organizations. Total implementation of learning and growth perspective performances for advanced villages was 87 percent, villages developed 70 percent, villages were 59 percent behind, and villages were lagging behind 51 percent. Measurement in this perspective is highly dependent on the ability of the village officials who are capable of using computers and supporting facilities related to rural development, the level of competence of the official, the level of education, as well as education and training related to the implementation of village financial management for the village officers. Capacity building of the village officer is planned, implemented and sustainably managed in order to provide essential services for rural communities [20]. Capacity development is intended to develop strategies to improve the efficiency and

effectiveness of village government performance [21]. Capacity can be seen as a variety of strategies that include dimensions of human resource development capacity, organizational strengthening dimensions, and institutional reform dimension in the village [22]. Capacity building of the village officers is intended to improve the competence of village institutions as a whole.

4. Conclusion

The success rate of village development implementation in Indonesia varies for each village depending on the human resource conditions of the village officers, geographic, demographic and socio-economic of the village community.

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