New Village Law and Effectiveness of Village Government in Indonesia

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Abstract

Law 6/2014 on Village in Indonesia is a great affirmative policy, which gives recognition to villages existense, and increases authority of village governments. Using quantitative methods, research gains results that implementation of Law 6/2014 has positive influences to effectiveness of village government. Factually, village officials are already qualified to understand the act clearly and consistently. Increasing effectiveness of villages government organizations is affected by increasing of village officials training, village officials capacity, availability of resources, support of socio-economic environment, and support of organizations within the village.

Keywords: Village Act, affirmative policy, village government, government effectiveness

1. Introduction

Development discriminated against rural areas, at least in last decade in Indonesia. Development programs only delivered to 31 percent of villages in 2008. Efforts to increase rural development is conducted through National Program for Community Empowerment
(NPCE) since 2007, but they are only able to cover 54 percent of villages in 2011 (Agusta, 2015).

NPCE program was directed by Presidential Decree 5/2010 on the National Medium Term Development Plan 2010-2014, as well as assigned to reduce poverty (in accordance to Presidential Decree 15/2010 on the Acceleration of Poverty). Poor people benefitted NPCE within just 14 percent of villages in 2011, then dropped to 11 percent of villages in 2014. Consequently, poverty head-count index in rural areas is higher than in urban areas during 1993-2016. In September 2016, poverty in rural areas reached 13.96 per cent, whereas in urban areas is only 7.73 percent.

Discrimination against villages in various development fields also have consequences on backwardness of rural areas. In 2014 there were only 3.92 percent of villages which area classified as achieved villages, while 27.22 percent belonging to backward villages (National Plan and Development Board and Statistical Central Board, 2015).

In order to combat discrimination against village, government issued Law 6/2014 concerning villages. Within the law, affirmation to village is shown by the recognition and subsidiarity principles (Antlov, Wetterberg and Dharmawan, 2016; Sukasmanto and Mariana, 2015; Vel and Bedner, 2015). Through the recognition principle, existensed villages are recognized according to their local rights. On the other hand, subsidiarity principle justified local authorities or customary law at village level.

As contradiction between affirmative policy and actual discrimination against villages, it is important to conduct research based on question: does implementation of affirmative policy of Law 6/2014 influence on effectiveness of village government?

2. Theoretical Foundation

Analysis of the public policy may be directed to implementation stage, particularly on delivery system. In accordance to Law 6/2014 that uses top down approach (called "local
self-government" and "to develop villages") as well as bottom-up approach (called "self-governing community" and "villages develops"), the most appropriate analysis must be a hybrid approach to combine top down model and bottom up model (Saetren, 2005, 2014; Sabatier, 1986).

Study of policy implementation originally developed in a top-down approach or the rational model. Policy is seen as hypotheses that contain initial conditions and forecasts consequences (Pressman and Wildavsky, 1973). Process of interaction developed between setting goals and actions to achieve these goals.

Sufficient conditions and necessary in order to achieve public policy goals include (Gunn, 1978; Pressman and Wildavsky, 1973; Sabatier, 1986): 1) clear and consistent policy objectives; 2) sound causal theory; 3) coherent structuring of the implementation process; 4) commitment and skill of top implementing officials; 5) support from organized constituency groups and key sovereigns; 6) changing socioeconomic conditions and political support for the initiative over time.

Using bottom up model, Hjern (1982), Hjern and Hull (1982), Hjern and Porter (1981) said, that program is implemented by organizations that conduct its decision-making. The program is implemented through multigroups, including market sector and government bureaucracy, so that actors operate through markets and hierarchies. Implementation structure is some unit of analysis and core strategies to administer multigroup’s programs. The implementation structure consists of parts such as members of various groups, who view the same program as the main instrument or interest : 1) there is less formal structure and fewer authoritative relations; 2) exist social structures are more dynamic and shifting. The cluster of actors does not represent a legally defined entity with its own building and corporate charters; 3) decisions to participate in a program are 'fuzzy', based on consent and negotiation .There was a lot of local discretion. Regional and national organizations can affect the discretion,
particularly through selective labor market policies, but that control is not efficient. There is no single implementation structure for the national program, but comes a collection of local implementation structures that vary depending on the environment and business sectors.

3. Method

Using quantitative methods, unit of analysis of village is used to answer the research question. Census was conducted to 313 villages in Serang District, Province of Banten. The district has characteristics of village autonomy that equivalent to average national autonomy index (i.e. "low" category) (Agusta and Fujiartanto, 2014).

Multiple regression analysis is used to construct the model.

\[ Y_i = \beta_0 + \beta_1 X_{i1} + \beta_2 X_{i2} + \cdots + \beta_k X_{ik} + \varepsilon_i \]  \hspace{1cm} (1)

Whereas:

- \( Y_i \) : dependent variable
- \( X_{ij} \) : independent variable of \( j \)
- \( \varepsilon_i \) : error
- \( \beta_0 \) : intercept parameter
- \( \beta_j \) : regression coefficient parameter of independent variable of \( j \)
- \( i = 1, 2, \ldots, n \)
- \( j = 1, 2, \ldots, k \)

The linear regression models to be tested as follows:

\[ Y_{1.1} = \beta_0 + \beta_1 X_{1.1} + \beta_2 X_{1.2} + \beta_3 X_{1.3} + \beta_4 X_{2.1} + \beta_5 X_{2.2} + \beta_6 X_{2.3} + \beta_7 X_{2.4} + \beta_8 X_{3.1} + \beta_9 X_{3.2} + \beta_{10} X_{3.3} + \beta_{11} X_{4.1} + \beta_{12} X_{4.2} + \beta_{13} X_{4.3} + \beta_{14} X_{4.4} + \beta_{15} X_{4.5} + \beta_{16} X_{4.6} + \beta_{17} X_{5.1} + \beta_{18} X_{5.2} + \beta_{19} X_{6.1} + \beta_{20} X_{6.2} \]  \hspace{1cm} (2)

whereas:

- \( Y_{1.1} \) = effectiveness level of village head leadership
- \( X_{1.1} \) = clarity levels of purpose
$X_{1.2}$ = consistent levels of purpose

$X_{1.3}$ = causal coherent levels of village change

$X_{2.1}$ = communication effectiveness levels of training on village government management

$X_{2.2}$ = communication effectiveness levels of training on village development plan

$X_{2.3}$ = communication effectiveness levels of training on village legal products

$X_{2.4}$ = communication effectiveness levels of training on village financial management

$X_{3.1}$ = education levels of village head

$X_{3.2}$ = knowledge levels on village legislation

$X_{3.3}$ = suitability levels between official experiences and village law

$X_{4.1}$ = value of immovable village asset (IDR/year)

$X_{4.2}$ = value of moving village asset (IDR/year)

$X_{4.3}$ = village income level (IDR/year)

$X_{4.4}$ = availability levels on supported governmental books

$X_{4.5}$ = availability levels on governmental materials

$X_{4.6}$ = availability levels on governmental tools

$X_{5.1}$ = unemployment levels

$X_{5.2}$ = poverty levels

$X_{6.1}$ = levels of Village Consultative Board support

$X_{6.2}$ = levels of informal leader support

\[ Y_{1.2} = \beta_0 + \beta_1 X_{1.1} + \beta_2 X_{1.2} + \beta_3 X_{1.3} + \beta_4 X_{2.1} + \beta_5 X_{2.2} + \beta_6 X_{2.3} + \beta_7 X_{2.4} + \beta_8 X_{3.1} + \beta_9 X_{3.2} + \beta_{10} X_{3.3} + \beta_{11} X_{4.1} + \beta_{12} X_{4.2} + \beta_{13} X_{4.3} + \beta_{14} X_{4.4} + \beta_{15} X_{4.5} + \beta_{16} X_{4.6} + \beta_{17} X_{5.1} + \beta_{18} X_{5.2} + \beta_{19} X_{6.1} + \beta_{20} X_{6.2} \]

whereas:

$Y_{1.2}$ = conflict mitigation levels within village government
\( Y_{1.3} = \beta_0 + \beta_1 X_{1.1} + \beta_2 X_{1.2} + \beta_3 X_{1.3} + \beta_4 X_{2.1} + \beta_5 X_{2.2} + \beta_6 X_{2.3} + \beta_7 X_{2.4} + \beta_8 X_{3.1} + \beta_9 X_{3.2} + \beta_{10} X_{3.3} + \beta_{11} X_{4.1} + \beta_{12} X_{4.2} + \beta_{13} X_{4.3} + \beta_{14} X_{4.4} + \beta_{15} X_{4.5} + \beta_{16} X_{4.6} + \beta_{17} X_{5.1} + \beta_{18} X_{5.2} + \beta_{19} X_{6.1} + \beta_{20} X_{6.2} \) ……………………………………………………… (4)

where:

\( X_{1.1} = \) clarity levels of purpose
\( X_{1.2} = \) consistent levels of purpose
\( X_{1.3} = \) causal coherent levels of village change
\( X_{2.1} = \) communication effectiveness levels of training on village government management
\( X_{2.2} = \) communication effectiveness levels of training on village development plan
\( X_{2.3} = \) communication effectiveness levels of training on village legal products
\( X_{2.4} = \) communication effectiveness levels of training on village financial management
\( X_{3.1} = \) education levels of village head
\( X_{3.2} = \) knowledge levels on village legislation
\( X_{3.3} = \) suitability levels between official experiences and village law
\( X_{4.1} = \) value of immovable village asset (IDR/year)
\( X_{4.2} = \) value of moving village asset (IDR/year)
\( X_{4.3} = \) village income level (IDR/year)
\( X_{4.4} = \) availability levels on supported governmental books
\( X_{4.5} = \) availability levels on governmental materials
\( X_{4.6} = \) availability levels on governmental tools
\( X_{5.1} = \) unemployment levels
\( X_{5.2} = \) poverty levels
\( X_{6.1} = \) levels of Village Consultative Board support
\( X_{6.2} = \) levels of informal leader support
Y1.3= Number of village legislations are set
X1.1= clarity levels of purpose
X1.2= consistent levels of purpose
X1.3= causal coherent levels of village change
X2.1= communication effectiveness levels of training on village government management
X2.2= communication effectiveness levels of training on village development plan
X2.3= communication effectiveness levels of training on village legal products
X2.4= communication effectiveness levels of training on village financial management
X3.1= education levels of village head
X3.2= knowledge levels on village legislation
X3.3= suitability levels between official experiences and village law
X4.1= value of immovable village asset (IDR/year)
X4.2= value of moving village asset (IDR/year)
X4.3= village income level (IDR/year)
X4.4= availability levels on supported governmental books
X4.5= availability levels on governmental materials
X4.6= availability levels on governmental tools
X5.1= unemployment levels
X5.2= poverty levels
X6.1= levels of Village Consultative Board support
X6.2= levels of informal leader support

4. Result and Discussion

Village head occupies an important position within village government. The village head is elected directly by villagers, so it has highly legitimacy of power. The new village
head commonly chose village officers by himself. Thus, the village head became the center of leadership within village government (Lipsky, 1971). Model of effectiveness of village head leadership is presented below.

\[ Y_{1.1} = 2,462 + 0.117 X_{2.1} + 0.116 X_{3.3} - 0.0075 X_{5.2} + 0.166 X_{6.2} \]

Whereas:

- \( Y_{1.1} \) = effectiveness level of village head leadership
- \( X_{2.1} \) = communication effectiveness level of training on village government management
- \( X_{3.3} \) = suitability levels between official experiences and village law
- \( X_{5.2} \) = poverty levels
- \( X_{6.2} \) = levels of informal leader support

The model was significant (\( \alpha = 0.10 \), the value of Sig. = 0.000) and can be operated in a similar wider population (Ftest = 5.758; Ftable = 1.963). The model shows that village head has typically effective leadership. This is indicated by positive constant value in the model. In the field, 42.77 percent of village heads have effective leadership at 81-100 percent, meaning that 81-100 percent of their commands from 42.77 village head are obeyed by village officers.

Effectiveness of village head leadership is able to be enhanced through improved communication effectiveness of village administration management training. Increase of 1 degree of communication effectiveness of village administration management training can increase 11.7 percent of effectiveness of village head leadership. Communication with trainer at district level continued after training on 15.77 percent of village officials. Training on village administration management includes government policies and mental revolution at village governance (Ministry of Home Affair 2015a, 2015b). Training on government policy provides background of Law 6/2014, bureaucratic relationship pattern between central
government, local governments and village government. The training also presented differences in village authority from Government Regulation 72/2005. Participants discussed about meaning, type, position, duties, functions, and good governance at the village. Mental revolution at village governance training includes conception, importance, relevance and contextualization of mental revolution at village governance.

Decrease of poverty rate also able to increase effectiveness of village head leadership. Each 1 percent reduction in poverty can increase 0.75 percent level of effectiveness of village head leadership. The poverty level in the field reached 43.51 per cent of families in the village. There have been cases of crimes by the poor, in the form of a disturbance in the street by drunks, household burglary, and destruction of factories at villages. After the children and the poor youth are schooled and put in work in the factory, criminal cases are disappearing. In these conducive conditon (Sabatier and Mazmanian, 1979, 1983), the poor youth respected to village head.

Village legislation can increase village head effectiveness when they are in line with experiences of village officials. Each increase of 1 level laws on village can increase 11.6 percent of effectiveness of village head leadership. Some 6.43 percent of village officers expressed his experience in line with 81-100 per cent of the Law 6/2014, while 36.01 percent them stated his experience in line with 61-80 per cent of the Law. Village head also does not replace entire apparatus of previous village government, but retaining the most experienced officers. By using experience of previous apparatus, village government continues to run during the transition period.

Informal leader of the village can also increase effectiveness of village head leadership. Each increased of 1 level of community leaders support may add 16.6 percent of effectiveness of village head leadership. About 44.05 percent of villages have "very supportive"community leaders, while 52.09 per cent of rural community leaders "support"
village government. Community leaders support presented formally at a village meeting (Maynard-Moody and Herbert, 1989). Community leaders facilitate proposals from local government to villagers. Implementation of these decisions in the field also need a positive clarification from community leaders. Thus, deliberation the the decisions run by villagers.

Conflict among village officials is considered as a test for survival of village government organizations (Lipsky, 1971). Effectiveness to mitigate these conflicts increase legitimacy of village head. Model of conflict mitigation effectiveness by the village head is presented below.

\[ Y_{1.2} = 2.375 + 0.133 \times X_{4.4} + 0.178 \times X_{6.2} \]

Whereas:

- \( Y_{1.2} \) = conflict mitigation levels within village government
- \( X_{4.4} \) = availability levels on supported governmental books
- \( X_{6.2} \) = levels of informal leader support

The model was significant (\( \alpha = 0.100; \text{the Sig.} = 0.000 \)) and can be used in a similar wider population (\( F_{\text{test}} = 9.608; F_{\text{table}} = 2.320 \)). The village head is effective in resolving conflicts between village officers. This is shown by a positive constant value. In the field, 84.6 percent of village heads have highest capacity to mitigate governmental conflict, while 81-100 percent of them resolve the conflict.

Conflict mitigation effectiveness is supported by availability of supporting village administration books. Every additional 1 percent of the book's availability improves effectiveness of conflict mitigation at 13.3 percent. About 22.19 percent of villages have 67-100 percent supporting village administration books. In line with Bartwal and Sah (2008) and Maynard-Moody and Herbert (1989), through the documents, the village head can pick and choose decisions in accordance with Law 6/2014 and similar regulations. According to Government Regulation 47/2016, village administration books include: (1) general

Village conflict are not merely formally, but can be informally, such as conflicts between neighbors. Therefore, support of community leaders to village heads can improve effectiveness of conflict mitigation (Sabatier and Mazmanian, 1979, 1983; Weible et al, 1989). Community leaders usually have expertise to negotiate villagers and asked them to reach a consensus with village head. Each additional 1 level of support of community leaders add 17.8 percent of conflict mitigation.

Results of village administration includes number of village legislation. Regulations that successfully arranged typically as results of ability of village head in urging all parties to agree to the legislation draft (Maynard-Moody and Herbert, 1989, Long and Franklin 2004). Model of village effectiveness of drafting legislation presented below.

\[ Y_{1.3} = 18,593 + 1,225 X_{3.2} + 0.000046 X_{4.2} - 1,841 X_{6.1} \]

Whereas:

- \( Y_{1.3} \) = Number of village legislations are set
- \( X_{3.2} \) = knowledge levels on village legislation
- \( X_{4.2} \) = value of moving village asset (IDR/year)
X_{6.1}=\text{levels of Village Consultative Board support}

The model was significant ($\alpha = 0.100$; the Sig. = 0.003) and can also be used in wider a similar population ($F_{\text{test}} = 4.848$; $F_{\text{table}} = 2.120$). The model shows an effective drafting legislation in the village, as shown by positive constant value. Village government produces an average of 16 regulations each year.

Knowledge on village legislation can increase production of village regulation. Each additional 1 percent knowledge of village legislation can increase 1.225 village regulation. Unfortunately, only 1.93 percent of village officers who understand 81-100 per cent of articles in Law 6/2014. About 18.01 percent of them understand 61-80 percent articles of the Law.

Value of village moving asset has a positive relationship with effectiveness legislation (Sabatier and Mazmanian, 1979, 1983; Bartwal and Sah 2008)). Each additional IDR 1 billion of the asset increases 0.046 regulations. Value of assets are IDR 39.528 million per villages (note that since 2014 central government has been transferring about IDR 0.3-0.6 billion to every villages each year). Process of village meeting, writing and publishing regulations requires mobile assets such as computer equipment, writing tools and materials, furniture for meetings, and so on. Availability and completeness of movable assets can accelerate preparation of village legislation.

It should be careful to explain negative relationship between Village Consultative Board and village legislation. Any participatory reduction of the Board may add 1,8 village legislation. The model shows that village head legislation is more effective when such regulation does not require approval of the Board. Compared to average of 5 village regulation that should be compiled with the Board, any other village head regulations are produced until 8 document.

5. Conclusion
Statistical regressions above shows, that affirmative policy of Law 6/2014 on Village has positive effect on effectiveness of village government in Indonesia. This is demonstrated by increased effectiveness of village head leadership, conflict mitigation levels within village government, and number of village legislations. Increasing the effectiveness of village government is influenced by increased effectiveness of training of village government, capacity of village officers, availability of resources, support for socio-economic environment, and support for organizations within the village.

6. Bibliography

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