

## Public Trust in The Management of Village Fund by Village Government

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### Abstract

This study aims to examine the Public Trust in Village Fund Management. The data collection techniques include observation, interviews and documentation. Data processing/analysis techniques in this study are reduction, display and verification. The decreasing public trust in the management of village funds by the village government is caused by the lack of transparency of the village government in the process of making village work programs, accountability for reporting village funds is not fully communicated to the community. In terms of responsiveness, it can be seen that the quality of human resources is minimum. On the other hand, the labor-intensive programs are not well implemented. Therefore, in carrying out its duties as a public servant, the village government must pay attention to and implement the concept of good governance properly, so that the implementation of the concept of good governance through optimizing the dimensions of transparency, accountability and responsiveness will encourage the realization of public trust in the village government, especially in the management of village funds.

### Keywords:

public trust; village funds; accountability; transparency; responsiveness

### Introduction

The government's ability to meet public needs is certainly an obligation and public demand. Therefore, the government's inability to meet public expectations can probably result in negative public perceptions. When public expectations are not in line with reality, the opportunity for distrust of government is created. Public trust is an important factor in realizing good governance, especially at the local government level. Trust can generate public legitimacy that can create social capital for the government that is used as an instrument to gain political and social support for government activities.

One of the factors that make villages develop is through the various problems faced in the village. Starting from the existence of affairs that should be village affairs, but are still the authority of the district government as stipulated in Law Number 23 of 2014 on Regional Government and Village Law Number 6 of 2014 to the birth of a Minister of Home Affairs Number 44 of 2016 Village Authority. The process of transferring authority should be the starting point for the revival of the village. Villages are given absolute fullness to organize and manage their own governance without intervention from any party, which definitely relies on human resources in the village as the subject of implementing development.

The provision of Village Funds to villages can also be used as a reflection of the realization of good governance, where the government and the community have a close relationship and at the same time increase community participation, thus encouraging accountability, transparency and responsiveness of local governments.

Moreover, the principles of good governance include community participation, the rule of law, the growth of transparency built on the basis of free flow of information and information needs to be accessible to interested parties and adequate, care for stakeholders, consensus-oriented, equality, effectiveness and efficiency, accountability, and the existence of a strategic vision.

The Village Fund has influenced the welfare of village communities, especially with the birth of Law Number 44 of 2014 on Villages. With this law, the authority of the village has become greater in managing village finances so that it becomes a stimulus in improving village development. In Law Number 23 of 2014 concerning Regional Government, the village is given the widest possible autonomy to manage all government operations outside the authority of the central government to make regional policies related to improving services and empowering the community, as well as real and responsible autonomy, making the village's position better and able to be independent to advance their respective regions, but in reality, the opposite is happening.

## **Literature Review**

### **1. Good Governance in the Implementation of Governance**

According to FCGI (Forum for Corporate Governance in Indonesia) good governance is defined as a set of rules that determine the relationship between shareholders, management, creditors, government, employees and other internal and external stakeholders with respect to their rights and obligations, or in other words a system that directs and controls the company. UNDP (United Nations Development Program) mentions the definition of good governance as a synergistic and constructive relationship between the State, the private sector and society, within the principles of; participation, rule of law, transparency, responsiveness, consensus building, equality, effectiveness and efficiency, accountability and strategic vision.

Good governance is defined as the practice of applying the authority to manage the various affairs of state administration politically, economically and administratively at all levels. There are three important pillars of good governance as follows.

1. Economic governance or people's welfare;
2. Political governance or decision-making process;
3. Administrative governance or policy implementation procedures.

In governance lens, a good governance is an idea and value to regulate the pattern of relationships between government, private business, and society so that there is clean, democratic, and effective governance in accordance with the ideals of the formation of a prosperous, and independent society.

### **Public Trust in the Perspective of Public Administration**

The second concept of public trust is social trust. Social trust refers to the trust of citizens towards other citizens in a community or society. Robert Putnam (1993) mentions that citizen involvement in social activities and trust among fellow citizens contribute to the formation of political trust. The citizen interaction in social and government activities will not only make citizens have higher trust in other citizens but also in the government. Previous studies on public trust show that the concepts of political trust and social trust are not mutually exclusive, but rather overlap and are closely related. Social trust contributes to the development of political trust, namely citizens' trust in the government and its policies.

Political trust in the government and its policies does not occur in an empty space, but in a community with the social trust that exists in it that influences the dynamics of public trust in the government and its policies. Empirically, it is stated that the position of public trust in public administration is at the core center to bridge the achievement of government performance with the objects targeted by public policy. At this point the government acts as a public administration organizer that needs to prioritize performance, effectiveness efficiency, democratization and public participation to build harmonization and strong support from citizens as objects as well as subjects in the preparation and implementation of government policies (Thahir Haning et al, 2020).

In the New Public Services perspective, public trust is an integral dimension of public management and public administration (Denhardt and Denhardt, 2003), building trust capacity in public services by restoring the integration and responsiveness of bureaucrats in public organizations. Public management and public administration examine to diagnose the various reasons and significance of public trust in the implementation of public administration, various factors that cause negative excesses of low public trust in government.

### **Methods**

This study used a descriptive method with a qualitative approach. As Denzin & Lincoln (1987) argue that, "Qualitative research is research that uses a natural setting with the intention of interpreting phenomena that occur and is carried out by involving various existing methods".

Furthermore, this study used triangulation data collection techniques as follows: observation, interviews and documentation. Meanwhile, the data processing/analysis techniques in this study were reduction, display and verification.

## **Discussion**

Based on the exposure from the theoretical study, it can be seen that public trust goes well if the concept of good governance is carried out properly so that there is no negative view from the community on the management of village funds. In fact, the community lacks trust in the management of village funds due to the lack of transparency of the village government in the process of formulating village development priority programs, where community participation is still insufficient in the formulation of programs that will be financed using the Village Fund. The majority of community participation is only through representatives such as village community leaders and Government Assistance for Village Communities, whereas broad community participation should be important because it is expected that there will be many suggestions and ideas regarding priority scale needs in village development.

This condition is seen as a lack of accountability by the community and this dimension of accountability is seen as an important factor in the implementation of good governance for the management of the Village Fund. Further, this condition is also related to the reporting of the use of the Village Fund which has not been informed in detail to the village community so that the community feels ignored in its management. In addition, various cases of misuse of Village Funds by village heads that have occurred at this time also show that the accountability process has not gone well.

The responsiveness dimension of the village apparatus in managing the Village Fund also shows the implementation of activities that do not use labor-intensive patterns, as well as the lack of quality human resources, the use of Village Funds outside of priorities, and evaluations at the sub-district level and related agencies that are still weak and the role of APIP is not optimal. Furthermore, the ability of village officials to respond to and implement village development programs whose budgets are sourced from the Village Fund is also often delayed.

These problems have an impact on the level of public trust in the management of the Village Fund. These various problems have resulted in a level of public trust that tends to decline, therefore an increase in the transparency, accountability and responsiveness of the village apparatus is needed in order to increase public trust in the management of the Village Fund.

There is a wide range of literature that shows that the phenomenon of public trust can be analyzed with various approaches, one of which is by using the Good Governance perspective. In

this perspective, the relationship between trust and good governance is circular. Meanwhile, the trust in government drives good governance practices, good governance in turn stimulates and strengthens trust in all its variants (Blind, 2010).

When governments decide to implement the principles of good governance, they can not only fulfill the needs of the people, but also increase public trust in the government itself (Yousaf et al. 2016). Furthermore, as the basis of good governance, transparency, accountability and responsiveness in public administration are prerequisites for strengthening public trust (Cheema 2010; Armstrong 2005). Firstly, transparency is now proposed as a solution to one of the most crucial problems of democratic governance that leads to increased citizen distrust of government (Grimmelikhuijsen et al. 2013: 575). Due to these issues, governments and citizens globally are putting transparency issues at the forefront as a medium to end secrecy in government, increase public trust, and lead to good governance (Veal et al. 2011). If governments provide more information about their actions and inactions to their citizens, the level of trust will increase (Bannister and Connolly, 2011). The dimensions used in analyzing accountability include the institutional dimension, political dimension, financial dimension and service delivery dimension as proposed by Maria and Greta (2014).

Government accountability can also play a key role in creating public trust in government (Yousaf et al, 2016; Cheema, 2010; Gordon, 2000). Lack of accountability has resulted in many governments being eliminated or citizens losing trust in their governments (Minja, 2013). Public information can thus be used to make government and administrative processes transparent, ultimately increasing public trust in government (Gordon 2000). The dimensions of accountability used in analyzing the phenomenon of Village Fund management include the dimensions of legal accountability and honesty, process accountability, program accountability and policy accountability (Hopwood and Tomkins, 1984; Elwood, 1993). Third, public administration scholars argue that government responsiveness is directly related to public trust in government (Yousaf et al.2016). Responsive governance is key to restoring trust in government (Brillantes and Fernandez 2011: 56). In addition, the degree of stakeholder consensus strength and responsive bureaucratic processes can increase public trust in government (Wang 2002). Thus, public distrust can occur if the government and its apparatus do not respond to the needs of citizens (Cheema, 2010). Responsiveness is the ability of the government (organization) to recognize needs, set agendas and priorities, develop programs in accordance with the needs and aspirations of the community (Hormon, 1995) in Dwiyanto (2002). Responsiveness is closely related to the alignment between programs and activities with community needs. The more the needs and desires of the community are programmed and

carried out by public organizations, the better the responsiveness of the organization is considered. Responsiveness is needed in public services because it is evidence of the organization's ability to recognize community needs, develop service agendas and priorities and develop public service programs in accordance with the needs and aspirations of the community. The organizations that have low responsiveness automatically have poor performance as well (Osborne and Plastrik, 2000). The dimensions of responsiveness used in this study include the quality of human resources, organizational structure, frequency, leadership from the community and forms of leadership (Steers, 1974).

Based on the description of the concept of public trust and above, it can be seen that the impact of Village Fund management on public trust using a good governance approach including transparency, accountability, responsiveness will create public trust as stated by Beshi and Kaur (2020). There are several concepts of public trust through the implementation of good governance seen from several dimensions as follows.

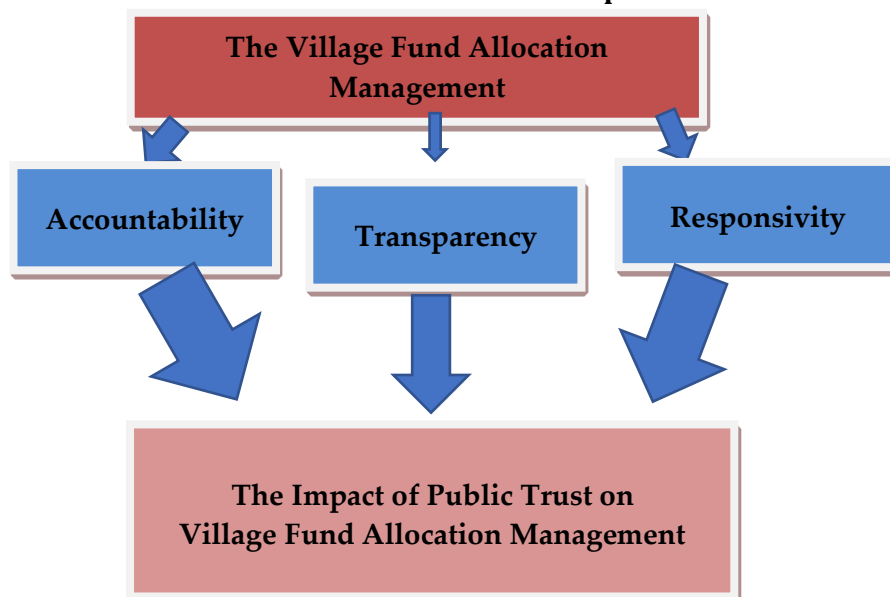
First, the transparency dimension is reviewed from several aspects including transparency of plans and programs, transparency of the Village Fund management process, the public can clearly see the situation of Village Fund management and adequate information regarding the performance of Village Fund management to the public (Beshi and Kaur, 2020).

Second, the accountability dimension is analyzed based on aspects including a regular reporting system on the achievement of performance and objectives of Village Fund management, village government awareness of community/public responsibilities, village government following all regulations in various situations, and using the budget correctly and according to applicable rules (Beshi and Kaur, 2020).

Third, the responsiveness dimension includes the village government's sensitivity to public opinion, responsiveness to public wishes, the government's sincerity in helping people who need help, the efficiency of the quality of solutions to public needs, the village government serves the public's administrative interests correctly and reasonably (Beshi and Kaur, 2020).

From the concept of the three dimensions, it can be seen that if it is actually implemented properly and optimally by the village government, it will create good public trust. The concept of public trust formed from the implementation of good governance through transparency, accountability and responsiveness can be described in the following chart:

Table. 1

**The Public Trust Concept****Conclusion**

In short, the declining public trust in the management of village funds by the village government is due to the lack of transparency of the village government in the process of making village work programs, the accountability of village fund reporting is not communicated thoroughly to the community, and responsiveness can be seen from the lack of quality of human resources and the non-implementation of labor-intensive programs in the implementation of activities.

Therefore, the village government in carrying out its duties as a public servant must pay attention to and implement the concept of good governance properly so that the implementation of the concept of good governance through optimizing the dimensions of transparency, accountability and responsiveness will encourage the realization of public trust in the village government, especially in the management of village funds.

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