



Study of the Implementation of Policies on the Utilization of Funds for Urban Village Empowerment Activities

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ABSTRACT

This study aims to analyze the implementation of the policy on the utilization of urban village funds for community development and empowerment and identify the inhibiting factors. The research was conducted in Talun Village, Talun District, Blitar Regency. The data analysis technique in this study uses descriptive qualitative data analysis. This research found that the success of urban village fund management depends on the capacity of the apparatus and transparency in budget management. Community participation in planning through the village development plan deliberation (Musrenbangkel) and supervision of using funds improves program accountability and effectiveness. Internal oversight needs to be strengthened with regular evaluations to ensure reporting transparency. The main supporting factors are clear regulations, funds availability, and urban village officials' commitment. At the same time, obstacles include technical constraints in using financial applications, limited human resources, and low community awareness of supervision. While the urban village fund contributes to infrastructure development and community empowerment, the program's sustainability needs to be ensured by increasing the capacity of the apparatus, a more muscular monitoring system, and the integration of information technology to improve the transparency and efficiency of financial reporting. This research is expected to improve the effectiveness of Urban village Fund management through strengthening apparatus capacity, transparency, community participation, supervision, technological innovation, and more flexible and sustainable policies.

Keywords: Policy Implementation, Village Empowerment, Utilization of Village Funds.

1. INTRODUCTION

Law of the Republic of Indonesia Number 23 of 2014 concerning Regional Government explains that the government comprises the Central and Regional governments. The Central Government is led by the President, whom the Vice President and Ministers assist. Meanwhile, the Regional Government organizes government affairs based on the principle of autonomy as broadly as possible within the corridor of the Unitary State of the Republic of Indonesia by the 1945 Constitution. The Regional Government is led by a regional head responsible for implementing government affairs in the autonomous region. Local governments are provincial (level I) and regency/city (level II). In addition to managing the government, the Regional Government has the authority in financial planning to finance development and improve services for the community.

Government Regulation No. 17/2018 on Sub-districts states that the sub-district is a regional apparatus that organizes general government in the district/city area. As part of the sub-district, the urban village is led by a lurah who is a State Civil Apparatus (ASN) and appointed by the regent/mayor. Lurah is responsible for administrating and managing urban village funds sourced from the state budget since 2019. These funds are used for infrastructure development and community empowerment. The background of granting urban village funds includes decentralization and regional autonomy, inclusive development, community empowerment, and poverty reduction. Urban village funds are expected to reduce socio-economic disparities, increase community capacity, and support equitable development in various regions.

The Urban Village Fund is regulated by law, which includes budgeting from the State Budget (APBN) and Regional Budget (APBD), as well as administrative guidelines for its management and accountability to improve the quality of life of local communities. Urban areas without villages must allocate a minimum of 5% of their APBD after

deducting the Special Allocation Fund (DAK) to develop infrastructure and community empowerment in urban villages. Meanwhile, the allocation of urban village funds in regencies and cities with villages is at least equal to the lowest village fund in the region. The management of these funds is further regulated by regent/mayor regulation. The local government allocates the urban village budget in the district/city APBD, which the village head manages as the authorized budget user. The ever-changing amount of urban village funds attracts attention in research related to its management. Policy implementation is an important part of public policy because it is a process of implementing regulations that require planning and real action so that policies can run effectively (Fahturrahman, 2016).

This study aims to analyze the implementation of the Urban village Fund utilization policy for community development and empowerment in Talun Village, Blitar Regency, and identify inhibiting factors in its implementation. This research is likely practical theoretically as a reference in the development of science, primarily related to the implementation of the utilization of urban village funds, as well as providing analytical insights for policymakers. Practically, this research is expected to contribute more effectively to urban villages in Blitar Regency and other regions in managing urban village funds. In addition, the results of this study can also be an additional source of knowledge for future studies that discuss similar topics.

2. LITERATURE REVIEW

According to Friedrich (in Agustino, 2012), policy is a series of actions proposed by individuals, groups, or governments in a particular environment to overcome obstacles to achieve goals. Eulau & Prewitt (1973) define it as a fixed decision with consistency and repetition of the behavior of policy makers and implementers. Friedrich (1969) emphasizes policy as an effort to overcome obstacles and opportunities, while Bridgman & Davis (2005) state that public policy includes everything the government chooses to do or not do. Hogwood & Gunn (1990) see policies as actions to achieve specific results. Mazmanian & Sabatier (1979) explain implementation as an administrative process after formulating policy. Grindle (1980) adds that implementation is influenced by policy content and the environment, including the interests involved, benefits, expected changes, decision making, implementing competencies, and available resources.

According to Terry (in Candra & Rifai, 2016), managing urban village funds includes four management functions: planning, organizing, implementing, and supervising. Planning involves preparing development and community empowerment activities based on the principles of transparency, participation, accountability, and sustainability by Blitar Regent Regulation Number 29 of 2019. Organizing includes forming community groups through village deliberations to support budget implementation. Implementation aims to mobilize all parties to achieve goals according to planning and regulations. Supervision is carried out through evaluation, reporting, and coaching by the regent with the support of regional apparatus and the District Inspectorate to ensure program effectiveness. Good management of urban village funds is expected to improve community welfare and support sustainable development.

Developing urban village facilities and infrastructure aims to improve the community's quality of life by providing basic infrastructure that supports social, economic, and public service activities. Facilities include schools, health centers, and parks, while infrastructure includes roads, drainage, and sanitation systems. Based on Blitar Regent Regulation No. 29/2019, this development includes housing, transportation, health, education, and culture. For development effectiveness, a participatory approach, sustainability, and coordination between various parties are needed. Key challenges include budget constraints, inter-agency coordination, and infrastructure maintenance. The benefits include improved community welfare, local economic growth, reduced social inequality, and environmental sustainability so that development can run optimally and effectively for urban village communities.

Village community empowerment aims to increase the community's capacity, participation, and independence in various aspects of life. It gives people greater control over the resources and decisions that affect their lives and promotes sustainable and inclusive development. Regent Regulation No. 29/2019 states that community empowerment includes managing health services, education, entrepreneurship, community institutions, public order, and disaster preparedness. These activities include training, service provision, and strengthening community capacity. The ultimate goal is to improve welfare through access to education, health, economy, and security. Using a participatory approach, this empowerment ensures that communities actively plan and manage programs that support social and economic life at the urban village level.

3. RESEARCH METHOD

3.1 Research Design

This research uses descriptive qualitative methods to systematically understand and describe social phenomena (Sholahuddin, 2021). According to Arikunto (1996), qualitative research produces data in written or spoken words from observed subjects, while descriptive research is generally non-hypothesized. This method allows a holistic understanding of the behavior and perceptions of subjects in a natural context by describing data scientifically and systematically to obtain an accurate picture.

3.2 Scope and Location of Research

The scope of this research covers the implementation of the Regent Regulation on managing village funds, particularly in developing facilities and infrastructure and community empowerment. The focus of the research is the role of the Community Group (Pokmas) in the implementation of the program. The research location is in Talun Village, Talun Subdistrict, Blitar Regency, one of 28 villages in Blitar Regency that receive village funds for community development and empowerment.

3.3 Data Analysis Technique

The data analysis technique in this research uses the Miles, Huberman, and Saldana (2014) model, which includes data reduction, data presentation, and conclusion drawing and verification. Data reduction is done by filtering and simplifying relevant data. Data presentation uses tables, graphs, or narratives to facilitate analysis. A conclusion drawing is done by identifying patterns and themes and then verifying them to ensure the validity of the findings. This process is interactive and can be repeated until the data reaches saturation.

4. RESULTS AND DISCUSSION

4.1 Research Results

This research was conducted in Talun Village, Talun Subdistrict, Blitar Regency, East Java. The Talun Village Fund is a budget from the center that has been distributed since 2019 to equalize the village budget, focusing on community empowerment. Activities are planned through the village deliberation (Muskel), which involves community proposals from the neighborhood unit (Rukun Tetangga/RT) or community association (Rukun Warga/RW) level meetings before being forwarded to Muskel. The informant stated, "The community participates in the planning stage, each resident can submit a proposal through the RT/RW meeting, then the RT/RW head will continue the proposal during the Muskel at the Urban village level". Priorities for activities are determined in Muskel by the Head of RT/RW and the Urban village Community Empowerment Agency (LPMK) as government partners in accommodating and realizing community aspirations related to development in the urban village area.

Implementing programs and activities, the Urban Village Talun is used for physical development and community empowerment. In 2022, activities included maintaining office buildings, musholla, meeting halls, neighborhood road rebates, and drainage construction. The informant stated, "Maintenance of the office building and musholla aims to support public service facilities, while the environmental road rebates facilitate access and economic mobilization of the community". The empowerment program includes shopping for office stationery (ATK), providing additional food at posyandu to prevent stunting, and digital marketing training for micro, small, and medium enterprises (MSMEs). In 2023, the development includes a kindergarten building, a guard post, public street lighting (PJU), and irrigation. The informant said, "The maintained kindergarten building is not a government asset but a community facility, so its use is an expenditure handed over to the community". In 2024, irrigation and drainage development aims to overcome flooding and increase agricultural productivity with the support of training and technical guidance for the community.

Budget changes in the management of the Urban village Fund often occur due to errors in inputting proposed community needs into the financial application. These errors have resulted in delays in program implementation due to the need to wait for budget changes. The main problem identified was the lack of technical assistance for village officials in financial management. Informants stated that "Village officials need intensive training to improve technical skills, especially in financial management and applications". To overcome this obstacle, continuous training and the development of specialized modules related to the financial management and administration of the Urban

village Fund are recommended. The principles of good governance are fundamental in ensuring transparency, accountability, and program sustainability so that fund management can run more effectively and by applicable regulations.

Transparency and accountability in managing the Urban Village Fund in Urban Village Talun is carried out through a transparent mechanism, with program implementation by Pokmas and the preparation of accountability reports based on predetermined guidelines. The informant stated, "The implementation process until the preparation of the Pokmas accountability report is based on the attachment to the LKPP Regulation for Type IV self-managed procurement, which has been consulted with the Goods/Services Procurement Section at the Blitar Regency Secretariat". In addition, fund management is continuously monitored through active communication between the village and Pokmas to ensure compliance with planning and applicable regulations. Information on fund management is conveyed through RT/RW meetings, institutions, and community leaders. Complaints can be submitted directly to the urban village office or via WhatsApp. Financial reporting is carried out by the Treasurer and the PPTK and audited by APIP/Inspectorate through BPKAD.

Transparency and accountability in managing the Urban Village Fund must be improved so the community can access more information on budget allocations and realizations. Currently, information is only shared with the heads of RT/RW and LPMK in meetings at the urban village office, assuming they will disseminate the information to residents. However, this mechanism is unstructured, which may reduce accountability. Therefore, transparency can be improved by utilizing public media in the urban village, increasing community involvement through regular meetings, and conducting socialization programs related to fund management. In addition, program monitoring and evaluation needs to be strengthened through a supervisory team that works closely with Pokmas and the PUPR Office if necessary. Technical constraints such as delays in fund disbursement, budget shifts due to urgent needs, and limited use of the RI SIPD application are challenges that must be addressed immediately.

In managing the Urban village Fund, there are obstacles related to budget input into the SIPD RI application, especially in 2023, caused by a lack of technical understanding. The informant stated, "There are no obstacles in the management of village funds this year, it's just that previously there were still difficulties in inputting the budget into SIPD RI, resulting in changes in budget preparation". The urban village also recognized this difficulty, emphasizing the need for technical guidance related to budget management. In addition, when preparing the accountability report (SPJ), several documents are sometimes missed when filled out. The informant said, "There are no obstacles in physical work, but in SPJs sometimes there are some forms that are missed to be filled in". Therefore, further training is needed to ensure administrative efficiency and accountability of fund management.

Urban village funds are important in promoting equitable development and improving public services at the urban village level. Informants stated, "The use of urban village funds has been optimal and supportive of development, as it can accommodate the community's needs based on planning done together with officials and residents". From a community perspective, these funds are seen as an opportunity to obtain better facilities and services. The main expectations for the Urban village Fund include infrastructure improvements, such as the repair of neighborhood roads, drainage, and other public facilities. In addition, community empowerment programs are expected to continue to grow, including skills training and support for micro-enterprises. Transparency in the use of funds is a significant concern for the community, with the expectation of open financial reports and active participation in the planning and implementation of urban village programs.

4.2 Discussion of Research Results

The discussion of research results on managing urban village funds aims to analyze and interpret data on how they are managed, the challenges faced, and their impact on the community. According to Merilee Grindle's theory, successful implementation is influenced by two main variables, namely, the content of the policy and the implementation environment (context of implementation). The content of the policy includes aspects that affect implementation, including the interests affected, the types of benefits produced, the level of change expected, the location of decision-making, program implementers, and the resources used. In this study, the management of urban village funds initially focused more on physical development. However, after approaching the community, the allocation of funds in 2023 and 2024 was directed more towards community empowerment through various activities proposed by institutions and community representatives.

The benefits of managing urban village funds are categorized into several aspects, namely physical, social, economic, and environmental, as well as administrative, educational, and institutional benefits. Physical benefits include the development of infrastructure and public facilities that improve the community's quality of life. Social benefits include increased solidarity and community participation in activities, such as supplementary feeding for posyandu, MSME training, community group empowerment, and incentives for RT/RW and health cadres. These social impacts strengthen the sense of community and increase awareness of the importance of maintaining the environment and shared facilities. Economic benefits include increased community income through entrepreneurial training and job creation from physical development projects using local labor through labor-intensive policies stipulated in the regent's regulation.

Environmental benefits in managing urban village funds include improving environmental conditions, such as irrigation construction, flood prevention by improving drainage, road rebates, and maintenance of meeting halls and kindergartens. The impact of this program is creating a cleaner, healthier, and more comfortable environment in which to live, reducing the risk of environmental disasters such as floods or landslides. Administrative, educational, and institutional benefits include strengthening institutional capacity and governance at the urban village level. By Regent Regulation No. 29/2019 Article 8 Paragraph 4, managing urban village funds also includes training for communities in the institutional field to increase community independence and insight into managing local resources.

In urban village fund management policies, the expected level of change is an important element that determines policy effectiveness. Research shows the program's main objective is to improve community welfare through careful planning. However, changes in the allocation of funds can occur if there are urgent needs in the middle of the fiscal year. Urban village funds have generally been used based on the plans prepared with the community through urban village deliberations (Muskel). The location of decision-making in Grindle's method is also a significant factor in policy implementation. The urban village received partial delegation of authority from the sub-district head as a budget user, based on Blitar Regent Decree Number B/180.05/80/409.1.2/KPTS/2024 on Partial Delegation of Budget User Authority to Proxy Budget Users within the Blitar Regency Government.

The program implementer in Grindle's policy implementation is key to determining policy success. In this study, the implementer of the activities is the Community Group (Pokmas), as stipulated in Regent Regulation Number 29 of 2019 Chapter VII Article 13 Paragraphs 1 and 2. This article states that implementing the budget to construct urban village facilities and infrastructure and community empowerment involves community groups residing in the urban village. Pokmas are formed through urban village deliberations and confirmed by the head of the urban village. The resources used in implementing this policy consist of financial and human resources. The availability of the budget determines the program's success, while the workforce involved includes urban village employees, community groups, and consultants or technical experts.

The policy implementation environment includes external factors that affect the success of program implementation, such as the strength of support for the policy, the characteristics of the institutions in power, and the level of compliance and response of the target group. The main actors in managing urban village funds include the central government, local governments, urban village officials, local communities, and oversight institutions. The central government can set regulations and budgets, while local governments act as supervisors and facilitators. Village officials are responsible for planning and implementing programs, while local communities participate in monitoring and providing policy support. Supervisory institutions, such as the Inspectorate and BPK, play a role in auditing and evaluating the use of funds to ensure transparency and accountability.

The success of policy implementation depends heavily on the characteristics of the institutions and government in power. In Grindle's model, these factors include capacity, stability, decentralization, bureaucratic quality, public legitimacy, and adaptability. In urban villages, fund management, government stability, community support, and the presence of strong institutions are important elements for program success. In addition, the level of compliance and response of target groups are also indicators of policy success. The level of compliance reflects the extent to which target groups comply with regulations, such as involvement in village meetings and program implementation according to guidelines. Meanwhile, the response of the target group can be seen from participation in monitoring the use of funds, input or suggestions for policy improvement, and receiving direct benefits from the implemented program.

5. CONCLUSIONS AND SUGGESTIONS

Based on the research results, managing village funds in the urban village of Talun shows that successful implementation depends on village officials' capacity and management transparency. Capacity, which includes understanding the guidelines, administrative skills, and the availability of human resources, is an important factor in the effectiveness of fund management. Community participation is also crucial, from the planning stage through Musrenbangkel to the monitoring of program implementation, ensuring that policies align with local needs. Although monitoring mechanisms are in place, reporting transparency still needs to be improved. Regular internal evaluations are needed to strengthen accountability. The main supporting factors in managing this fund are clear regulations, the availability of sufficient funds, and the commitment of urban village officials, while the main challenges include technical constraints in using the RI SIPD application and limited human resources.

The positive impact of the Urban village Fund is seen in infrastructure development, such as roads, drainage, and public facilities, as well as increased community empowerment through various training and productive activities. However, challenges remain, including low community awareness of supervision and technical limitations in financial planning and reporting. To overcome these obstacles, it is recommended that the capacity of the apparatus be increased through technical training, internal and external monitoring systems, and information technology to increase transparency. A focus on community empowerment and sustainable development is also needed so that the benefits of the Urban village Fund can be felt in the long term. The success of this program depends on the synergy between the government, village officials, and the community in creating more accountable and sustainable governance.

Based on the research results, several suggestions can be applied to improve the effectiveness of Urban village Fund management by increasing the capacity of urban village officials through regular training on financial management and development planning as well as technical assistance to minimize administrative errors. Community participation should also be strengthened by involving them in planning (Muskel), implementation, and supervision, as well as socializing the benefits of the fund to increase citizen engagement. Transparency must be strengthened by publishing financial reports through websites or social media. Supervision can be optimized through regular evaluations and coordination with the inspectorate. Policies should be flexible to suit local conditions without compromising accountability. Community empowerment should be prioritized by allocating funds for skills training and small business development. Digital-based technology must also be integrated to improve management's transparency, efficiency, and accountability.

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