



# The Effect of Community Participation and Supervision on the Effectiveness of Village Fund Policy Implementation in Indonesia

Ismet Sulila<sup>(✉)</sup>

Faculty of Social Science, Department of Public Administration, State University of Gorontalo,  
Gorontalo, Indonesia

[ismet.sulila@ung.ac.id](mailto:ismet.sulila@ung.ac.id)

**Abstract.** The study aimed to determine the effect of community participation and supervision on the effectiveness of village fund policy implementation. It employed quantitative research, in which the research population was the general public as beneficiaries of village fund policies and the government as policy implementers. At the same time, the research samples were 39 people taken by purposive sampling. Furthermore, the researcher used primary and secondary data, while the data collection technique was done through observation and questionnaire as the main instruments. At the testing phase, the researcher used several methods that were considered essential to be used. In conclusion, community participation and supervision partially affect the effectiveness of the village fund policy implementation. On the other hand, community participation and supervision simultaneously had a significant effect on the effectiveness of the village fund policy implementation.

**Keywords:** Participation · Supervision · Village Fund Policy

## 1 Background

The allocation of village funds is intended to finance the administration of village governance, implementation of development, community development, and community empowerment. Villages are given the authority to manage existing resources and potentials to enhance the community's economy and welfare and alleviate poverty [1]. With the village fund budget, the village can develop the community's economy through training and marketing community products, developing community husbandry, agriculture or plantation businesses, developing tourist attractions, and establishing Village Owned Enterprises (BUMDes).

However, some problems commonly occur in the implementation of village fund policy, namely [2]: 1) Human resources. Human resource problems occur in the management aspect for achieving the goals and objectives of village funds in one period, 2) communication and coordination. Communication problems commonly occur in internal, horizontal, and vertical communication, 3) Village fund delays. The distribution

delays of village funds to villages usually occur due to the stages and requirements that the government must meet for disbursement, 4) supervision of village funds. This problem arises for various reasons, including the lack of transparency and public participation in supervision, 5) incentive and remuneration. Incentives provided to the village government such as village head, village officials, activity implementation teams, and the Village Consultative Body are not commensurate with their duties and obligations in managing village funds.

In the meantime, the various abuses alleged against the village head are clear evidence of the potential for deviations from the authority in managing village finances and assets, which are relatively large. These deviations are not limited to abuse of authority but have included criminal acts of corruption related to irregularities in village funds or finances. To summarize, the revolving of village funds every year not only beneficial to the village community but also raises the potential for misuse, which adversely impacts the welfare of the people in the village, either directly or indirectly. This situation has undoubtedly become a problem for local governments and especially for village government officials and local communities.

On the other hand, several factors affect the effectiveness of the village fund policy implementation, namely: [3]: *First: Community Participation.* Community participation in village deliberations also impacts community involvement in overseeing village funds [4]. *Second: Community Supervision.* Supervision of the utilization of Village funds by the community begins at the planning stage or known as the Development Planning Deliberation (henceforth abbreviated as Musrenbang.) Thus, this article aimed to investigate the effect of community participation and supervision on the effectiveness of the implementation of village fund policy.

## 2 Theoretical Frameworks

### 2.1 Concept of Community Participation

Participation can be defined as the participation of a person or community group in the development process, both in the form of statements and in the form of activities, by providing input of thoughts, energy, time, expertise, capital, and materials, as well as participation in utilizing and enjoying the results of development [5]. Besides, participation means that decision-makers suggest groups or communities be involved in delivering suggestions and opinions, goods, skills, materials, and services. Likewise, participation also refers to groups recognizing their own problems, examining their options, making decisions, and solving problems [6]. Participation is the manifestation of the desire to develop democracy through a decentralized process where efforts are made, including the need for bottom-up planning by involving the public in the planning and community development process [7].

Moreover, participation is a particular form of interaction and communication related to the distribution of authority, responsibility, and benefits. The improvement of interaction and communication is based on community awareness of the unsatisfactory conditions that must be corrected or the belief that these conditions can be improved through

community activities [8]. Apart from that, it can be encouraged by their ability to participate in activities that can be carried out or even their self-confidence where the community can provide a valuable contribution to the activities being carried out.

## 2.2 Concept of Community Supervision

Supervision is “the process of overseeing the implementation of all organizational activities to ensure that all work being carried out runs according to a predetermined plan” [9, 10]. Meanwhile, the type of supervision studied in this research is community supervision as social control. Generally, a state has the community as citizens and the government as the state organizer [11]. Accordingly, the community supervision is aimed at the government as the state organizer so that there is no abuse of power, especially the use of resources owned by the government on behalf of the state.

## 2.3 Concept of Effectiveness

Effectiveness is a condition that indicates to what extent management has achieved a target, like quality, quantity, and time, where the target has been set beforehand. In a nutshell, effectiveness is a particular effort or a level of success that a person or a company can achieve. The three following indicators are used to determine effectiveness [12]: 1. Goals achievement. Goals achievement is the overall effort to achieve goals that must be considered as a process. Therefore, for the achievement of the final goal to be more secure, stages are needed, both in the sense of phasing out the achievements of its parts and phasing in the sense of its periodization. Moreover, the achievement of the goals consists of two sub-indicators: period and concrete targets. 2. Integration. Integration is a measurement of the level of an organization’s ability to conduct socialization or communication and consensus development. Integration concerns the socialization process. 3. Adaptation. Adaptation refers to the organization’s ability to adapt to its environment related to the suitability of program implementation with conditions in the field.

## 3 Research Method

Based on the formulation of the problem, to answer the research questions, a quantitative method was determined. The data used in this study are primary data and secondary data. The data is focused on collecting data on village fund policy variables, community participation and supervision. The stages begin with the preparation of research instruments, testing the validity, reliability and normality of the data. The next stage is hypothesis testing and drawing conclusions.

## 4 Findings and Discussions

This study used a t-test to determine the significance level of the regression model. After obtaining the regression equation model, it continued to hypothesis testing, which was done with the following formula:

$$t = \frac{\sqrt{n-2}}{1-r^2}$$

The analysis result above depicted that the value of  $t_{\text{count}}$  for the community participation variable was 3.093, while the value of  $t_{\text{table}}$  at the significance level of 5% and degrees of freedom  $n - k - 1$  or  $39 - 2 - 1 = 36$  was 2.028. If the two  $t$  values were compared, the  $t_{\text{count}}$  value was higher than the  $t_{\text{table}}$  value ( $3.093 > 2.028$ ). Thus, it could be concluded that at a confidence level of 95%, the community participation positively and significantly affected the effectiveness of the implementation of the village fund policy. The positive coefficient indicated that the higher the community participation, the more effective the implementation of the village fund policy (Table 1).

The analysis results in the previous table denoted that the  $t$ -count value for the community supervision variable was 5.563, whilst the  $t$ -table value at a significance level of 5% and degrees of freedom  $n - k - 1$  or  $39 - 2 - 1 = 36$  was 2.027. If the two  $t$  values were compared, the  $t_{\text{count}}$  value was higher than the  $t_{\text{table}}$  ( $5.563 > 2.027$ ). To sum up, at the confidence level of 95%, community participation positively and significantly influenced the effectiveness of the implementation of the village fund policy. The positive coefficient meant that the higher the community supervision, the more effective the implementation of the village fund policy (Table 2).

The previous table obviously showed that the  $F_{\text{count}}$  value obtained in this study was 53.338. Whereas, the  $F_{\text{table}}$  value at a significance level of 5% and  $df1$  for  $k = 2$  and  $df2$  for  $N - k - 1 = 39 - 2 - 1 = 36$  was 3.259. If the two  $F$  values were compared, thus, the  $F_{\text{count}}$  value was higher than  $F_{\text{table}}$ . This meant that community participation and supervision simultaneously had a significant effect on the effectiveness of the implementation of the fund village policy (Table 3).

**Table 1.** The Partial Test Results of X1 toward Y

Model	(Constant)	Community Participation (X <sub>1</sub> Variable)
Coefficient Value (t-Count)	1.276	<b>3.093</b>
Significance	0,211	<b>0,003</b>
$t_{\text{table}}$		2,028

Source: Data Processed by SPSS 21, 2021

**Table 2.** Partial Test Results of X2 toward Y

Model	(Constant)	Community Supervision (X <sub>2</sub> Variable)
Coefficient Value (t-Count)	1.274	<b>5.563</b>
Significance	0.211	<b>0.000</b>
$t_{\text{table}}$		2.027

Source: Data Processed by SPSS 21, 2021

**Table 3.** Simultaneous Test Results

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	2783.780	2	1391.891	53.338	.000 <sup>b</sup>
	Residual	939.441	36	26.095		
	Total	3723.222	38			

Source: Data Processed by SPSS 21, 2021

## 5 Discussions

An effort to streamline the implementation of village fund policy is by improving community participation in planning and implementing village budgets. Specifically, the efforts that can be made include: (1) Establishing adequate access to program information and village budgets. Community participation can be carried out effectively if there is adequate access to program information and village budgets. (2) Enhancing public awareness in terms of community participation. The village deliberation is a vital phase in the discussion of the Village Government Work Plan (RPKDes). For this reason, the public awareness to participate in the discussion of village programs is an imperative element [13]. (3) Realizing easier communication access between Village Apparatus and Community. The existence of easier communication access for the community to the village apparatus affects community participation. (4) Optimizing the Role of Organizations in the Village. Organizations in the village are not only the village government, but there are also community organizations in the village, such as the Neighborhood Association (RT), the Citizens Association (RW), Family Welfare Guidance Development (PKK), Village-Owned Enterprises (BUMDes), Youth Organizations, Institutions Community Empowerment (LPM), Farmer Groups, and Traditional Institutions [14].

On the other hand, the Village Consultative Body (BPD) has an essential role in Village Government. This is because the BPD has functions to accommodate and channel the community’s aspirations and supervise the Village Head’s performance, as regulated in Article 55 of the Village Law. Thereby, BPD can become a bridge for channeling community aspirations regarding the implementation of Village Government. Nevertheless, the SMERU Research Institute (2016) clarified that the Village Consultative Bodies in villages have not been optimal in channeling community aspirations; in other words, they only discuss those aspirations internally.

In the meantime, the community participation in supervising the village fund program consists of four forms. In the decision-making process, community participation is in the form of aspirations. Then, at the implementation phase, the community participation is in the form of energy, thoughts, and material like money. Besides, community participation is also observable from the utilization of the results of the village fund program, such as physical facilities. Another form of community participation is monitoring whether the results of program implementation have been in compliance with the plan, and if the deviation occurs, the community can immediately report it to the village parties or the BPD. However, several obstacles are faced in enhancing community participation in the village. These obstacles are caused by two factors: internal and external factors.

In detail, the internal factors arise from within the community itself, such as lack of public awareness and differences in the interests of each individual or between community groups, leading to conflict and social jealousy. Otherwise, the external factors are changes in the social and cultural climate, including globalization, followed by changes in attitudes and ways of thinking that are more individualistic and selfish, low relations between the community and their leaders and fellow citizens, which results in social jealousy. Another external factor is the lack of transparency in the program evaluation stage, in which the community did not allow to participate.

Furthermore, several strategies are used to increase and improve community participation in the village to cope with these obstacles. Those strategies used are divided into the three main keys. The first strategy is fostering togetherness to act in overcoming problems by involving and including the community in the program implementing committee, increasing interaction with the community in both formal and non-formal discussions, and cooperating with community groups to be able to jointly assist the government in disseminating government programs to the public. The second strategy is that the village government must communicate with the community directly and frequently to accommodate the aspirations and find out the community's desires by using social media Facebook account. The third strategy is increasing the openness of the Village Government to the community by making billboards that are planned to be made and displayed outside the village office so that the community can see and know the programs run by the government equipped with financial statements.

Most importantly, to improve the effectiveness of the implementation of village fund policy, the village government should emphasize several aspects, as follows:

1. Clarity of goals to be achieved. The clarity of the goals to be achieved is the most fundamental aspect that must be considered in the implementation of the Village Fund allocation. In addition, the goals to be achieved should pay attention to the guidelines for the management of the Village Fund starting from the planning and implementation stages to achieve the Village Fund's goals. In the meantime, the goals of the Village Fund budget are to support and assist all programs in the village, such as tackling poverty, increasing rural infrastructure development, increasing village religious values, enhancing community services, increasing self-reliance and mutual assistance, improving peace and discipline.
2. Clarity of strategy to achieve goals. In achieving the goals, the clarity of the strategy to be achieved is essential to implement the use of the Village Fund. The purpose of the strategy is to guide and optimize program activities that the village government will carry out in the future by determining the potential of what will be done in the future for community welfare and empowerment. In designing the strategy to be achieved, it is inseparable from the village parties in order to create the desired success. Similarly, the clarity of strategy is significant in the efforts to allocate the village funds in village development. Additionally, strategy is the most crucial aspect in implementing and improving infrastructure activity programs in the village government. The field of community empowerment must have clear goals for what the program is made and whether the community needs this program or not.
3. Preparation of the proper program. The success of achieving the goals is highly correlated with the proper program that will be carried out in the future in utilizing

the Village Funds. The preparation of appropriate programs aims to achieve targets in accordance with the wishes and needs of the village community and village government. For this reason, to realize the policies and strategies that the village government has made, some programs seek to realize the goals of the Village Fund are running.

## 6 Conclusion

Based on the findings and discussions, it can be concluded that: 1) Community participation affects the effectiveness of the implementation of the village fund policy, 2) community supervision affects the effectiveness of the implementation of village fund policy, 3) community participation and community supervision simultaneously affect the effectiveness of the implementation of village fund policy in Indonesia.

**Acknowledgments.** The researcher would like to thank all those who have helped that this article can be completed properly. This study is expected to be beneficial, especially for the village government, in optimizing the participation and supervision for the effectiveness of the implementation of the village fund policy.

## References

1. Nurhakim, I., & Yudianto, I. (2018). Implementation of village fund management in Panyirapan Village, Sukanagara Village and Soreang Village, Soreang Sub-District, Bandung Regency. *Journal of Accounting Auditing and Business*, 1(2), 34. <https://doi.org/10.24198/jaab.v1i2.18346>
2. Ramly, A. R., Wahyuddin, W., Mursyida, J., & Mawardati, M. (2018). The implementation of village fund policy in improving economy of village society. *Jurnal Ilmiah Peuradeun*, 6(3), 459. <https://doi.org/10.26811/peuradeun.v6i3.184>
3. Sulila, I. (2020). An analysis of the effectiveness of allocation of village fund policy implementation and its determining factors in gorontalo regency. *Jurnal Ilmiah Ilmu Administrasi Publik*, 9(2), 191. <https://doi.org/10.26858/jiap.v9i2.10947>
4. Adila, H., Alfatih, A., & Alfitri. (2018). Community participation in the village fund program in Kemang Manis Village, Tebing Tinggi District, Empat Lawang Regency, South Sumatra. *Open Access Indonesia Journal of Social Sciences*, 1(1), 23–38. <https://doi.org/10.37275/oaijss.v1i1.2>
5. Winarni, E., Ahmad, A. A., & Suharno, S. (2019). Community participation of development planning in purbalingga regency. In International conference on rural development and entrepreneurship 2019: Enhancing small business and rural development toward industrial revolution 4.0 (vol. 5, no. 1, pp. 571–576).
6. Donaghy, M. (2013). *Civil society and participatory governance: Municipal councils and social housing programs in Brazil* (1st ed.). Routledge.
7. Speer, J. (2012). Participatory governance reform: A good strategy for increasing government responsiveness and improving public services? *World Development*, 40(12), 2379–2398. <https://doi.org/10.1016/j.worlddev.2012.05.034>
8. Fluker, S. (2015). The right to public participation in resources and environmental decision-making in Alberta. *Alberta Law Review*, 52(3), 567. <https://doi.org/10.29173/alr24>

9. Demichele, M. (2014). Studying the community corrections field: Applying neo-institutional theories to a hidden element of mass social control. *Theoretical Criminology*, 18(4), 546–564. <https://doi.org/10.1177/1362480614526276>
10. Liu, L. (2020). Family, parochial, and public levels of social control and recidivism: An extension of the systemic model of social disorganization. *Crime and Delinquency*, 66(6–7), 864–886. <https://doi.org/10.1177/0011128719901106>
11. Henriyani, E. (2007). Pengawasan Masyarakat Dan Kinerja Birokrasi Pemerintah. *Journal of FISIP-Universitas Galuh Ciamis*, 67(6), 14–21.
12. Steers, R. M. (1976). When is an organization effective? A process approach to understanding effectiveness. *Organizational Dynamics*, 5(2), 50–63. [https://doi.org/10.1016/0090-2616\(76\)90054-1](https://doi.org/10.1016/0090-2616(76)90054-1)
13. Lailiani, B. A. (2017). Strategi Pemerintah Desa Untuk Meningkatkan Partisipasi Masyarakat dalam Rangka Pembangunan Desa (Studi pada Desa Kemamang Kecamatan Balen Kabupaten Bojonegoro). *JPAP Jurnal Penelitian Administrasi Publik*, 3(2), 790–798. <https://doi.org/10.30996/jpap.v3i2.1261>
14. PMK, K. (2021). Data alokasi dana Desa Tahun 2015–2020. <http://berkas.dpr.go.id/puskajianggaran/analisis-ringkas-cepat/public-file/analisis-ringkas-cepat-public-37.pdf>

**Open Access** This chapter is licensed under the terms of the Creative Commons Attribution-NonCommercial 4.0 International License (<http://creativecommons.org/licenses/by-nc/4.0/>), which permits any noncommercial use, sharing, adaptation, distribution and reproduction in any medium or format, as long as you give appropriate credit to the original author(s) and the source, provide a link to the Creative Commons license and indicate if changes were made.

The images or other third party material in this chapter are included in the chapter's Creative Commons license, unless indicated otherwise in a credit line to the material. If material is not included in the chapter's Creative Commons license and your intended use is not permitted by statutory regulation or exceeds the permitted use, you will need to obtain permission directly from the copyright holder.

