



# Collaborative Governance Model in Improving Community Economy: Optimizing Village Funds

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## A B S T R A C T

One of the implementations of the Village Law policy which is a government strategy to realize independent and autonomous villages is to provide village funds as a source of income. This village fund is used 30% for operational costs of the Village Government and Village Consultative Body (BPD) and 70% for community empowerment and strengthening the capacity of the village government. The provision of village funds is one solution to the problems faced by the village through sources of income. Pematang Johar Village is one of the superior villages in Deli Serdang Regency because of the development of tourist villages. This study also aims to identify the use of village funds carried out by Pematang Johar Village to improve the economy of residents and identify the type of collaborative governance formed in supporting the use of village funds and development. They are using a descriptive qualitative research method with data collection techniques through interviews, observations, and documentation studies. Data analysis techniques include collecting data, reducing data, presenting data, and providing conclusions. The results show several things. 1) that the village government does not have a clear collaboration structure so there is no clarity regarding the roles and duties of each stakeholder. 2) Lack of active participation and initiative from the community, so it is necessary to make the community one of the collaboration partners. 3) there is no supervision and evaluation process for each program so there needs to be a unification of vision and commitment from stakeholders so that the use of village funds through empowerment programs and development of tourism villages can run sustainably and ultimately improve the community's economy.

## INTRODUCTION

The village development program is expected to improve the welfare of village communities in facing challenges and opportunities in the present and the future. The government believes that this program can have a positive impact on increasing the income of villages in Indonesia by helping each village overcome the problems it has. This is solely to carry out the mandate of the Village Law which is currently strengthened through the Regulation of the Minister of Villages, Development of Disadvantaged Regions, and Transmigration of the Republic of Indonesia No. 7 of 2023 concerning Details of Priority Use of Village Funds. It explains that village funds are regulated to be prioritized for financing development activities and community empowerment. In addition, the use of village funds is also prioritized in villages located in disadvantaged areas and transmigration to equalize development. This will certainly bring villages to progress in the economic aspect so that village communities can be strengthened as a form of alleviating the development gap between villages which has so far been very different. To realize good village development, funds are needed. In all activities related to the implementation of government to carry out development and community empowerment, villages are given financial assistance from the state through the regional revenue and expenditure budgets of the district and city governments (Gunawan, 2018).

One of the implementations of the Village Law policy which is a government strategy to realize independent and autonomous villages is to provide village funds as a source of income. This village fund is used 30% for operational costs of the Village Government and Village Consultative Body (BPD) and 70% for community empowerment and strengthening the capacity of the village government. The provision of this village fund is one

solution to the problems faced by the village through sources of income. As expressed by Idris (2014), several things cause villages to need sources of income, namely 1) Villages have a small Village Revenue and Expenditure Budget (APBDes) and their sources of income are very dependent on very small assistance; 2) Low welfare of village communities so that it is difficult for villages to have high Village Original Income (PADes); 3) Low village operational funds to run public services; 4) Many development programs enter the village but are only managed by the Office, these programs do not provide access to learning for the Village and are only top-down so that they are not in line with the needs of the village and its community.

Village funds provided to villages generally aim to improve public services for village communities, alleviate poverty in villages, advance the village economy, and strengthen community participation in village development to realize sustainable development that produces independent and creative villages. The success of this village fund is expected to encourage more advanced village development and a more prosperous community and the unemployment rate can be minimized. Based on data from the Ministry of Finance (2020), shows that in 2015, village funds of IDR 20.8 trillion were disbursed and continued to increase from year to year until the 2021 RAPBN amounted to IDR 72 trillion, this figure increased by 1.1% from the previous year, which was IDR 71.2 trillion in 2020. The high amount of village funds issued and handed over to each village head must be utilized as well as possible to improve the village economy. Therefore, it is necessary to have the capacity of competent human resources and sufficient knowledge to manage it (Khoiriah et al., 2017.)

However, most research results state that the lack of village apparatus resource capacity in managing and utilizing village

funds properly so that the utilization of village funds is less than optimal. So the concept of collaborative governance emerged as an alternative solution to the problem of the ability to utilize village funds properly. This is because collaborative governance is a series of public institution arrangements that involve non-government stakeholders in the formal policy-making process that is oriented towards consensus and deliberation to implement policies or regulate a public program (Ansell & Gash, 2008). Therefore, collaborative governance is considered to be a breakthrough that must be carried out by the village government in utilizing high village funds to achieve its main goal, namely to improve the welfare of the village community.

Several previous studies that support this include (Antono et al., 2020) who analyzed village development collaboration through village funds in Sokaraja District which achieved the result that with good government collaboration, the use of village funds had an effective impact on village development both physically and non-physically. Then research by (Islamy & Andriani, 2022) stated that collaborative governance is needed in the management of Lipulalongo village funds because of its minimal human resource capacity, thus helping to achieve the goals of village development programs and policies. (Fanani & Ibrahim, 2018) found that several activities in villages around Sidoarjo Regency had collaborated to encourage the realization of village independence. As well as research by (Aisyah, 2020) which stated that collaborative governance is very much needed in the management of village funds for community empowerment because the performance of the village government is still ineffective, with limited capacity and minimal networks. (Puspaningtyas, 2023) stated that the concept of collaborative governance is also used to improve the economy of village communities.

Deli Serdang Regency is an area that receives quite high village funds, namely IDR 306,386,948,000 in 2019 and IDR 312,277,329,000 in 2020 (djpk. kemenkeu.go.id). Part of the

village funds are allocated by the village government to develop BUMDES as a driver of the rural economy. Therefore, Deli Serdang Regency has a lot of potential in regional development through BUMDES. It is recorded that the BUMDES owned has reached 160. The Central Government has also designated Deli Serdang Regency as a national strategic area of Mebidangro. Therefore, the Deli Serdang Regency government is very enthusiastic about realizing the vision and mission of an advanced and competitive region with a rural area. With the many potentials and BUMDES owned by Deli Serdang Regency as one of the results of the utilization of village funds, Deli Serdang Regency has established synergistic partnerships with several stakeholders, considering that the capacity of human resources owned is still minimal in terms of skills. One of them is cooperation in developing Pematang Johar village which ultimately through partnership with stakeholders, Pematang Johar Village became one of the model villages for other villages around Deli Serdang Regency and the fifth best in the Sumatra Region (<https://portal.deliserdangkab.go.id>).

Initially, the utilization of village funds was carried out through several programs, the first was by developing the potential of rice field tourism, and the second was through community empowerment with batik training. Both programs were carried out by the village government in collaboration with various stakeholders. The Pematang Johar rice field tourism village was inaugurated in 2020 and showed various positive impacts on the community's economy. However, this only lasted a few years. When conducting this research in 2023, the condition of this rice field tourism was no longer visited by visitors and the atmosphere was no longer as beautiful as before. This problem is fascinating to study because it was previously said that collaborative governance could improve the government's ability to organize government including using village funds. This problem has never been studied before.

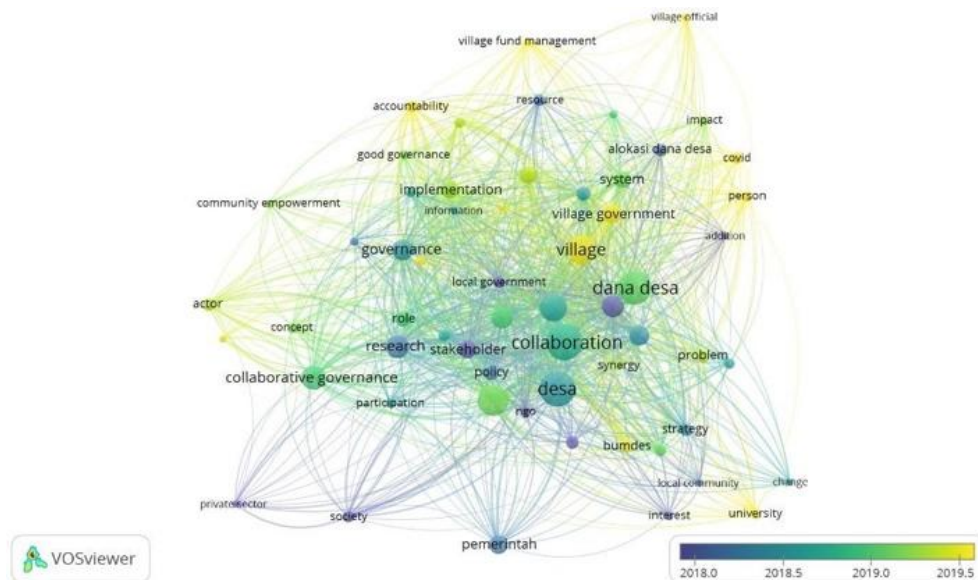


Figure 1. Results of mapping village funds based on Google Scholar database  
Source: Google Scholar Article

Regarding village funds in Pematang Johar village, several previous studies have been conducted as seen in figure 1. Such as (Mahdiyah, 2023) focused on the supervision of village funds in improving the performance of the village deliberative body, then (Pilia, 2023) identified the role of community participation in

improving the development of Pematang Johar village. Then (Ritonga, 2023) also studied the impact of rice field tourism village in Pematang Johar village on the socio-economic aspects of the community. Then Mujahiddin et al. (2022) tried to see the rationalization process carried out by the Pematang Johar village

government so that the rice field tourism program was accepted by the community as an effort to empower the community. (Sholehuddin, 2022) also studied community participation in managing rice field tourism to improve the economy of its people. Research conducted by (Sinaga et al., 2022) tried to identify the optimization of management, utilization, and supervision of village funds in improving the economy of village communities in North Sumatra Province and one of the objects of their research was Pematang Johar village. Furthermore, (Huzaini et al., 2022) state that village fund management is carried out collaboratively

to improve the welfare of the residents of North Cemaga Village. This is in line with the results of interviews and observations conducted with informants who stated that collaborative governance in village fund management. Building trust is often an important first step in the foundation of the collaboration stage (Murdock et al., 2005).

The issue of the use of village funds is not only national as shown in Figure 1. Village funds have also become an interest at the international level, as the author has collected various articles through Scopus data in Figure 2 below:

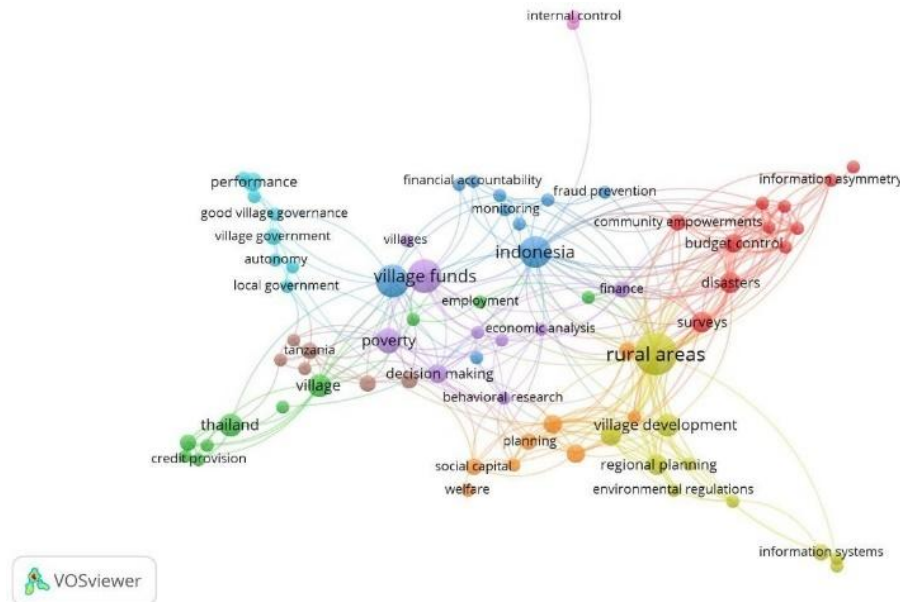


Figure 2. Results of mapping village funds based on Scopus database  
Source: Scopus Article

Village funds in Thailand are called the Million Bath Village Fund (MBVF), between 2001 and 2002 they were donated to villages to establish village credit funds. The village funds are managed by locally elected village committees (DFCs) with members from the community. The purpose of this program is to provide loans with individual responsibility so that people can increase income for households in difficulty (Diego, 2022). Then the Polish study (Marcin, 2020) examined the use of village funds for village development projects related to green spaces. This study not only looks at the use of village funds but also tries to activate community participation in the form of cooperation between the administrative entities of the government and the rural community. Both studies indicate that the use of village funds is carried out by establishing good collaboration between the government and its community.

Based on Figure 1, the mapping results through VosViewer on 980 national articles and Figure 2 on 113 reputable international articles, show that no one has studied the relationship between the use of village funds and the collaborative governance system. This study was conducted, to further identify the collaboration model established by the Pematang Johar government in utilizing village funds to improve the community's economy. Based on this, this study aims to determine the form of cooperation carried out to improve the village community's economy and try to construct a collaborative governance model that can be accommodated by the Pematang Johar village government.

## METHOD

The method used in this study is qualitative. (Creswell, 2014) states that qualitative methods are methods for exploring and understanding the meaning that individuals and groups of people ascribe to social or humanitarian problems. This study tries to explore understanding the meaning of how the Pematang Johar Village government utilizes village funds to improve the economy of its people. In addition, this study also includes a type of field research, because researchers study intensively the background and conditions of the village and the social interactions that exist between the community as individuals, groups, and institutions (Narbuko & Achmadi, 2012). This study uses observation techniques, in-depth interviews, and documentation studies to collect data. Observations were conducted by coming directly to the research locus, namely Pematang Johar village to see the conditions and observe the phenomena that occurred. In-depth interviews were conducted with village government officials and the community directly related to the theme of this research. Documentation studies were conducted to support observation and interview data received in the form of documents or archives. For example, the Village Revenue and Expenditure Budget document and the Pematang Johar village development planning document.



Table 1. Informants

Informants	Σ	Representation
Village Head	1	Village government
Village Secretary	1	Village government who knows about the existing collaboration
Village Treasurer	1	Village government that knows about the use of village funds
Public	11	3 people of whom manage Batik UMKM, and 8 of whom are people who trade or sell in the rice field tourism environment

Source: Processed by the author (2023)

This research will be analyzed using an interactive model, where there are four activities, namely data collection, data condensation, data presentation, and drawing conclusions that are carried out continuously (Miles et al., 2014). Data collection as mentioned in the technique. Data condensation refers to selecting, focusing, simplifying, abstracting, and transforming data collected in the manuscript. Data presentation refers to a brief description, which can be in sentences. Concluding refers to the conclusion of data by the formulation of the problem. This conclusion will describe how the concept of collaborative governance occurs in the utilization of Pematang Johar village funds to improve the economy of its people.

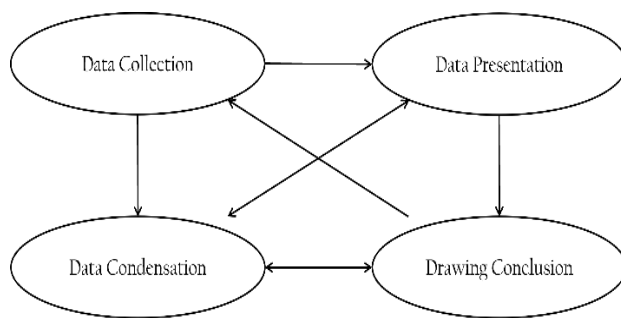


Figure 3. Miles, Huberman and Saldana Interactive Model Data Analysis (2014)

## RESULTS AND DISCUSSION

### Utilization of Village Funds in Pematang Johar Village

Village funds are a source of finance obtained by every village in Indonesia from the State Budget (APBN). This means that village funds are a form of state efforts through the central government in encouraging the development of villages in Indonesia as stated in the NAWACITA of the President of Indonesia, namely "developing Indonesia from the outskirts". This is done because Indonesia is dominated by rural areas. Villages are considered to have potential that if developed can influence the progress of the country. The legal basis for village funds began with the issuance of Law Number 6 of 2014 concerning Villages which intends to provide great autonomy to villages in advancing their villages to become independent villages. Then this law is strengthened by Government Regulation Number 11 of 2019 concerning the second Amendment to PP 43/2014 concerning the Implementing Regulations of Law No. 6 of 2014 concerning Villages and Government Regulation Number 8 of 2016 concerning the Second Amendment to PP number 60 of 2014 concerning Village Funds sourced from the APBN.

The following information regarding the amount of village funds disbursed by the government for the period 2022-2024 can be seen from the following figure.

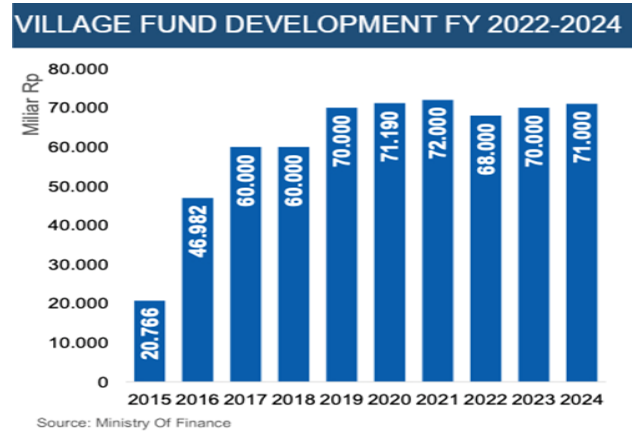


Figure 4. Amount of village funds from year to year

Source: <https://updesa.com/besaran-dana-desa-2024/>

The allocation of village funds is divided into several disbursements, starting from 2015 amounting to IDR 20.7 trillion, 2016 amounting to IDR 47 trillion, 2017 amounting to IDR 60 trillion, 2018 amounting to IDR 60 trillion, 2019 amounting to IDR 70 trillion, 2020 amounting to IDR 71.2 trillion, 2021 amounting to IDR 72 trillion, 2022 amounting to IDR 68 trillion, and in this year 2023 amounting to IDR 70 trillion.

The purpose of providing village funds is to support improving community welfare and equitable development where the aim is to improve village public services; advance the village economy; eradicate poverty; strengthen village communities as subjects of development; and overcome development gaps between villages (Ministry of Finance of the Republic of Indonesia, 2019). Referring to the objectives conveyed by the central government, it can be seen that although villages are given broad autonomy in managing their government affairs, the use of the village funds provided is still regulated by the central government in laws and regulations. However, this regulation does not mean that the village government cannot think about its management, because basically what is determined lies in its field, so the village government can still come up with innovative programs to support the objectives of the village funds.

The use of village fund priorities is also regulated in legislation which is different each year. For example, in 2020, the use of village funds was prioritized to finance the implementation of programs and activities in the field of village development and empowerment of village communities. For example, providing business capital and training for unemployed village communities and poor families; preventing chronic malnutrition; creating job increasing economic income for poor families, and so on.

In 2021, the use of village funds is prioritized for national economic recovery according to village authority; national priority programs according to village authority, and for adapting new village habits. For example, the formation, development, and revitalization of village-owned enterprises; development of productive economic businesses managed by bumdes; realizing healthy and prosperous villages through COVID-19 safe villages; and so on. Meanwhile, in 2022 and 2023, the priority for using village funds is the same, namely for national economic recovery according to village authority; national priority programs according to village authority and for mitigation and handling of natural and non-natural disasters according to village authority. For example, developing bumdes management can develop tourist villages; and increase community involvement as a whole

in the development and empowerment of village communities, and others. Based on the 2017 and 2018 Pematang Johar Village

Revenue and Expenditure Budget data, it is shown in tables 2 and 3 below:

**Table 2.** Use of Village Funds in Pematang Johar in 2017

No.	Description	Budget Amount
1	Development and management of integrated health posts	Rp 72.815.000
2	Development and management of PAUD	RP 22.500.000
3	Drug trafficking prevention and control program	Rp 14.470.000
4	Development of health facilities & infrastructure (construction of clean water facilities)	Rp 39.000.000
5	Empowerment of sports sector	Rp 1.400.000
6	Formation of disaster resilient villages	Rp 50.000.000
7	Construction of drainage channels	Rp 217.720.000
8	Construction of concrete rebates	Rp 472.293.000
9	BUMDes capital participation	Rp 20.000.000

Source: Pematang Johar Village Budget 2017

**Table 3.** Use of Village Funds in Pematang Johar in 2018

No	Description	Budget Amount
1	Management of public health service activities	Rp 97.909.000
2	Management of education and cultural service activities	Rp 35.600.000
3	Improving the quality and capacity of human resources in the economic sector	Rp 27.634.000
4	Village road between settlements and agricultural areas (paving of agricultural business roads in hamlet I)	Rp 65.130.000
5	Helathy home for the poor	Rp 117.584.000
6	Construction of concrete rebates	Rp 168.751.000
7	Provision of public communication facilities (village website)	Rp 4.000.000
8	Construction of drainage channels	Rp 501.532.000
9	BUMDes capital participation	Rp 20.000.000

Source: Pematang Johar Village Budget 2017

In table 2 we can see that the Pematang Johar village government spends most of its village funds on development rather than empowerment and public services. The development in question includes building concrete slabs which cost more than 400 million rupiah, and then building drainage channels which cost more than 200 million rupiah. Meanwhile, community empowerment is only in the field of sports with a value of only 1.4 million rupiah. This is very different from village funds in 2018.

In 2018, it can be seen that village funds increased significantly. Such as utilization to improve the quality and capacity of Community Human Resources in the economic sector spending funds of Rp 27,634,000, - and for BUMDes capital participation from only 20 million in 2017, increasing to 120 million rupiah in 2018 although the largest amount of funds is still in utilization in the field of infrastructure development. This significant increase was intended to utilize village funds in the field of empowerment and increase the capacity of the Community and village development in the economic sector. The programs were carried out as a result of the following village apparatus interviews:

*"Prioritized for tourism development in the village or empowering the community, and village development that goes back to this development for tourism villages" (village treasurer).*

*"In village welfare, the village head of Pematang Johar has 3 focuses on village funding programs, namely the first is government services, the second is empowerment, and the third is territorial. These three focuses are the first focus for village development" (head of Pematang Johar village 2023).*

It was further explained by the resource person that in 2018 the village held batik training for the community who were unemployed housewives. This batik training was carried out continuously to produce various products from batik such as clothes, dresses, uniforms, and so on. Then based on the interview it was also found that village funds in 2018 were used to provide BUMDes capital, in this case, the most prominent and exemplary by several neighboring villages was the development of village tourism by utilizing the potential of the village area which was spread out by the community's rice fields. Therefore, this tour is known as 'Kampung Wisata Sawah'.

The following is the use of village fund allocation of pematang Johar village when viewed in the form of graphic images in 2018; 2019



**Figure 5:** Graph of the use of Pematang Johar village funds in 2018/2019

Source: Pematang Johar Village

<https://desapematangjohar.deliserdangkab.go.id/Blog/halaman/apbdes>

In the graphical image, the implementation of development for two consecutive years with the largest amount of funding, followed by the field of village administration, the field of community development, the field of community empowerment and the last almost nonexistent is the field of BPBD.

As (Permata Bachtiar et al., 2019) stated utilizing village spending for the Community can be understood in two ways, namely the first is direct benefits, and the second is indirect benefits. It is said that direct benefits mean that the form of village funds received by the village from the APBN will be directly given and received by the Community which comes from the activity of shopping for goods and spending on wages or honorariums. The benefits of village funds received by the Community indirectly are the benefits felt by the Village Community after village activities and spending have been completed. Based on this, Pematang Johar Village utilizes village funds more dominantly indirectly, namely through community empowerment and the development of tourist attractions. As the following interview results:

*"Even though villages have autonomy, the use of funds is regulated by law so that villages cannot use them outside the rules. Based on the rules, we prioritize village funds to be used through village tourism development and community empowerment" (village treasurer).*

*"Specifically, village funds are used for the management of public health service activities, education, culture, improving the quality and capacity of human resources in the economic sector, building village roads to agricultural areas and building healthy houses for the poor as well as capital for Bumdes" (Village Secretary).*

Based on the interview, the Pematang Johar village government uses village funds to empower the community or provide batik training and provide capital to village-owned businesses by building a tourist attraction called the 'rice field tourism village' of Pematang Johar village. Batik training and the development of rice field tourism are included in the criteria for the non-economic benefits of village funds. Where according to (Permata Bachtiar et al., 2019) the use of village funds consists of economic and non-economic benefits. Direct economic benefits such as shopping for goods needed for government administration to Community businesses, then direct benefits in the form of wages in this case, for example, using Community labor in carrying out Village Development which then they are given wages for what they do. Furthermore, indirect economic benefits such as the ease for farmers in channeling water to their rice fields due to the development of agricultural irrigation and the construction of good roads make it easier for people to access work. Overall, the village government has accommodated the needs of village communities to grow and develop by utilizing village funds. In essence, village development is carried out by the community itself. While the government provides guidance, assistance, coaching, and supervision (Rahayu, 2017).

### ***Impact of Village Fund Utilization on Community Economy***

Village funds provided by the central government to all villages in Indonesia are not just to help meet the needs of the poor, but the important goal is to encourage village governments to mobilize their communities to build their villages more advanced and independent. As in the village fund pocketbook published by the Ministry of Finance, the goals of village funds are:

1. Improve public services in villages
2. Eradicate poverty
3. Advance the village economy
4. Eradicate development gaps between villages
5. Strengthen village communities as subjects of development

Based on the five main objectives of providing village funds, the Pematang Johar village government has appropriately utilized village funds to improve village public services such as building roads, bridges, drainage, and so on. The village government also pays attention to health services such as providing free health tests and providing ambulances for the community to use. In addition, the Pematang Johar village government also finances underprivileged people to go to school. Indirectly, some of these services also have an impact on alleviating poverty in the community. Not to mention the healthy home development program for the poor and the part of improving the economy through empowerment and capital participation of BUMDes is also related to the government's efforts to alleviate poverty.

According to (Ife & Tesoriero, 2008), community economic development needs to be done to improve the economy with efforts to relocate economic activities in the community. This is also useful for revitalizing the community and improving its quality of life. Several things need to be done to develop the community economy to achieve the goals according to (Edi, 2010):

1. Fulfilling the basic needs of the community
2. Increasing community awareness, knowledge, and participation
3. Increasing community responsibility for development results
4. Growing the community's ability to build itself
5. Building and maintaining physical facilities and infrastructure in its area
6. Increasing community income and welfare.

The six objectives are what is carried out by the Pematang Johar Village Government, where in this study the discussion has been limited to the use of village funds related to two things, the first is providing batik training and facilitating it sustainably and the second is the development of rice field tourism villages. Both programs are government cooperation in empowering village-owned enterprises (BUMDes). As (Eko & dkk, 2015) stated, BUMDes is an institution formed and established by the village government with capital ownership and management carried out by the government together with village communities who are interested in the community and seek village profits. This village has advantages in successfully managing its BUMDes, where in this study the researcher only reviews 2 things, namely community empowerment with batik training and the development of tourist villages called rice field tourism villages. The impacts of the two programs will be explained as follows:

#### ***a) Community Empowerment Through Batik Training***

In this category, it should be noted that in Pematang Johar village there are two batik groups. The first is a group where the batik business is privately owned by one of the Communities, and the second is a batik group with village government ownership run by selected communities. Although there are two ownerships, the village government empowers the community by conducting batik training for all communities involved in the batik business. As the following interview results:

"One of them is our village making batik training. From 2018 until now, we have sold many batik products. We trained 15 batik makers at the beginning with a fund of 27 million with tools. Then it continued to grow every year so that it has become several groups. In 2023, we are building the gallery" (Village Treasurer).

"There is empowerment that we do, and the highest priority we echo is that which is related to BUMDES. For example, creating batik training so that mothers here can do batik and earn income at the same time" (Village Secretary).

"We also have a batik village. Where the batik products are bought and sold and even this batik business is sold as far as Germany" (Village Head).

Based on the results of interviews with the village government, we can understand that village funds have been used to do one of them to increase community empowerment through batik training for several batik groups. However, there are several different opinions found when interviewing one of the batik groups.

"Here there is community empowerment such as batik making, and there are also participants who take part in batik training but without village assistance. They are independent of their own will" (Batik Community 1).

"There is no direct government assistance because this batik place is still the same as the place there. So, we work at home and then submit the results there" (batik community 2).

Based on the statement from the batik group above, it can be concluded that the socialization and community empowerment program carried out by the village government through the batik training program is not for all residents and especially not for the independent batik group. The village forms its batik group which is different from the independent group. The hope is that more village mothers will have skills in batik and will also earn income from batik products such as those made by the independent batik group. Examples of products such as uniforms, and women's clothing such as outer, there are also bag products with batik motifs and so on.

However, in the end, the batik group is more inclined towards the independent group, because the group formed by the village lacks motivation. They are very dependent on assistance provided by the village. So, when the village program is finished, the continuity of batik activities also stops. This is different from the independent batik group, where they are more active in increasing production and sales. For this, the village government also assists active batik groups to be included in various expos to exhibit village batik products. Then the products produced from this batik are also entered into the regional superior product development center or what is known as P3UD which is controlled by the Deli Serdang Regency Industry and Trade Service. There, all superior products of village MSMEs are assisted so that they can go to the export market. Based on the results of interviews with the community who are members of the batik group, it is acknowledged that their products making batik greatly help their family's economy. Where they generate income by selling the batik products they make. It's just that the obstacle is, this income cannot be said to be a fixed income. This is because the income from selling batik depends on how well the product sells.

### **b) Development of the Pematang Johar Tourist Village**

In addition to community empowerment through batik training, the Pematang Johar village government also focuses on village development which is also related to improving the community's economy. The following are the results of an interview with the village head:

"We empower the community by providing training, improving skills, exploring potential in the village, and fostering UMKM. This also has an impact on the community's economy. One of the results of this empowerment is rice field tourism, the impact of which is that the community can sell in tourist areas".

Based on the priority policy for the use of village funds, one of them is to develop tourist villages. Therefore, since 2018, Pematang Johar village has utilized village funds in the development of tourist villages by providing capital to village-owned enterprises (BUMDes), because the management of this tourist village is controlled by BUMDes. This rice field tourism village offers natural scenery that is typical of rural areas because it is a panorama of rice fields. The area of rice fields which are the new icon of Pematang Johar village is around 1,750 ha so tourists can see the green plants in the typical village scenery which is used as a photo spot. Tourists can also go around the rice fields and don't need to be afraid of stepping on mud because bamboo bridge access has been built as a facility to make it easier for tourists to see each stretch of rice fields more closely. This beautiful green view is recognized as very good and soothing to the eyes. In fact, not only walking around the green expanse of rice fields, this tourist attraction also facilitates many gazebos in the middle of the rice fields commonly called bamboo huts that can be used by tourists as a resting place. There is also a restaurant that provides a variety of food menus that tourists can enjoy while seeing the beautiful views of the rice fields.

The development of this rice field tourism village has had a great impact on improving the economy of the village community. The existence of this tourism has succeeded in attracting many visitors, as reported by [disbudpar.sumutprov.go.id](http://disbudpar.sumutprov.go.id) (2020) it is said that in the first few months of the opening of this tour, around 47,000 tourists have come to enjoy the beautiful rice field views. So around 40 traders have been selling around the tourist area. Both sell food, drinks, tourist accessories, and so on. Not to mention the need for parking lots for tourists is also one of the sources of income for the surrounding community. This is in line with the results of the study which stated that the development of rice field tourism can provide welfare for the community around the tourist location because there will be many job opportunities such as parking, traders, cleaners, and so on, thereby reducing the unemployment rate in the village (Siregar et al., 2021). Several traders who were interviewed admitted that the existence of this tour did help their income, but this kind of income is not certain to continue. For example, currently, visitors are starting to decrease because there are no updates made by the management. The infrastructure around the tourist attraction has started to deteriorate and looks neglected after several years, so visitors are reluctant to come back.

### **Collaborative Governance in the Utilization of Village Funds**

The term collaborative governance as a way of managing government that directly involves stakeholders outside the government or state, which is oriented towards consensus and



deliberation in the collective decision-making process and aims to implement public policies and public program (Ansell & Gash, 2008). So, in simple terms, the concept of collaborative governance can be understood as referring to collaborative activities or cooperation in governance, both helping the government in organizing village governance and also in village development. As O'Leary and Bingham quoted by (Sudarmo, 2015) said that collaboration describes the process of facilitating and implementing involving multiple organizations to solve problems that are not easily solved by an organization alone.

The purpose of this collaborative governance model is to increase Village Status by adapting to the Covid-19 pandemic. By the Regulation of the Ministry of Villages, Development of Disadvantaged Regions, and Transmigration Number 2 of 2016 concerning the Village Development Index. Rural area development through Collaborative Governance is intended to accelerate the process of improving community welfare in the pandemic era (Prabowo et al., 2021). Furthermore, in the journal (Sahita & Maruf, 2020). The purpose of the collaboration in developing BUM Desa is to improve community livelihoods based on local potential through optimization of BUM Desa which has been realized, although the benefits have not been widely felt by the Village community. Furthermore, in the research of (Antono et al., 2020) using the collaborative governance model from (Ansell & Gash, 2008)), this study found that village development facilitated by village funds has encouraged a collaborative process. Therefore, the meaning of collaborative governance is understanding cross-sector collaboration which according to (Bryson et al., 2006) can be seen from five emphases, namely initial conditions; process components; structure and governance; contingencies and constraints; and results and accountability.

#### a) *Initial conditions*

This initial condition is related to the environment in which the collaboration will be carried out, the potential failures that will be faced, and the specific conditions that must be met for the collaboration to be formed immediately. Based on the results of the study, it was found that in Pematang Johar village there was collaboration carried out with several stakeholders. To explain the initial conditions of this collaboration, it will be explained in 2 parts. The first part is related to the collaboration that has been carried out by the Village Government about batik products and also to the development of rice field tourism villages. The second part is the village government's collaboration plan for a new project that has not been implemented.

##### 1. *Collaboration for Batik Production and Development of rice field tourism villages*

The village government has coordinated with various parties such as neighboring village heads, sub-districts, and school leaders around the Pematang Johar village environment. The coordination carried out is related to the implementation of cooperation to require the education community to use batik made by the Pematang Johar village. Meanwhile, related to the development of a rice field tourism village, the village government is collaborating with the private sector, namely PT. Kawasan Industri Medan (KIM). This cooperation is coordinated under the Deli Serdang Regency government. Pematang Johar Village was selected to be one of PT's partners. KIM because it has great potential in developing rice fields to become tourist attractions. Initially,

the village government wrote to several universities around Medan to collaborate in the development of a rice field tourism village, but finally, this letter was accepted by PT. KIM by providing financial assistance through CSR funds.

##### 2. *Collaboration Plan for The Creation of "KUA Village"*

According to the village head, KUA Village is a new program to make Pematang Johar village one of the factory locations that will produce bottled water. With the factory, it is expected to absorb the economy of the village community who want to invest in stocks, where this will increase the economic income of the community. The initial process carried out is to create cooperation with several villages.

#### b) *Process components*

Several aspects that have been agreed to be considered in the collaboration process include initial agreements, building leadership, building legitimacy, building trust, managing conflict, and planning.

##### 1) *Community Empowerment Program for Batik Making*

In empowering the community through batik training, Pematang Johar village collaborates with the cooperative and SME office of Deli Serdang Regency, by presenting professional trainers. Then in distributing batik products made by the village community, they collaborate with the Center for Regional Superior Product Development (P3UD) which is part of the Industry and Trade Office of Deli Serdang Regency. This collaboration is to help Pematang Johar village in developing the potential of UMKM to be ready to compete in the global market. Not only that, based on the results of the interview, the Pematang Johar village government also collaborates with schools in the village area to provide batik clothes for school uniforms and teachers.

The process of government cooperation in distributing batik production results has been stated in the cooperation agreement with schools. Through the cooperation agreement, the school leadership issued a policy of using batik uniforms every Friday.

##### 2) *Development of Rice Field Tourism Village*

For the development of the rice field tourism village, it does use village funds received by Pematang Johar village from the APBN. However, building a very large rice field tourism village requires very large funds, so to realize the development of this tourism village, the Pematang Johar village government collaborates with PT KIM (Modern Industrial Area). However, this collaboration process has not been optimal as in the theory of collaboration. Because PT. KIM only provides CSR funds for the development of the rice field tourism village. And after that, there is no continuity in terms of supervision or evaluation.

#### c) *Structure and Governance*

Structure refers to a highly developed concept in organizational theory and usually includes elements such as objectives, task specialization and division of labor, rules and standard operating procedures, and authority relationships, structure also concerns vertical and horizontal components. This is one of the weaknesses of the governance of the Pematang Johar village government about the development of rice field tourism villages and the empowerment of batik community groups. Because the collaboration process in village development



governance is less organized and structured. There is no clear division of tasks and roles between each stakeholder. As well as the lack of collaboration that is protected by rules and standard procedures.

#### *d) Contingencies and constraints*

Three factors influence the process, structure, and governance of collaboration, as well as its overall sustainability, including 1) the type of collaboration; 2) the imbalance of power among members; and 3) the competing institutional logic in collaboration. Based on the results of the study, it was found that the concept of collaboration carried out by the Pematang Johar Village Government, especially in the batik empowerment program and the development of rice field tourism villages, is still weak. Because there is no visible sustainability of the program. As can be seen today, the condition of the rice field tourism village is no longer as alive as it was when it was first opened. Many facilities are already inadequate. Over time, this tourist village looks abandoned without any repairs. This indicates a lack of roles and duties of each stakeholder and it seems like it is only a development program without sustainability. Based on the results of the interview, there has been no governance of cooperation created. PT KIM only provides grant funds for the development of rice field tourism villages. So there is no visible organizational structure of cooperation, sustainability plans, and so on. That is what is the obstacle to the sustainability of the rice field tourism village, which now after several years there has been no repair of several facilities that are starting to deteriorate. In addition, cooperation between the community and the village government is still not optimal. The community still tends to wait for action from the government and has not had the initiative to continue the batik program or the group that manages the rice field tourism village. While for the independent batik group, continues to run even without support from the village government. This should be a concern for the village government, that it is better to collaborate with the independent batik group than to form another group. Basically, in village development, there needs to be action from the community, community groups, village administrators, and village government to synergize with each other to create a positive virus that can inspire and motivate the village, especially for tourism villages (Purnamawati & Hatane, 2024).

#### *e) Results and accountability*

The results of cross-sector collaboration are seen in three categories, namely public value; the first, second, and third effects that emerge; and resilience and reassessment. The results of the collaboration that emerged from the community empowerment program in batik making are, the increasing assistance in distributing batik production to surrounding schools. Then batik products can also be exhibited at expo activities abroad. However, this only applies to batik groups with the category of private property of the community. While for batik groups formed by the village government, there is no sustainability.

The rice field tourism village development program has succeeded in improving the economy of the village community. Because of the formation of tourist attractions, it invites many

tourists to visit. Many people open businesses, so that it has an impact on improving the economy. However, the obstacle that occurs is the lack of sustainability principles. When tourist attractions are no longer maintained, they are no longer an attraction for visitors. In line with this, the local economy also declines.

This is due to the lack of supervision by the village government, and also the lack of initiative of batik groups, and the development of rice field tourism villages. They tend to wait for programs from the government only. For better accountability, active community participation is needed at all stages, from planning, and implementation to evaluation so that the use of village funds can be effective and more focused on its goals (Indrijawati et al., 2024). This can also motivate the community to grow their creativity and innovation. In addition, in utilizing village funds, it is also necessary to consider transparency in the formulation of policies and the preparation of strategies (Sutikno et al., 2024). So that the community understands all the goals to be achieved.

This study emphasizes that the collaborative governance carried out by the village government in the context of utilizing village funds to improve the community's economy is not yet optimal. This can be seen from the findings which indicate several things:

1. The village government does not have a clear collaboration structure, so the roles and duties of each stakeholder are unclear, whereas collaborative governance is one of the important issues in the relationship between the government the community, and the business world (Sentanu et al., 2021) especially for village development and utilization of village funds. Then to form a good collaboration, trust is needed in each stakeholder (Halim, 2019).
2. Lack of active participation and initiative from the community to help utilize village funds sustainably. This is important for the village government to pay attention to, because many people lack the knowledge and capacity to develop tourist villages or other development programs, and this requires an important discussion space as part of the decision-making process (Reina-Usuga et al., 2024), and strengthening the community participation in program implementation is also important (Ariyaningsih & Shaw, 2023).
3. There has been no supervision and evaluation process for each program that has been carried out to ensure the sustainability of the program. Therefore, there needs to be a unification of vision and commitment from stakeholders such as policymakers and policy implementers so that the sustainability of village funds runs effectively and synergizes with the development programs that have been set (Jamaluddin, 2024; Marhaeni et al., 2024).

Based on several findings, recommendations that can be given to the village government regarding the program of utilizing village funds to improve the community's economy through batik groups and the development of rice field villages are shown in the following image.

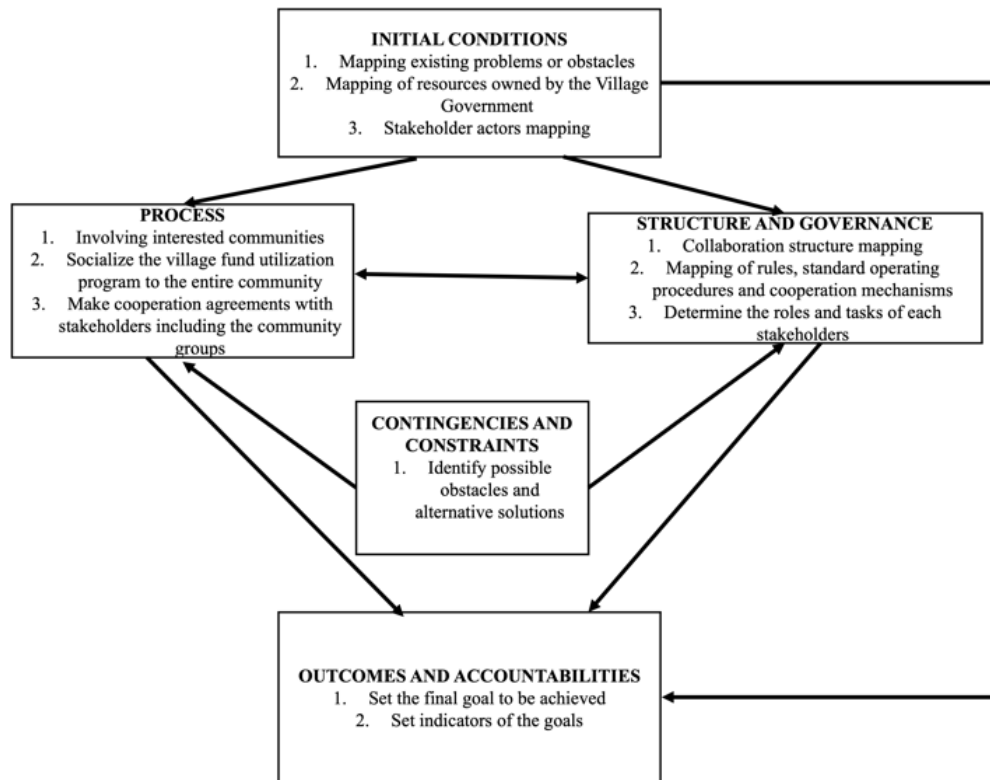


Figure 6. Recommendations for The Collaborative Governance Model of Pematang Johar Village

## CONCLUSION

Pematang Johar Village has utilized village funds optimally and based on applicable laws and regulations. Some of these uses include community empowerment activities by providing batik training and building a rice field tourism village. The second activity between batik and building a rice field tourism village, was carried out by the Pematang Johar village government in collaboration with several parties. However, unfortunately, it has not been managed well. The cooperation in building a tourism village with PT KIM was found to be limited to providing financial assistance. In addition, the community has not actively participated because they are only waiting for actions or policies from the village government. Therefore, there is a need for full community involvement in the village fund utilization program starting from planning, and implementation to evaluation.

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