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Village Governance with Implementation of Law Number 6 of 2014 on the Village and Village Administration

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Abstract: This study aims to determine how the understanding of the villagers, especially the Village Government officials on the implementation of Law No. 6 2014 on the village when associated with government village. In addition, this study also aims to determine how the capacity of village officials in the implementation of the Law of the village. To achieve these objectives, the method or approach used in this study is a combination of qualitative and quantitative approaches. The study was conducted in five villages in five districts in North Sumatra province, namely Langkat, Serdang Bedagei, Simalungun, South Labuhan Batu regency and South Tapanuli. The results found that the understanding of village officials against Law No.6 of 2014 concerning the village is still very low, it is seen from knowledge of the contents of that Act which was limited on the village fund. Villagers are largely unaware of the Law of the village, but the villagers generally expect with the Law of the village will be able to improve their economic welfare. Residents of the village generally say they are ready to implement the Law of the village, although it is known that the capacity of village officials and villagers.

Keywords: Implementation Act 6 of 2014 on the village; Capacity village officials and village administration.

JEL CODE: K2, K3 & K4

1. INTRODUCTION

Fresh breeze began to lead to the villages in Indonesia in line with the issuance of Law No. 6 of 2014 on the village in lieu of Law No. 5 of 1979 on Village Government. Law No. 5 of 1979 is a product of the Act in the era of the centralized government system (centralized). In Law No. 5 of 1979 occurred uniformity name lowest government became known as the village with no longer recognize their indigenous villages that had already existed in several regions in Indonesia, such as Nagari in West Sumatra, Gampong in Aceh, Lembang in Toraja, and villages in Kalimantan. The Act also does not grant autonomy to the village to be able to manage the village independently.

The Law No. 6 of 2014 on the village of a follow-up of the enactment of Law No. 22 Year 1999 on Regional Government which was then revised by Law No. 32 Year 2004. Attendance Law 22, 1999 is the starting point change governance system in Indonesia from centralized to decentralized system. Law No. 6 Year 2014 On The village has been given the opportunity to return indigenous village as it was before the enactment of Law No. 5 of 1979 on Village Government. In addition to the recognition of indigenous villages back, Act 6 of 2014 also gave greater autonomy for the village to be able to manage and develop their village in achieving national development goals of achieving a prosperous and equitable society. The granting of autonomy followed by administration of a larger allocation of funds to the village. During the presidential campaign of the Republic of Indonesia in 2014 that we have just emerged, both Presidential Candidates are equally promising for allocating funds to the village of 1 to 1.4 billion rupiah per year. It is certainly encouraging all the villagers who have long been waiting for the acceleration of development in their villages.

Behind the joy, there are also some people worry about the readiness of the villagers, especially the Village Government in implementing the Law of the village and village financial management (Nurzaimah, *et al*, 2016). This concern is very reasonable when viewed condition and capacity of government officials The existing village, residents of the village community itself, and the external environment is also not conducive. Concerns that many village officials who will be dealing with the law is properly anticipated (preventive) that does not happen.

Act Village will only be properly implemented if there is awareness and willingness joint (villagers - village officials - external force) for the progress and prosperity of the village (Suriadi, *et al*, 2015). Awareness and willingness together for the progress and prosperity of the village will only be able to appear when the dosage elements of social capital (social capital) that there can be utilized and accumulated in such a way through the management of village and rural development. The success of the organization and development utilizing (based) social capital has been recognized by many parties. Ostrom (1993), which attempted to analyze the development programs in the Third World by using the concept of social capital mentioned that development utilizing social capital show a success rate better, so he concluded that social capital is a prerequisite for the success of development programs. Meanwhile Rose (1999) in his research in Russia found that social capital is a key element for the operation of informal organizations in the community as an alternative to formal organizations. Badaruddin research results (2006) found that the success of Citizens leguminous Rao Pasaman District Two District of West Sumatra build collective cooperation rubber sales auction system based on the availability and the ability of local communities to harness and accumulate social capital (social capital). The World Bank as one of the many institutions worldwide financial distributing aid, especially for third world countries, are also interested in the results of the study which uses the concept of social capital (see Dasgupta and Serageldin, 1999).

Law No. 6 of 2014 concerning the village is one of the central government's policy breakthrough in accelerating the successful and equitable development in Indonesia is already supposed to be implemented well. Although the rules of procedure have been issued ie Government Regulation No. 43 Year 2014 concerning the Implementation Regulations of Law No. 6 of 2014 on the village, but as a product of the new policy, there is no single model of implementation of the Act that can be used as benchmarking.

There are two things to be studied and analyzed in this study: first, how the understanding of government officials to the village of Law No. 6 of 2014 on the village, and secondly, how preparedness capacity of village officials in the implementation of the Act.

2. LITERATURE REVIEW

2.1. An understanding of government officials Village on the Implementation of Law No. 6 of 2014 on Village

In the era of autonomy, level village is an ideal potential to be developed. Village Law No. 6 of 2014 concerning the Village is expected to become the leverage to drive the development of the village. Given its strategic Law 6 Year 2014 about the village, not surprisingly, became the spotlight of many, not only from the general public, but also stakeholders, especially the local government and village administration. The enactment village is meant to be able to do the deployment of budgetary directly to the villages, in order to raise the living standards of rural communities, and provide an opportunity for the survival and growth return values and local culture in the village. It should be remembered that although the deployment of budgetary directly to the village, but its use planning would have to be targeted and reinforced by rules derivatives (Yahya *et al.*, 2017). Thus the public welfare can be better in the future. According to the Act, the budget for the village allocated from the state budget by 10 percent and transfer of funds to the regions (which will be implemented gradually in accordance with the financial ability of the State).

The presence of the Village Law No. 6 2014 has a philosophy to restore attitudes that have weakened them. This is illustrated in Chapter I (General Provisions) Article 3 which reads “Rural setting berasaskan: recognition, subsidiarity, diversity, unity, mutual cooperation, kinship, deliberation, democracy, independence, participation, equality, empowerment and sustainability.

Besides having a philosophical as mentioned above, the Act No. 6 of 2014 on the village also has a village setting that premise is based on the following principles: (1) Diversity, which has the meaning that the term can be tailored to the village of origin and socio-cultural conditions of local communities; (2) Participation, that governance and rural development should be able to realize the people’s active participation so that people always have and participate Responsible to the development of life together as fellow villagers; (3) Autonomous original, that the powers of the village in organizing and taking care of the local community based on the right of origin and socio-cultural values found in local communities but must be held in the village administrative perspective; (4) Democracy means government organization and implementing rural development must accommodate public aspirations articulated by the village council (BPD) and the Community Institutions as a Partner Village Government; (5) Community Empowerment, which means that the implementation and development in the village is intended to improve the lives and welfare of the community through the establishment of policy is, programs and through the establishment of policy is, programs and activities in accordance with the essence of the problem and the priority needs of the community.

The enactment village meant that the village can accelerate development starts from the periphery (the village). Through the Law of the village, the village is entitled to get the budget directly from the center which can be managed autonomously in the interests of rural development based on existing provisions. The village is expected Law does not pose “new kings” in the village as impressed as regional autonomy granted to the Regency / City.

In general, this study found that village officials in North Sumatra (in particular) that are in the research sites still do not understand what exactly is the purpose and substance of the Act No. 6 of 2014 concerning Villages (Research conducted around May and June 2015, before the first transfer of funds

village conducted by the Central Government). Lack of understanding of what the substance of the Village Act can be seen from the answers to four informants (village head) who say that they do not have the book (script) of Law No. 6 of 2014 concerning the village. The study found only a village chief who already have a script that Village Act which he had obtained from her that downloading via the Internet. Although he has had his manuscript, but he said that he had not fully read the text of the Village Law. The findings of this study indicate that the head of the village as the spearhead of the implementation of the new policy has yet to have a script that Village Law. How can they understand well and correctly to be able to implement it if they have not read it. The village chief said that they only knew about the implementation of the Law of the Village of the mass media are like television and newspapers. The same thing happened at the other village officials, and also on the existing village institutions.

The study also found that their understanding of the law of this village is linked with the help of funds from the center to the Village (Village Allocation Fund-DAD). This understanding can not be separated from the socialization quite intensively conducted by both Presidential Candidates during the 2014 presidential election campaign, in which the two candidates when it promised to disburse the funds to the village with the amount of 1 to 1.4 billion rupiah annually. Other substances from the Village Law in addition to the allocation of funds for the village, is generally not understood by village officials were there. Other substances, for example related to the efforts of community empowerment and village institutions, independence of the village, the village economic potential exploration; and also an opportunity to revive the cultural values and traditions that exist or never existed in the village (Sirojuzilam *et al.*, 2016; Tarmizi *et al.*, 2016 & 2017). Very minimal understanding of the content of the Act village by village officials described the implementation of the Law of the village is also yet to be maximized.

Indeed, the implementation of regional autonomy, dmana Local Government which gives flexibility to the village to be able to manage his own family in accordance with the customary conditions and local culture. The Law governing the village namely Law No. 6 of 2014 which replaced Law No. 5 of 1979, should be made by village officials as the basis for the momentum and progress village. Act village who also own rules implementing that Government Regulation No. 43 Year 2014 concerning the Village which contains more operational powers of the village. Of the authority of the village is expected in its implementation in accordance with the purpose of realizing the autonomy of the village where the village can be independent in taking care of their own household. Knowledge and understanding of the laws of the village and derivatives regulation is a prerequisite for the implementation of the Law of the village so that it runs as expected. The findings of this study illustrate that the policy dissemination (UU Village) which should have been carried out to the fullest before it is implemented (2015) had not fully carried out by the government, the central, provincial, and district levels.

3. RESEARCH METHODS

The study design used in this study is a combination of qualitative and quantitative approaches. Model combinations used in this study is a dominant-less dominant design (Creswell, 1994 and Lutfi *et al.*, 2016), which used a qualitative approach as dominant (qualitative-dominant), while the quantitative approach used as a less dominant (quantitative-less dominant). Data were collected from two sources, namely first-hand sources (primary data) and second-hand sources (secondary data). Primary data obtained through the technique of in-depth interviews (in-depth interviews) for a qualitative approach. To get a really accurate

technique of triangulation (Muda and Dharsuky, 2015). As for the quantitative approach, the primary data collected through survey techniques to distribute a set list of questions spring open (semi-open ended questionnaire) to the respondent. The sample size was set at 50 respondents from each village, so the total respondents totaled 250 respondents.

For qualitative data, the source data comes from informants. Who became informants in this study is the village administration (village head, village secretary, chairman of the Village Community Institutions, traditional leaders, religious leaders, women leaders, communities, government officials above the village).

This research was conducted in 5 Kabupetan in the province of North Sumatra purposive, namely Langkat; Serdang Bedagei; South Labuhan Batu regency; Simalungun, and South Tapanuli. The set of five districts also 5 districts that will serve as a sample study site, and from 5 districts set five villages have a village sample. The five villages are: the village of Ujung Teran in Langkat, Jambur village in Serdang Bedagai Island, Nagori (village) Mainu in Simalungun Padang, Padang village Lancat Sisoma in South Tapanuli, and Sosopan village in the district of South Labuhan Batu.

4. RESULT AND DISCUSSION

4.1. Result

4.1.1. Socialization Act No. 6 of 2014 About Maximum Village yet

Socialization of the Act relating to this village has been done in several research areas. For example in Serdang Bedagai, has to be disseminated simultaneously to 237 village head of the 17 Districts in Serdang Bedagai, organized by the Directorate General of Fiscal Balance Ministry of Finance of the Republic of Indonesia. This condition is not the same as other areas that generally do not get sosialisasi about this village UU time of the study, when the Act was implemented in 2015.

As in Simalungun, if any socialization conducted, was limited to village officials were civil servants, namely the secretary of the village (village secretary). The results of that socialization can not be evenly distributed, because socialization is done at this early stage, only for the initial meeting. There will be socializing advanced, integrated to all the villages and their staff members.

The results found in the field shows that, still segmented knowledge held by village officials associated with this Village Law. Knowledge they have only limited read the law who will be with PP 43 in 2014. Though they did not understand, and still groping what action should be conducted in the field related to this Village Law.

Recognition of the Village Head (Pangulu) in Simalungun, for example, he felt he had to get funding from the Village Act, because the funds disbursed from the district to the village (Nagori), during which only amounted to tens of millions, hundreds of millions now. Upon investigation it turns out it is not the disbursement of the village, but the salary fund for village officials who have entered also in the Village Allocation Fund (DAD) for the village (the state budget and the remaining balance funds as well as tax revenues).

Besides this, we will address how to manage village funds if the funds are disbursed by the government are also diverse. For example the village fund is widely heard in South Tapanuli, at the initial stage will be

funding as many as three terms, each village at this early stage will only get a funding of 100 million rupiah, the Head of the initiative to create a package of funds to be launched to the village. The funds are used to build the necessary infrastructure in the village, whose numbers are equated to 100 million packages. Thus, it would be easy to report its financial accountability (Muda *et al.*, 2016). For up to date, according to Head, there has been no hint of the central government with regard to the rules of the disbursement of funds.

Of the five villages of this research, I have found no common view with regard to this Village Law. There are areas that are still struggling to discuss how the readiness of the apparatus, but there are areas that are already planning technical matters if village funds were disbursed. But overall, this village officials are ready to implement the Village Act of 2014 as long as it is followed by the implementing rules were clear, no longer occur multiple interpretations. This indecision is not only limited to discourse on the practical level in the area. The fight at the central elite has also been seen with regard to the issuance of Law this village. For example, who is authorized to implement, and monitor its implementation. This dispute led to the emergence of Presidential Decree (Decree) No 11 and 12 of the Ministry of Interior and the Ministry of Rural, Rural Development and Transmigration who will take care of the division of authority related to the management of the village.

In the Presidential regulate on matters related to government affairs of the village that had been routinely runs remain to be implemented by regulation. For these needs have been regulated in Law No. 6 of 2014 concerning the Village and other regulations that support that : Government Regulation number 43 of 2014 on the implementing regulations of Law No. 6 of 2014 on villages and the Government Regulation No. 60 of 2014 on village funds from the State Budget (Village fund).

While the Ministry of Rural decided it will deal with matters relating to the rural development program planning, monitoring rural development programs, and community empowerment. For such needs have been arranged in the Minister of Rural, Rural Development and Transmigration (PERMENDES) No. 1, 2, 3, 4, and 5 in 2015.

How groove village development funds, clearly it has been regulated in Law No. 6 of 2014 concerning the village would be directed by the Ministry of Finance through the District and distributed to villages. The Treasury also has anticipated this village law, especially with regard to the disbursement of the village. Ministry of Finance, for example has issued the Finance Minister Regulation (PMK) Number 241/PMK 07, 2014 on the Implementation and Accountability Transfers to the Region and the Village Fund and the Finance Minister Regulation (PMK) Number 250/PMK 07, 2014 on Appropriations Transfer to Regional and Village Fund.

4.1.2. Law No. 6 of 2014 About the Village and Village Government

An important element of village autonomy the village authority. The authority of the village is a right possessed Village Administration to regulate fully its own internal affairs. The essence of true autonomy is the transfer of authority from the central government levels to tailor our lower levels of government, in this context of the Central Government to the Village Government. So, if there is a transfer of authority between levels of government, then the consequences are autonomous. While autonomy is basically right, power and obligation to organize and manage their own household.

According to the Law on the Village in 2014, the village authority stipulated in article 18 to article 23. Article 18 states that the authority of the village include the authority in the field of the Governing Village,

Implementation of Rural Development, Rural Community Development and Rural Community Empowerment based community initiatives, rights of origin, and customs of the village. In Article 19, set about whatever the authority of the village, which includes:

- (a) authority based on the origin of the rights;
- (b) The village scale local authority;
- (c) authority commissioned by the Government, Provincial Government, or the Government Regency/City; and
- (d) other powers assigned by the Government, Provincial Government, or the Government of Regency/City in accordance with the provisions of the legislation.

The essence of true autonomy is the transfer of authority from the level of government. Given the autonomy that had been granted to the village, then the granting authority village government is a right held by a village to be able to manage his own family, which the Government of the village is the village chief or called by another name, and assisted by the village as part of administrators Village (Village Law of 2014 article 25 to article 30 of the village government and village heads).

In addition to the authority of the village, the Village Act of 2014 also regulates the form of village revenue sources. As an autonomous region, villagers are entitled to a source of income (regarding financial and asset village set in article 71 to article 77). Source of village income consists of revenue villages, the revenue share of local taxes and levies district / city, part of the financial balance of central and local received by the district/city, the budget allocation from the Budget of the State, financial assistance from the State Budget and Provincial expenditure and Budget of the Regency/City, as well as grants and donations that are not binding on third parties.

Not only role was instrumental in the funding of the Village Act 2104 this year. Mentoring is also still necessary for implement by Villages Act 2014. There are still many village chief who has not been able to make planning, especially in terms of infrastructure development in the village. During this time, mentoring done by the mentor (facilitators) are derived from PNPM Mandiri coming from districts and counties. But in this case, the position of the facilitators was only asked to help informally, but formally they remain the PNPM Mandiri facilitators and facilitators PNPM Mandiri is automatically stopped in line with the policy of the Central Government to stop this program in the year 2015. However, officials village expressed greatly helped by existing by PNPM Mandiri facilitators who have been helped in their village. They hope that the process of recruitment of village facilitators are also mandated in the Village Act of 2014 will generate people who have the same capacity even better than the existing PNPM Mandiri facilitators for this. Even some of the village chief was hopeful that the Facilitator PNPM Mandiri that have so far continued to be maintained for their village.

Related to this rural community assistance, in PP 43 in 2014 described, in association with rural community assistance, namely in article 128 to article 131. What is meant by the village community assistance referred to in Article 128 paragraph (1) is technically implemented by the work unit district / city and can be helped by professional assistants, a cadre of community empowerment, and / or any third party. In Article explain, stated that the reference to “third parties”, among others, is the non-governmental organizations, universities, community organizations, or companies, whose financial resources and activities

do not come from the government budget, the provincial government, local government districts /town and /or village.

In the Village Act which adheres to the principle of recognition entitles the recognition of the origin, the right to organize themselves, and right after the interests of their own people. Right to organize and take care of this one who diartiakn with village autonomy. Therefore, the village is considered as a local self-government which means that decentralization has reached the level of institutional bottom.

Politically Villages Act 2014 provides an abundance of governmental authority by the central government to the village government. With this authority next village government has authority in the organization of administration and operations in order to improve service to the community. Therefore, the implementation of village governance requires considerable human resources anticipatory and initiatives. Village government officials exercising their spearhead rural development. Therefore, the Village Act of 2014 gives great authority to the head of the village to set up their own household and financial management. The concern is still attached to the structure of centralized authority in the implementation of the village administration. Village government officials feared still have the old patterns is waiting for orders from the hierarchy of government on it, so the ability of the village administration that is expected to improve public services, village planning and financial management to rely on the hierarchy above it. It is very far from the expected where the village government should have a good perspective of anticipatory and initiatives against existing conditions as well as to the problems that arise due to lack of which is owned by the government apparatus itself.

From the results of this research note that during this time people thought the village government has not been able to do their job properly. Nearly all respondents expressing disapproval if it is said that the village government has been running well. The reason given is that the village government has not fully capture the aspirations of society. Graph 1. Describe public perception (respondent) on the ability of village officials in carrying out the duties of the village administration.

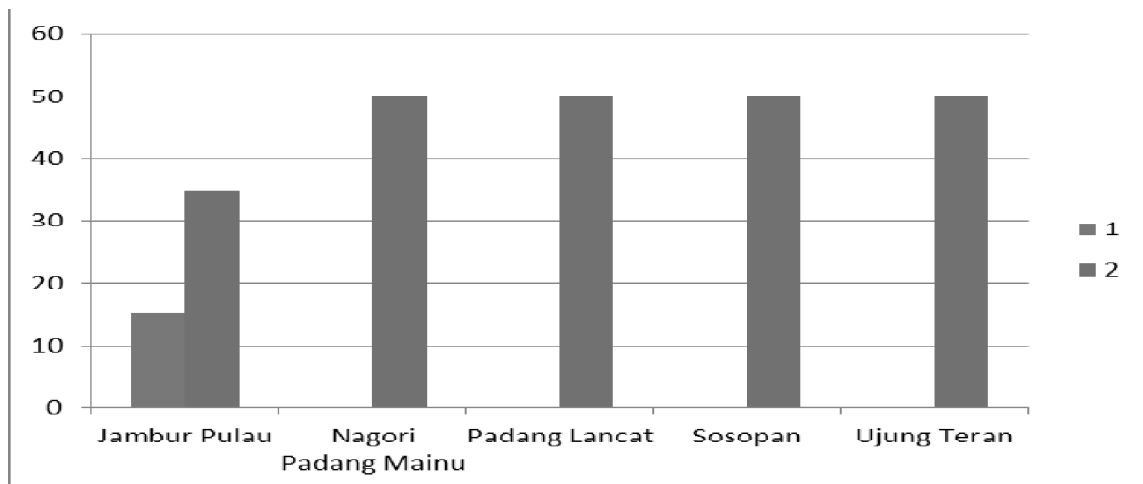


Figure 1: Perception of Respondents Against Expressions That Already Village Government Walking With Good In Running Tasks Village Government

Notes : 1. Agree; 2. Disagree

In addition to performing their duties and obligations as village officials, village heads and their peripherals role in the social life of society is also crucial public appraisal of the performance of the village administration. For example, the lack of activity of the head of the village along with its agents (including BPD) in the teaching activities, participate in religious activities together such as prayer in congregation in the mosque as well as less listen to opinions of religious leaders in the village. As a result, many religious leaders (community leaders) who do not care about the wheels of village administration as well as in the approach to the community. As reflected in the statement following informant:

“Village officials were rarely seen enliven teaching activities at the mosque, but as the leader of the village should set a good example in worship”.

Similarly, judgments informants also revealed:

“People in this mosque now rarely told of the village administration, but here too there are scholars who is also a public figure. The village government rarely involve us, we are not told if do not come”

Of the several views of the informant can be seen in areas characterized by strong religion, placing prominent religious leaders (community) in position enough to be heard and considered at the general public. With the scarcity of figures formal such as village heads and their staffs in religious activities such as study groups that are guided by religious leaders will give the impression of indifference to the sound of these scholars, which then lead to apathy attitude of religious leaders (community) is, and then religious leaders are reluctant help the village administration to approach the public.

In addition to the capacity of the village administration in terms of the ability to build community participation in rural development, the capacity of village governance in the management of village finances will also be important given greater opportunities of financial resources of the village. As mentioned above, the law concerning this village economically provide the authority for the administration of the village (village chief and his officials) to manage the finances of the village and search for sources of income other legitimate village. This implies that the village government should be able to do the efficiency in managing the budget and then also have to actively look for other sources of income.

4.2. Discussion

Full authority in the management of the village budget is a form of fiscal decentralization policy in force since the policy of regional autonomy. Fiscal decentralization Decentralization Law begins with the issuance of Law No. 25 in 1999 and turned it into Law 33 of 2004 on the financial balance between the central government and regional governments. The principles of the financial balance embodied in Section 2 and 3 of them; The first financial balance between the central government and local governments is a subsystem of state finances as a consequence of the division of tasks between the central government and local governments. Second, the provision of financial resources of the state to the local government in the implementation of decentralization based on the assignment of the central government to the local government to pay attention to the stability and fiscal balance. Third, the financial balance between central and local government is a comprehensive system in order to finance the implementation of the principle of decentralization, deconcentration and decocentration. Fourth, PAD aims to give authority to the local government to fund the implementation of regional autonomy as an embodiment according to the potential area of decentralization. Fifth, the balance funds aimed at reducing the fiscal gap between government and

local governments and between local governments. Sixth, regional loan aimed at obtaining sources of financing in order to finance local government affairs. Seventh, etc. aims to provide opportunities in the area to earn more income.

With the release of the Village Law No. 6 year 2104 fiscal decentralization in Indonesia is no longer only to the extent of the local government but should be up there the village level. This is because the village is an autonomous region. The position of the village as an autonomous region has also been confirmed in Law No. 32 of 2004 on Regional Autonomy. But the problem is that time of fiscal decentralization and the autonomy of the village has not received great attention from the local government and the village itself.

Through Villages Act No. 6 year 2104, fiscal decentralization takes place down to village level. As well as the balance of fiscal decentralization on local government funds and local government, the Act also regulates Rural village receipt of state and local budgets. In the financial balance between the central government and local authorities, for example the largest component is the allocation of funds. This allocation of funds is coming from state budget funds allocated to bring equality of inter-regional financial capability to finance the needs of regional spending in the framework of the implementation of decentralization. This allocation of funds is called the General Allocation Fund (DAU). The number could reach 50% of total regional revenues. In accordance with Law No. 33 Year 2104 DAU overall total comes from 26 percent of net income after deducting national results. DAU fund component includes basic allocation includes a total salary of each local government and fiscal gap components, namely the formulation of fiscal need less fiscal capacity of the area.

Like the fiscal allocation at the level of local governance, fiscal allocation at village level are funds from local governments, provincial and national. This allocation of funds is called the Village Fund Allocation (ADD) or commonly referred to as the Village Allocation Fund (DAD). These funds are a decentralized development fund for the village as a certain proportion of the budget and the state budget which is intended as financial equalization village. In substantive objectives and functions the same as the DAU ADD is an effort to reduce the level of the development gap between villages in the context of decentralization and as an effort to accelerate poverty alleviation. The source is set derived from the budget sourced from the fund balance that was obtained districts / cities of at least 10%. Equalization funds area in question consists of tax sharing and SDA plus DAU after at reducing personnel expenses. Implementation of regional and rural financial equivalence is established by the Regional Regulation (Perda).

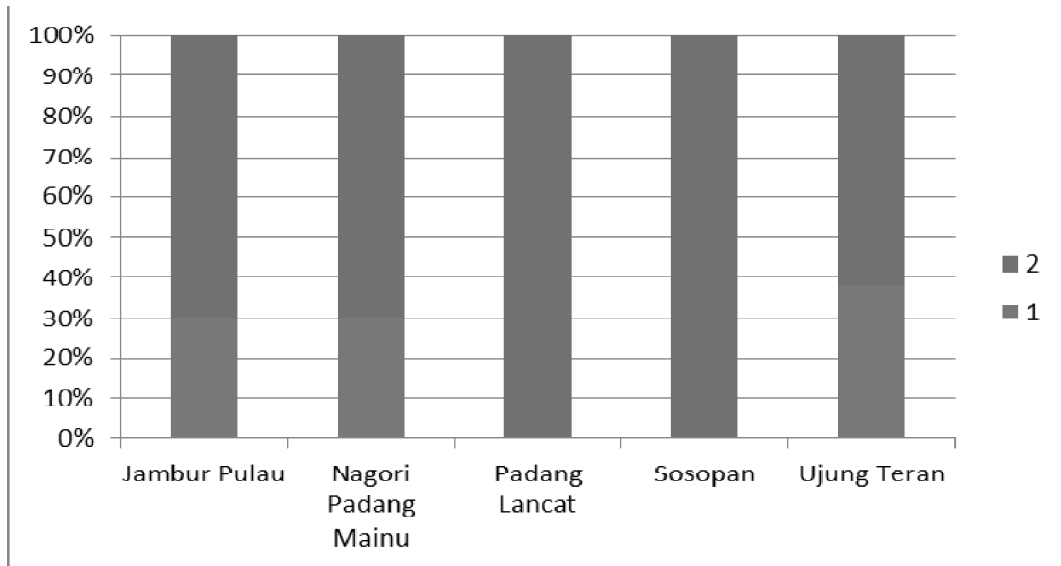
If you pay attention to the financial structure can be seen that the hierarchy or village-level financial structure is not different from the hierarchy or the financial structure of the local government level. If the local revenue sources mentioned mostly from DAU, then if you see the financial structure of the village can be said that ADD is the largest rural financial inclusion. In Act NO. 6 Year 2014 about the village mentioned local revenue structure consists of the original opinion of the village, the help of the district administration, assistance from the central government and the provincial government, donations from third parties, and the village loan. That is more dominated village income from outside the village itself and the main ADD and deemed not reflect fiscal decentralization between regions.

ADD the amount received by the village itself also vary as determined by the components area, population, and so forth according to local regulations. But the village of ADD's revenue could reach 1.4 billion as many informed by the mass media. The stated value is calculated very fantastic when compared

opinions village before the enactment of Law No. 6 in 2014. So it is not surprising that the discourse of the laws of the village and village funds in particular are very much drawn into the political arena. The closest experience when future succession of presidential and vice presidential elections last year, the policy discourse village and the village fund a prominent place side by side with the other issues in the vortex of the campaign each candidate.

Revenue at the village level in the province of North Sumatra, the range of 600 million to 1.4 Billion Rupiah. This value depends on the balance of funds received by each county and city. Nevertheless ADD value far above the reception village fund allocation in previous years. As for example in Serdang Jambur Village Island Bedagai one village where this research, acceptance of ADD in 2014 only Rp. 86,000,000, -. Nagori Padang Mainu ADD Simalungun reception in 2014 only \$ 46 million, -; Ujung Teran Rp 54,000,000, -; Padang village Lancat Sisoma Rp 56,000,000, -; and Village Sosopan Rp 70.000.000, -. This condition is also not much different from other villages so that the discourse legislation village and description of the scale of value ADD are entered into the village itself raises concern for many people, especially rural communities.

Village funds sourced from ADD is very important for the implementation of the authority of the village, because these funds are a major source of income of the village. Conditions that exist today can be said of ADD is the sole opinion of the village. While other villages as revenue attributed to business results villages have not yet occurred. Therefore, the allocation of funds transferred village has to be managed as well as possible. Necessary human resources who can perform financial management value is quite large, especially regarding accountability and financial management (Muda, 2017). Meanwhile, not all villages have the ability, especially in terms of financial accountability. It is no doubt the cause pessimism for government officials and the public in assessing the readiness of the village, especially the village officials in managing the budget. As found in this study, a part of respondents doubted the government's ability village in budget management as seen in Graph 2.



Graph 2: Perception of Respondents Against Expressions “village officials Having Capabilities in Managing Rural Finance With the Good”

Notes: 1. Agree; 2. Disagree

From Figure 2 it can be seen that in the village of Jambur Island Bedagai Serdang and Simalungun Nagori Padang Maimu (70% of respondents) consider the village officials have not been able to manage finances village well. To Ujung Teran Langkat (63%) consider the village government has been unable to manage finances village well. While in the village of Padang Lancat Sisoma South Tapanuli and Rural Sosopan South Labuhan Batu regency almost all the respondents considered the village officials have not been able to manage finances village well. Several reasons are put forward shows that inability is caused by several things including, level of education which is owned by the village officials now, and experience in financial management, value is quite large.

As revealed also by the village chief and his staff, with the condition that there is currently managing the budget fairly large village is indeed challenging. Plus the village administration is required to provide financial reports to the head area and can be audited by the Supreme Audit Agency (BPK). The limited human resources has become a constraint (Dalimunthe *et al.*, 2016; Lubis *et al.*, 2016 & Gusnardi *et al.*, 2016). Besides the weakness of the financial management of the village administration is not only due to the low level of education and lack of socialization, but also for the development of village governance and regulatory changes so quickly. However, the village chief and staff to feel confident that these shortcomings can be answered through debriefing given. The experience gained during the implementation of the PNPM program, from planning, implementation, evaluation of activities to make financial statements into capital to face the implementation of village autonomy, particularly related to the management of village finances. The results of interviews with informants mention:

“If first we might village government hard to make development plans, but after some time the experience working on rural development such as street paving, casting Paret through PNPM program, is now planning physical development does not become a factor which is difficult, even with the provision of the experience we have already started one can estimate how the material needed to carry out the concrete ditch for example “.

Very similar views expressed by other informants,

“If asked afford or do not manage the village finances ya do not know well, but the lessons of PNPM fund management turned out we could. It needs assistance also but how else should be, must be how this anymore”.

Disbursement of funds was so great from the mandate of Law Village sounded quite a dilemma. This is because the problems related to the state budget management budget system has not been completely understood by village. Various fears arose primarily related to financial reporting systems which should be breakfast over the country wherever the village head was no exception. The flow of funds that had been there in the center should have a provision should really be able to fully allocated to the public interest. But what kind of system will be able to guarantee it. This is certainly a chore that should also be considered by planners before before this law started to be implemented.

5. CONCLUSIONS AND RECOMMENDATIONS

From the discussion that has been exposed to a number of conclusions: First, understanding Village Apparatus Against Law No. 6 of 2014 concerning the village is still very low, as seen from their knowledge of the contents of that Act which was limited on the village fund. When in fact the village law has many implications for a more independent village autonomy. This means that the Village Act not only has implications on the economic aspect of the village, but also cultural, political and villages. Minimum

understanding of village officials including the head of the village towards the village law can also be seen from the text document ownership indicator Act which only owned by the village head is the Head of Ujung Teran Langkat. Villagers are largely unaware of the Law of the village, but the villagers generally expect with the Law of the village will be able to improve their economic welfare. Villagers just know that there will be money given to the village and the numbers One Billion Rupiah. The knowledge that their money will go to the village is generally known by the villagers through the Presidential Election campaign 2014. Second, the capacity of village officials is still minimal in the context of the implementation of the Rural Law, both in the context of increased community participation in rural development and in the context of financial management of villages ,

Based at the situation, it is necessary to socialize more massive for the villagers, especially the village officials associated with the Village Act provides a more comprehensive understanding, so that the understanding of the law is not only seen on the purely economic aspects; and the need to improve the capacity, mainly to village authorities associated with the implementation of the Rural Law has village autonomy in the framework of the village administration (Governance Village) that is autonomous and independent based on local culture can be realized.

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