

## THE 2018 LUWU REGENCY GOVERNMENT BUDGET POLICY AND ITS IMPLICATIONS FOR VILLAGE DEVELOPMENT

WILLIAM, ARMIN, SUKRI  
Universitas Hasanuddin

[williambaturaja32@gmail.com](mailto:williambaturaja32@gmail.com), [armin09111965@gmail.com](mailto:armin09111965@gmail.com), [sukripolitik@gmail.com](mailto:sukripolitik@gmail.com)

Received 10 Sep 2021 • Revised 21 Oct 2021 • Accepted 20 Nov 2021

### **Abstract**

This study aims to determine the cause of the delay in the process of determining the Regent's Regulation on the financial management of Village Fund Allocation (ADD) and Village Funds and to describe and analyze the 2018 Luwu Regency Government Budget Policy and its Implications for Village Development. This research was conducted in Luwu Regency. This type of research is qualitative. Descriptive approach to make a systematic, factual, accurate description, picture, or painting of the factors, properties, and relationships between the phenomena being investigated. Data were collected through in-depth interviews and literature review. The data were analyzed using policy theory, the concept of policy implications, the concept of regional financial management, and the concept of village development. The results showed the delay in the process of drafting and stipulating the Regent's Regulation on Financial Management of Village Fund Allocation (ADD) and Village Funds in Luwu Regency in 2018 due to central regulations that were always late and frequently changed so that the stipulation of the Regent's Regulation which should have been set before November was not per with expectations. The Implications of the Delay in the Regent's Regulation on Financial Management of Village Fund Allocations and Village Funds greatly impact villages in Luwu such as village government activities in carrying out government, development, and community services.

**Keywords:** Regent Regulation, Village, Policy Implications.

## INTRODUCTION

The Luwu Regency APBD has never been stipulated in December of the previous fiscal year, or before the current fiscal year in question. The Luwu Regency APBD in stages and processes has been prepared following applicable laws and regulations, but there has been disobedience to its implementation.

The stipulation of the Perbup APBD in Luwu Regency has exceeded the time limit that has been set and always enters the budget year that should have been running. 24 (Twenty-four) Regencies/Cities in South Sulawesi, only Luwu Regency is always late in stipulating the Regent's Regulation on the Implementation of the Regional Budget. The general budget policy (KUA) and the temporary budget ceiling have been given long before the discussion of the Regional Revenue and Expenditure Budget Plan (RAPBD). The submission of the document coincided with the agenda of the plenary meeting of the Regional People's Representative Council (DPRD), namely the regent's response to the general view of the faction regarding the accountability report on the implementation of the APBD.

Tumbel stated that the village is an area that has autonomous rights to regulate and improve its development to improve people's welfare. The village government also has the right to autonomy in managing its finances. The existence of village autonomy rights in managing village finances is a guide for a village to be able to manage its finances independently. However, in reality, there are still a few villages that are aware of the privileges and make the best use of financial autonomy. [1]

Luwu Regency is one of the regencies in South Sulawesi Province which has 207 villages. All villages in the Luwu Regency area are in dire need of financial assistance to support and expedite the administration of government and village development.

Regarding the management of village development, it is further explained in Government Regulation Number 43 of 2014 as amended by Government Regulation Number 47 of 2015 concerning Implementing Regulations of Law Number 6 of 2014 concerning Villages and Minister of Home Affairs Regulation Number 113 of 2014 concerning Financial Management Village, where it is stated that village financial management is a series of activities which include: planning, implementation, administration, reporting, and accountability.

Administratively, since 2017 Luwu Regency consists of 22 sub-districts which are divided into 207 villages and 20 sub-districts. Latimojong District is the largest sub-district, reaching about 467.75 km<sup>2</sup> or 5.59% of the area of Luwu Regency, followed by North Walenrang and West Walenrang Districts with an area of about 259.77 km<sup>2</sup> or 8.66% and 247.13 km<sup>2</sup> respectively. or 8.24%. Meanwhile, the sub-district which has the smallest area is North Belopa District, which is approximately 34.73 km<sup>2</sup> or only about 1.16%.

Looking at the last 3 years, the late Disbursement of the Village Fund Allocation Budget in Luwu Regency, which is sourced from the APBD. Due to the delay in the determination of the Regent's Regulation on the Implementation of the APBD, therefore it has an impact on village financial management and has a significant effect on development in the village. The position of regional finance that is integrated into the APBD is very important as a tool to maintain and seek a balance of regional economic fundamentals in the development process in the village, and the APBD is also a forum to accommodate various public interests that are realized through programs and activities.

## RESEARCH METHODS

This study uses a qualitative method with a descriptive approach. The data used are primary data and secondary data. Primary data were obtained from interviews and secondary data was collected through literature review and documentation. Descriptive data analysis of the results of interviews based on the theoretical framework used, namely: Factors Affecting the Delay in Regent's Regulations, Implications of Delay in Perbup on Development in the Village.

## Results and Discussion

Village financial management must of course be carried out with good and accountable management because the funds that enter the village are not small, but are very large to be managed by a village government. [2]. With the Village Fund policy, the management dimension in implementing the Village Fund policy needs to be implemented properly because according to Nugroho, the public policy includes the design and planning process; implementation through various organizations and institutions; and to achieve optimal results, the implementation of public policies must be controlled.

From the expert's explanation, it is clear that good policy implementation is influenced by a good management process to achieve something that is expected when the implementation of the

policy is already running. Furthermore, Abdullah Ramdhani, Muhammad Ali Ramdhani stated that policy implementation is the implementation or application of a policy through programs, activities, actions, or actions in a mechanism that is tied to a certain system. doubt the success of this policy because of the unpreparedness of the Village Government Apparatus itself, especially in financial management whose business process is almost the same as the Regional Government level. Whereas according to Edward III [3] that the availability of supporting resources, especially competent Human Resources (HR) is a factor for carrying out effective public policies. According to John P. [4] also argues that weak resources are one of the factors in implementing ineffective and not well-targeted policies that result in the implementation of development not running properly.

#### 1. Factors Delay in the Process of Drafting and Stipulating Regent's Regulations concerning Financial Management of Village Fund Allocations and Village Funds.

In using the budget, the village government must be guided by the regent's regulations regarding the guidelines for implementing the Allocation of Village Funds and Village Funds. In 2018. However, what happened in the Luwu district experienced obstacles where the regulations set in 2017 could not be implemented due to an appeal that the regulations set in 2017 2017 will change in 2018. The factors that caused the delay in changing the regent's regulation are:

#### 2. Delays in Government Regulations from the Center

The regent's regulation regarding the guidelines for implementing the Allocation of Village Funds and Village Funds. In 2018, which was originally set in 2017, was amended so that it was stipulated in 2018. Luwu regent's regulation number 9 of 2017 concerning guidelines for the implementation of the Allocation of Village Funds and Village Funds was later changed in the Luwu Regent's Regulation Number 6 of 2018 concerning changes to Luwu regent regulation number 9 of 2017 concerning guidelines for implementing Village Fund Allocation and Village Funds [5].

As stated by Mr. H. Bustam as Head of the Luwu Regency Village and Community Empowerment Service:

"...The preparation of the Perbup until the stipulation is usually carried out before the current fiscal year because after the stipulation it also requires socialization to the village apparatus. However, the implementation in 2018 experienced delays due to changes in regulations from the center such as the Minister of Finance Regulation (PMK) and the Ministry of Village Regulation." [6]

This has often happened in the last few years in Luwu Regency. The obstacles to the Village Finance Perbup are regulations from the center which are a reference for the technical preparation of the Village APBDs. Both from the regulations from the Ministry of Finance regarding village management, as well as regulations from the Ministry of Villages which have always been an obstacle to the preparation of the Regent's Regulation on Financial Management of Village Fund Allocations and Village Funds.

The delay in regulation greatly affects the Village Government because it causes delays in the implementation of activities or programs in the village, especially the village in Luwu. The 207 (two hundred and seven) villages in Luwu are very complaining about the late regulations, both from central regulations and regulations made by local governments.

The Regent's regulations governing Financial Management in the village are expected to be completed on time because the village is the spearhead to realize the ideals of the state. There is no developed country without developed provinces, no developed province without developed regencies and cities, and no developed regencies and cities without developed urban villages and villages. Thus, the basis of a country's progress is determined by village progress.

As stated by Mr. Partisan as Head of the Legal Division of the Luwu Regional Government:

"The delay in the process of drafting or stipulating the Perbup depends on the Ministerial Regulation from the center, it should be in December every year the Perbup has been ratified and socialized but because the regulations from the center are late, the preparation is also hampered" [7]

With this, government regulations both from the Ministry of Villages and from PMK should have been socialized before November so that the preparation of the Regent's Regulation in Luwu has been determined no later than November.

#### 1. Lack of Synergy Between Stakeholders

In the drafting process, a synergy between stakeholders is needed so that the resulting regulations are following the wishes of the village. As stated by Mr. H. Bustam as Head of the Luwu Regency Village and Community Empowerment Service:

"...The preparation of the Perbup until the stipulation must be in synergy in this case between the OPDs related to the Village Government and the Regional Government always coordinate and share about the Technical Implementation of Village Financial Management and Village Development Before the stipulation of the Perbup, so that technically the implementation is fair to the village." [8]

With cooperation between existing stakeholders, it can accelerate the completion of the preparation of the Regent's Regulation that was designed, starting from the Community and Village Empowerment Service (DPMD), the Regional Secretariat of the legal department, and other stakeholders who have a role in drafting the regulation. DPMD as the agency that plays an important role in this matter should be quick to respond to problems like this quickly because DPMD is the agency that knows best about the problems that exist in the village.

As stated by Mr. Muh. Tahir as the Head of Papajaku Village, Suli District, namely:

".. It is better if all relevant stakeholders are involved, especially village heads because we are not involved in this preparation, so we don't feel involved and the Perbup regarding ADD and DD should be stipulated and disseminated to the village so that it does not affect the community. village activities<sup>[9]</sup>

The implementation of the Village Fund policy has not yet been implemented optimally and thoroughly by the Luwu Regency Government. This can be seen from the incompleteness of further technical regulations regulated by regulations at the level of the Luwu Regent's Regulation. It was explained that there is still a lot of work for the Luwu Regency Government in making regulations governing Villages as a form of the Luwu Regency Government's seriousness in guiding the Village Government and is a mandate from related Ministerial Regulations, such as the Ministry of Home Affairs of the Republic of Indonesia, Ministry of Villages, Development of Disadvantaged Regions and Transmigration of the Republic of Indonesia and the Ministry of Finance of the Republic of Indonesia.

As stated by Mrs. Samsiar as Secretary of Padanglambe Village, Suli District, Luwu Regency, namely:

".. The delay in the Perbup that regulates the Management of ADD and DD is very influential on our activities in the village, especially villages that are far behind from the city, at least in the preparation all related OPDs are involved so that the determination is carried out quickly and socialization also hopes that it is every year. the beginning of the year, namely January has been socialized<sup>[10]</sup>

The results of this test indicate that communication factors, resources, disposition, and bureaucratic structure determine village financial management which will ultimately have an impact on the effectiveness of the village development program in Luwu Regency. Based on the results of observations in the field, it is known that in implementing the Village Fund policy, the Luwu Regency Government, in this case, the Luwu Regency Community Empowerment Agency and Village Government as the relevant Regional Apparatus, has implemented policy communication in the form of socializing the Village Fund policy following Law Number 6 the Year 2014 concerning Villages and their derivatives to Village Heads throughout the Luwu Regency.

#### 1. Lack of Human Resources

Human Resource is an important factor in the process of making government regulations. The role and importance of Human Resources in Government Agencies is that all potential human resources can be utilized as an effort to achieve success in achieving goals, both individually and within the agency.

As stated by Mr. H. Bustam as Head of the Luwu Regency Village and Community Empowerment Service:

"..Good human resources are expected to be able to respond to the existing conditions, however, in the Luwu district, the human resources contained in the related OPD are still lacking as well as those in the village. It is better in the village to have human resources who can support us quickly in responding to existing problems. Relevant OPD and village officials must periodically seek new regulations from the center, don't just rely on 1 (one) person so that the regulations will be produced on time so that they do not have implications for program activities in the village."<sup>[11]</sup>

These resources include human energy and capabilities (both thinking and physical power) that can be utilized in an integrated and optimal manner.

#### 1. Implications of Delay in the Regent's Regulation on Financial Management of Village Fund Allocations and Village Funds

The delay in regulations regarding village financial management has implications for implementing village activities. The implications of the delay in the Regent's Regulation on village financial management are:

1. Late Disbursement of Honor and Empowerment BidangSalary/honor is a form of state appreciation to the people who are tasked with providing erVICES to the community. With the delay in the budget disbursement process, it will be a big problem for the village, especially when the honorarium/salary of the Village Apparatus has not been paid, it can lead to a lack

of quality of service in the village, village officials feel that their rights have been taken away, so this has fatal consequences for public services in the village.

Payment of honorarium/salary on time is an encouragement for village officials to provide excellent service to the community. The timely payment of honorariums/salaries should be of great concern to the local government, especially to the Luwu Regent, because this concerns the issue of community welfare.

To protect the provision of fixed income and allowances to village officials, Article 66 of Law Number 6 of 2014 concerning Villages has been regulated, namely:

- 1) The Village Head and Village apparatus earn a fixed income every month.
- 2) The fixed income of the Village Head and Village apparatus as referred to in paragraph (1) shall be sourced from the balancing fund in the State Revenue and Expenditure Budget received by the Regency/City and stipulated in the Regency/City Regional Revenue and Expenditure Budget.
- 3) In addition to the fixed income as referred to in paragraph (1), the Village Head and Budget.

As stated by Mrs. Samsiar, as the Secretary of Padang Lambe Village, Suli District, Luwu Regency:

".. That with the delay in the Perbup, our honorarium/operations, as well as village officials, have been late being paid so, we also need welfare, we have a family whose needs must be met, we hope that in the future the preparation and determination of this Perbup are on time so that we are used to carrying out our duties. us as village government well<sup>[12]</sup> "

As stated by Mr. Syamsu Rijal as the Head of Kasiwang Village, namely:

".. The slow disbursement of the budget, greatly affects the village economy, village development, and all programs in the village that are determined through the musdes, the slow disbursement of the budget also affects the public services in the village"<sup>[13]</sup>

In addition to the impacts mentioned above, there are other impacts, namely that the program that has been planned by the village government will be carried out in a hurry and seem modest because the implementation time will be shorter. This of course will affect the effectiveness and efficiency of the program implementation.

#### 1. The Constraints of Infrastructure Development in the Village

To realize these ideals, of course, funds are needed that will be used for village government operations, in line with the regulation of the village with a separate law, it requires a budget or budget for village activities, but if the Perbup regarding village financial management has not been stipulated, the village will difficult to move, as stated by Mr. Muh. Tahir as the Head of Papakaju Village, namely: "Regarding the disbursement in 2018 yesterday it was very slow to implement because the perbup which was slow to be established and socialized finally greatly impacted the disbursement of the first phase of the budget, if the budget was late then all activities in the village were also hampered, hopefully in the future the perbup will be determined as soon as possible"<sup>[14]</sup>

By looking at the impact of the delay in establishing the regent's regulations on the financial management of Village Fund Allocations and Village Funds, it can be concluded that all villages in Luwu Regency cannot carry out the planned activity program according to a predetermined schedule.

The delay in budget disbursement has an impact on all fields in village activities, starting from empowerment, infrastructure, economy, and other fields. The priority of using Village Funds for village development is regulated in Permendes PD TT Number 5 of 2015 Article nb 10. Village Funds are allocated to achieve village development goals, namely improving the welfare of rural communities and the quality of human life as well as poverty alleviation, through:

- 1) Meeting the needs of the base, among others: the development of village health posts and Polindes, management and coaching IHC, and development and management of early childhood education.
- 2) Development of village infrastructure and facilities, which may include: construction and maintenance of village roads, construction and maintenance of farm roads, development of new and renewable energy, development and maintenance of environmental sanitation, development and management of village-scale clean water, construction and maintenance and management of fishery cultivation channels and development of production facilities and infrastructure in the village.
- 3) The development of local economic potential, including the construction and management of fish auction sites, management of pastures, development of tourist villages, establishment and development of village-owned enterprises (BUMDes).



As stated by Mr. H. Bustam, as the Head of the Community and Village Empowerment Service, namely:

".. Of course with the delay in the determination of the Perbup regarding the financial management of ADD and DD, is very influential on development, especially on infrastructure development in the village which has previously been discussed, especially if the activity is prioritized by each village, then the impact will very affect the community, for example, irrigation canal activities in the village, which are the basic needs of the community, especially in the agricultural area, agricultural road infrastructure activities and many more, other development activities, so that then I make homework for the future<sup>[15]</sup> "

In addition, due to the delay in the stipulation of the Perbup regarding the Management of ADD and DD in Luwu Regency, of course, it has an impact on village financial management throughout Luwu Regency. This can be seen from the results of interviews with 3 (three) Village Heads in Suli District who were used as respondents in this study, where the impact of the delay in the determination of the Perbup in Luwu Regency in 2018 on village financial management is the constraint in the implementation of village governance in the field of village development, village development programs, village empowerment programs, and disruption of the implementation of public services.

## CONCLUSION

Based on the formulation of research problems and research results in the field regarding the 2018 Luwu Regency Government Budget Policy and its Implications for Village Development

1. The delay in the process of preparing and stipulating the Regent's Regulation on Financial Management of Village Fund Allocation and Village Funds in Luwu Regency in 2018 is due to the always late Central Regulations which should have existed before November but were not in line with the expectations of the Village Heads in Luwu Regency or the Village Government, and There are also always changes from central regulatory regulations, both from the Regulation of the Minister of Finance, the Ministry of Disadvantaged Villages, Development of Disadvantaged Regions and Transmigration and the Ministry of Home Affairs. The Village Government and the Community, in addition to the Regulations from the Center, because of the lack of synergy between the OPDs in the related Luwu Regency, has hampered the preparation of the Perbup on Village Financial Management.
2. Implications of the delay in the Regent's Regulation on Financial Management of Village Fund Allocations and Village Funds greatly affect the villages in Luwu, such as the implementation of the village government in carrying out government, development, and community services according to authority, such as the payment of honorariums/salaries for village officials, which can result in poor service delivery. the public in the village, this is homework for the Luwu Regional Government to 207 villages in Luwu Regency, in addition to having an impact on salary disbursement or operations in it also causes development to be constrained, especially in the Infrastructure Sector, for example, village irrigation channels, road infrastructure, educational facilities, The impact of Health Facilities in this case, is the welfare of the people of Luwu.

## SUGGESTION

Based on the problem formulation and research results, the authors provide suggestions:

1. At the next stage of preparing the APBD, fostering Synergy which needs to be carried out in-depth and comprehensively must understand the purpose of the preparation and stipulation of the Perbup on Village Financial Management for the implementation of government and every element involved must be committed to providing the best in the preparation of the Perbup.
2. The Luwu Regency Community and Village Empowerment Service (DPMD) as the relevant OPD and plays an important role in this regard, takes more appropriate steps to deal with things like this so that the village government can exercise its authority in the village.

## REFERENCE

Astri Furqani, Village Financial Management in realizing good governance (Study on the government of Kalomo'ok Village, Kalianget District, Sumenep Regency) Thesis, (East Java, UPN, 2010 ), Page 3  
Lutfhi Nur Fahri. 2017, The Effect of Village Fund Policy Implementation on Village Financial Management in Improving the Effectiveness of Village Development Programs, Master of Public Administration Study Program, University of Garut, Public Journal, Vol. 11; No. 01; 75-88

Dody Setyawan and Nanang are good, srihardjono. 2016, Analysis of Village Law Policy Implementation Using Edward III Model in Landungsari Village, Malang Regency, State Administration Science Study Program , University of Tribhuwana Tungadewi Malang , E-Issn Reform 2407-6864 Vol. 6, No. 2,

Minarni Anaci Dethan, 2019, Effectiveness of Village Fund Allocation Management (Add): A Theoretical Approach, Faculty of Economics and Business, Nusa Cendana University, Journal of Accounting : Transparency and Accountability, Vol. 7, No.1, pp. 15 – 19

Luwu Regency Official Portal, <https://portal.luwukab.go.id/blog/page/document-dan-data> .

Interview with Mr. H. Bustam, as Head of the Luwu Regency Community and Village Empowerment Service On July 13, 2021 at the Luwu Regency Community and Village Empowerment Office

Interview with Mr. Partisan Head of Luwu Regional Government Legal Division on July 22 , 2021 at 10.00 WITA at the Luwu Regent's Office

Interview with Mr. Muh.Tahir, as the Head of Papakaju Village, Suli District, Luwu Regency on July 13, 2021 at 14.30 at the Papakaju Village Office, Suli District, Luwu Regency

Interview with Mrs. Samsiar, as the Secretary of Padang Lambe Village, Suli District, on 27 July 2021 at the Padang Lambe Village Office, Suli District, Luwu Regency