Do Non-Economic Factors Affect Village Funds?

Lely Ratwianingsih^{1*}, Malik Cahyadin², Sutomo³

*Corresponding author

Abstract

The Government has enacted Law Number 6/2014 concerning Villages. One policy included in that Law is the provision of Village Funds (Dana Desa) in which its implementation can be investigated based on non-economic aspects. For this reason, this study aims to analyze the impact of non-economic factors on Village Funds disbursed in 29 districts in Central Java Province. These factors include population and the Human Development Index (HDI). While using secondary data from 2015-2017, this research employs a method using panel data with the best model known as the Fixed Effects Model (FEM). The FEM estimation results show that the population has a significant impact, while HDI's impact is not significant. Besides, the ratio between Village Funds and the population has a significant impact on Village Funds. Thus, both the Central and the Regional Government, as well as the Village Heads, should consider the population in allocating Village Funds. The contribution of this study is that the Government should formulate an appropriate policy for Village Funds allocation by considering non-economic factors in each village.

Keywords: village funds; non-economic factors; panel data

Abstrak

Pemerintah telah menetapkan Undang-undang Nomor 6/2014 tentang Desa. Salah satu kebijakan tentang desa adalah dana desa. Implementasi dana desa dapat diteliti berdasarkan aspek-aspek non-ekonomi. Untuk itu, penelitian ini bertujuan untuk menganalisis dampak faktor-faktor non-ekonomi terhadap dana desa di 29 kabupaten di Jawa Tengah. Faktor-faktor tersebut meliputi indeks pembangunan manusia (HDI) dan populasi. Data penelitian ini menggunakan data sekunder tahun 2015-2017. Metode penelitian menggunakan data panel dengan model terbaik adalah fixed effects model (FEM). Hasil estimasi FEM menjelaskan bahwa populasi berdampak signifikan sedangkan HDI adalah tidak signifikan. Selain itu, rasio antara dana desa dengan populasi berdampak signifikan terhadap dana desa. Dengan demikian, pemerintah (pusat dan daerah) dan kepala desa sebaiknya mempertimbangkan jumlah populasi dalam merelisasikan dana desa. Kontribusi penelitian ini adalah pemerintah sebaiknya merumuskan formula alokasi dana desa dengan mempertimbangkan faktor non-ekonomi di masing-masing desa.

Kata Kunci: dana desa, faktor non-ekonomi, data panel

JEL Classification: O10, O23, E62

How to Cite:

Ratwianingsih, L., Cahyadin, M., & Sutomo. (2020). Do Non-Economic Factors Affect Village Funds?. Signifikan: Jurnal Ilmu Ekonomi, Vol. 9(1), 93-106. doi: <http://dx.doi.org/10.15408/sjie.v9i1.14056>.

Introduction

The allocation of Village Funds in Indonesia is as written in Act Number 6/2014 on Village. The funds are determined by fiscal balance funding with a minimum amount of 10% from district fiscal balance minus Special Allocation Funds. The Government has started the realization of Village Funds since 2015. However, the Government and village leaders have not adequately prepared the human resources and institutional aspects of Village Funds that may affect the utilization of Village Funds on public welfare and village development.

The Act Number 6/2014 on Village—Article 1 Section 1—explained: “Village is a legal community unit having a territorial boundary authorized to regulate and administer government affairs, interests of the local society, rights of origin, and/or traditional rights recognized in the government system of the Unitary State of the Republic Indonesia.” The Government supports the village development by allocating budget in the form of Village Funds. The Village Funds can allocate for infrastructure development, community empowerment, and productive economic development. The realization of Village Funds began in 2015.

As stated in the previous study, generally, society should participate in the implementation of Village Funds (Chandoevrit & Ashakul 2008). However, the Village Funds has no impact on their income and poverty alleviation. Meanwhile, Asni et al. (2013) mentioned that people’s participation, village institutional, and social capital have essential contributions to the realization of Village Funds. In this case, the use of Village Funds considers as a non-economic factor.

Boonperm et al. (2013) explained that Village Funds could use to improve farming activity, especially for input provision. In order to encourage rural development, the activities of villagers can do using a top-down or bottom-up approach (Smith 2014). This approach will be a benchmark for systematic village development planning, implying the necessity to include procedures and networking in the planning process. Meanwhile, Jurniadi & Paranoan (2015) found that the utilization of Village Funds influence by active public participation, transparency, accountability, and continuity.

The research questions raised in this study are: First, does the Human Development Index (HDI), which is the manifestation of people’s quality of life, have an impact on Village Funds? Second, Does the population have a significant effect on Village Funds? Both of these questions became a reference to the hypothesis of the influence of non-economic factors on Village Funds in Central Java Province.

This research has some objectives. First, this research will analyze the effect of HDI on village funds in Central Java Province. It will also analyze the effect of population on village funds. Those objectives indicate the analysis of the effect of non-economic factors on village funds in Central Java Province.

This empirical research uses different approaches if compared to the other researches described in this paper. First, this research focuses on non-economic factors that affect the village funds. The non-economic factors consist of population and HDI. Second, this research uses a panel model. Third, this research analyzes the effect of non-economic factors

when the initial period of implementation of village funds tends to prioritize economic and infrastructure factors. The three differences are the uniqueness/novelty of this research.

Figure 1 illustrates the growth of Village Funds in 29 districts of Central Java Province in 2016. The highest and lowest growth rates are 334% (Sragen District) and 1.3% (Grobogan District), respectively. The average growth of the Village Funds in 2016 is 141%. The development of Village Funds can observe from the non-economic factors aimed to empower the local community. This situation allows the Village Funds to allocate to non-economic activities, such as community empowerment. Hence, the Government should formulate and identify non-economic factors that could stimulate the realization and effectiveness of Village Funds.

Figure 1. The Growth of Village Funds in Central Java in 2016 (%)

Source: BPS and Central Java Government (2017, processed)

According to Falsolaiman et al. (2014), creating a village development group model can utilize the Village Funds for a developing village. The group aims to stimulate public participation in the process of development. Furthermore, Watts et al. (2019) argue that Village Funds can allocate to improve the quality of the environment, as they believe the increased quality of environment would promote the quality of people's well being. On the other hand, Aziz (2016) stated that the realization of the Village Funds is still not effective due to the lack of human resources and active public participation. Meanwhile, Simangunsong & Hutasoit (2017) mentioned that the Village Funds expect to be the instrument of urbanization control of Indonesia. Besides, the role of Village Funds management can boost the economy and active public relations maximally.

The realization of Village Funds to empower the society can observe from its effect on public welfare, active participation of the local community, and Human Development Index. In this study, the variables that consider affecting Village Funds consist of the total population and the Human Development Index (HDI). Therefore, the estimation result of this study expects to be taken into consideration by the Government and village leaders to maximize the utilization of Village Funds for the well being of the local community.

Diamantina (2017) pointed out that the Village Funds could utilize appropriately and maximally if it supports by the standard and proper procedures based on the law. Besides,

the capacity of the Village Funds manager needs to be improved continually. Meanwhile, according to Handra et al. (2017), the Village Funds can be optimized to improve the welfare and life quality of the residents. Other than that, the target of village development can direct to the increase of employment based on the public funds' project, the improvement of micro and small productive enterprises, the availability of public facility and infrastructure, and the improvement of society empowerment as a part of social protection.

Simangunsong & Wicaksono (2017) stated that the availability of competent human resources and active public participation are required to ensure the maximally effective utilization of Village Funds. Furthermore, Sutiyono et al. (2018) proposed five factors consider in maximizing the utilization of Village Funds: First, continuity (from planning to realization and impact); Second, capable human resource for village management and community empowerment; Third, environmental management; Fourth, innovation of productive economy program; and, Fifth, village Funds calculation that is effective for reducing poverty.

The contribution of this study includes, among others: First, identification of the influence of HDI and the population on Village Funds in Central Java Province; and, Second, empirical evidence of the vital role of non-economic factors in the realization of Village Funds. Thus, the central government can prepare a formula for the allocation of Village Funds based on non-economic factors. This condition means that the allocation of Village Funds in each region (i.e., provinces) in Indonesia will vary in each village. Besides, the selection of the empirical model of the data panel has made this research different from the previous empirical research.

This article divides into three sections. The first section presents the Introduction that considers the motivation and contribution of the research. Next, Section 2 explains the data panel method consisting of the 2015-2017 time series and cross-section 29 districts in Central Java Province. Following Section 3, which describes the result and discussion, Section 4 presents conclusion and policy implication.

Method

This research uses secondary data that covers Village Funds, Human Development Index (HDI), and population. The Village Funds collect from a total allocation of Village Funds in every 29 districts in Central Java Province. The HDI is the Human Development Index of 29 districts. Meanwhile, the population is the number of people who live in 29 districts. All data collected from the Central Bureau of Statistics (BPS).

The initial period of the study was 2015 because this period was the first period of Village Funds realization. Meanwhile, the final period of research is 2017 because this period became the actual research data obtained from BPS. Thus, the total observation base on 87 data.

Some studies previously conducted by Asni et al. (2013); Falsolaiman et al. (2014), Aziz (2016), Simangunsong & Hutasoit (2017), Simangunsong & Wicaksono (2017), and Handra et al. (2017) confirm that Village Funds can utilize for driving community

participation, human capital, urbanization reduction, and welfare. As such, this research will estimate the influence of HDI and the population on Village Funds. The level of community welfare will measure by HDI. The components of HDI include education, health, and per capita income. This condition means that HDI as an independent variable in the data panel model is relevant to previous empirical studies. Besides, the selection of HDI became the empirical research gap. The other independent variable is population. In the previous studies, the populations not take as a variable that affects Village Funds. The more population in a village, the better the quantifier of Village Funds; the former is the beneficiaries of Village Funds to be disbursed.

The research uses a panel data model that can encourage the estimation result properly due to its ability to combine time series and cross-section (Gujarati & Porter 2009). Furthermore, the estimation model for this research formulate as follows:

$$VF_{it} = \alpha_1 + \beta_1 HDI_{it} + \beta_2 POP_{it} + \varepsilon_{it} \quad (1)$$

Where: VF is Village Funds in IDR while HDI is Human Development Index and POP is population in person. The “i” is 29 districts while “t” is 2015-2017. Furthermore, the ε is an error term of the panel.

This research also examines the effect of the ratio of Village Funds to the population on Village Funds. It explains the value of Village Funds per person in a village. Furthermore, the panel Equation 1 can be formulated into Equation 2 below:

$$VF_{it} = \alpha_1 + \beta_1 HDI_{it} + \beta_2 POP_{it} + \beta_3 (VF_{it}/POP_{it}) + \varepsilon_{it} \quad (2)$$

Equation 2 is called the Common Effects Model (CEM)

Besides CEM, the data panel model also has other forms, namely: Fixed Effects Least-Squares Dummy Variable (LSDV) Model, and Random Effects Model (REM). The FEM-LSDV equation is explained by equation (3) while the REM equation can be seen in equation (4). D is a dummy variable that explains the difference in intercept in the model data panel. “N” is the number of cross-sections minus 1. The total cross-section of this study is 29 districts so the number of “n” is 28. Meanwhile, the formation of REM starts from the assumption that α_1 is a random variable. We can add ε as a random error.

$$VF_{it} = \alpha_1 + \alpha_2 D_{ni} + \beta_1 HDI_{it} + \beta_2 POP_{it} + \beta_3 (VF_{it}/POP_{it}) + \varepsilon_{it} \quad (3)$$

$$VF_{it} = \alpha_1 + \beta_1 HDI_{it} + \beta_2 POP_{it} + \beta_3 (VF_{it}/POP_{it}) + w_{it} \quad (4)$$

Result and Discussion

Result

The Central Government has disbursed the transfer of Village Funds to each region in Indonesia since 2015. The amount of Village Funds allocated in the Central Java Province during the study period was IDR 2.2 Trillion (2015), respectively, IDR 5 Trillion (2016), and IDR 6.3 trillion (2017), respectively. In the same period, the average allocation of Village Funds was IDR 4.5 trillion. The districts with the highest and the lowest amount of Village Funds were Kebumen Regency at IDR 360 billion (2017) and Sukoharjo District at IDR 43 billion (2015). The descriptive statistics show in Table 1.

Table 1. Descriptive Statistics

	Village Funds	HDI	Population
Mean	1.57E+11	69.14	1066198
Median	1.59E+11	68.60	954706
Maximum	3.60E+11	75.56	1796004
Minimum	3.62E+10	63.18	619173
Std. Dev.	7.63E+10	2.99	300321.7
Skewness	0.512679	0.29	0.855140
Kurtosis	2.675691	2.38	2.935723
Jarque-Bera	4.192448	2.665762	10.61832
Probability	0.122920	0.263716	0.004946
Sum	1.36E+13	6015.250	92759257
Sum Sq. Dev.	5.00E+23	773.4834	7.76E+12
Observations	87	87	87
Cross sections	29	29	29

Source: Secondary Data (Processed)

HDI, as a proxy for the level of community welfare in the Central Java Province, indicates an increase every year. This data shows that there is an improvement in the quality of community welfare in terms of education, health, and per capita income. During the study period, the highest HDI value was 75.56 (Sukoharjo Regency in 2017). Meanwhile, the lowest HDI value was 63.18 (Brebes Regency in 2015). Besides, during the study period, the average HDI was 68.60 (2015), 69.11 (2016), and 69.71 (2017).

The total population in 29 districts in the Central Java Province during the study period were 33,774,141 people (2015), 34,019,095 people (2016), and 34,257,865 people (2017) respectively. In that period, the average population was 34,017,034 people. The highest number of population is 1,796,004 people (Brebes Regency in 2017). Meanwhile, the lowest number of population was 710,386 people (Purworejo District in 2015).

The estimation model employed in this study is the Fixed Effect Model (FEM). The Chow and the Hausman test, this research uses the fixed-effect model results. The FEM result shows in Table 2. HDI, which illustrates the people's life quality, has an insignificant effect on Village Funds. It may be because the Village Funds scarcely allocate for programs aimed at community empowerment and life quality improvement. Since the Village Funds is commonly used to improve village infrastructure and facility, the portion of Village Funds allocated for infrastructure is, therefore, higher than for community empowerment. Therefore, in the future, the allocation of Village Funds for infrastructure and community empowerment should be made balanced.

Table 2. The Result of Fixed Effects Model (REM)

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-2080000000000	4.95E+11	-4.20873	0.0001
HDI?	10600000000	8.69E+09	1.219642	0.2278
POP?	1293431	553641.5	2.336224	0.0232
VILLAGEFUNDS?/POP?	816417.6	45879.67	17.79476	0.0000
R-squared	0.959401	F-statistic		41.92668
Adjusted R-squared	0.936519	Prob(F-statistic)		0.00000

Source: Secondary Data (Processed)

Note: Dependent Variable= VILLAGEFUNDS?; Time series= 2015-2017; Cross-sections= 29; Total pool (balanced) observations= 87.

According to Asni et al. (2013), Village Funds management can encourage increased social capital and community institutions and income. This empirical finding is consistent with Boonperm et al. (2013). Using a qualitative approach, Falsolaiman et al. (2014) found out that the development of community groups that received financial assistance in the village could support the efforts to increase HDI. Meanwhile, this study uses HDI as a proxy with quantitative methods (model data panels). Aziz's research (2016) supports the empirical findings of this study that Village Funds have not been expertly directed to community participation and increased income.

The population has a significant effect on the Village Funds, which indicates that villagers, as a community, must take into consideration in promoting Village Funds. In this case, the more communities live in a village and participate actively, and the more maximized the availability and utilization of the Village Funds will be. Therefore, the Government and Village Leaders need not only to have an accurate database of the total population but also to be able to encourage them to participate actively in developing the village.

As mentioned in the study by Asni et al. (2013), villagers are the recipients and implementers of the Village Law, which means that they are direct beneficiaries of Village Funds. Furthermore, the capacity of human resources in the villages plays an essential role in the implementation and allocation of Village Funds (Diamantina, 2017). Thus, the results of this study have been relevant to previous studies.

The ratio of Village Funds on population shows a significant effect on the Village Funds. The ratio reflects Village Funds per capita in which the higher the ratio, the more maximized the availability and utilization of the Village Funds will be. Therefore, the Government should increase the ratio of Village Funds per capita. This variable is one of the developments of previous empirical studies that did not consider it (this ratio) as a determinant of Village Funds allocation.

The adjusted R² value is 0.936519. It means that the variation of independent variables can explain 93.6519% of the dependent variable variations. Furthermore, the FEM result is the correct estimation (fulfills the goodness of fit). Meanwhile, the F-statistic indicates a significant result of about 41.92668. This result means that simultaneously all independent variables have a significant effect on the Village Funds.

Table 3 describes the panel estimation results by using the common effects model (CEM) and the random-effects model (REM). The CEM estimation results indicate that population and the ratio of village funds to the population affect the village funds. These results are following the FEM estimation results in Table 3. However, the REM estimation results show that all independent variables affect the village funds. The researchers use Chow and Hausman test results to determine the best estimation model. Based on the two tests, it can conclude that the FEM estimation results are the best estimation result.

Table 3. The Result of CEM and REM

Variable	CEM_Coef.	CEM_t-Stati	REM_Coef.	REM_t-Stat.
C	-2.12E+11	-3.458295*	-2.25E+11	-3.721674*
HDI?	1.36E+09	1.624727	1.49E+09	1.803380***
POP?	126974.3	14.12209*	128531.7	14.64348*
VILLAGEFUNDS?/POP?	893137.8	29.85456*	902520.4	34.16526*
R-squared	0.915725	F-statistic		300.6254*
Adjusted R-squared	0.912679	Prob(F-statistic)		0.000000

Source: Secondary Data (Processed)

Note: CEM is common effects model, while REM is the random-effects model. * is α 1%; ** is α 5%; and *** is α 10%.

The adjusted R^2 values based on CEM and REM estimation results are 0.912679 and 0.912776, respectively. Both values are less than the adjusted R^2 value estimated by FEM. Therefore, the selection of the FEM model as the best model in this empirical study is appropriate.

Discussion

A total of 29 districts in Central Java Province got village funds allocation from the central government. In 2015, the village funds allocated to those areas were about Rp 2.2 Trillion and increased to Rp 5 Trillion in 2016 (growth about 124%). The amount is relatively large, considering the needs of developing rural areas in Central Java Province. For that reason, BPKP of Central Java encourages the active participation of the community as actors and supervisors of development.

The realization of village funds in the Central Java Province cannot run smoothly because of several factors (Tempo, 30th July 2018). First, some village assistants registered in the regional government have resigned, so it takes time to get their replacements. Second, human resources in villages do not have adequate competence in utilizing and reporting village funds following applicable laws and regulations. For this reason, the regional government, along with the Ministry of Villages, Development of Disadvantaged Regions & Transmigration, have tried to facilitate by recruiting competent human resources and empowering village leaders.

Xue (2014) explained that the existence of ecovillage/urban village direct to maximize

local (village) activities that are not only concerning the preference of consumptive individuals. It means that the village characteristics development expect to control individualistic behavior. For that reason, village management, through its resources, aims to create sustainability and equity. Moreover, Ristianti (2016) shows that the implementation of ecovillage can encourage improvements in village management and development in realizing community welfare. The sustainability of economic and non-economic aspects, including environmental sustainability, become an integral part. Also, Sesotyaningtyas & Manaf (2015) describe that the development of a tourist village is one choice of the community that will result in maximum use of resources. The interaction between the village developer community and business agents can conduct in a balanced and mutually beneficial way. The achievement of the village development is the community welfare as a part of HDI which can have implications for the use of village funds. In this research, it has been appropriate to choose HDI as a determinant of village funds to reflect the community welfare. However, HDI does not have a significant effect on the village fund. It explains that the welfare of village residents has not connected directly to the existence of village funds yet. Therefore, village and district government in Central Java Province should stimulate the utilization of village funds to improve the HDI of village residents. Zacharias & Lei (2016) find that villagers develop their village in many ways, one of which is through the utilization of economic and socio-cultural potential. They try to encourage improvement in the quality of life.

Moreover, Kan (2016) shows that institutions play an essential role in society development in the resources and cooperation redistribution between stakeholders in the village. The final result will be the welfare of the community. The existence of the community, which is reflected by the population, has a significant effect on village funds. Besides, the ratio between village funds and the population also has a positive effect on village funds. Therefore, village communities have tried to respond to the existence of village funds well in the development of their villages.

Meanwhile, Gupta et al. (2016) explain that the population is not proportional to the availability of quality facilities and infrastructure in the village. This condition can be a problem in achieving community welfare, such as access to health, poverty reduction, and an increase in income. Therefore, village residents can use information technology in economic and non-economic activities. The results of this research show that non-economic factors such as population and the ratio of village funds to the population has a significant role. It means that the village government can utilize the human resources available in the village as a driving force in the utilization of village funds in achieving community welfare.

The empirical findings on village development which emphasize on institutional factors, transaction costs reduction, symmetrical information in all aspects of life, integrated village development based on its potential (such as tourism orientation), utilizing information technology and communication for productive activities, balance and sustainable environment, socio-cultural activities and village resource utilization has been carried out based on local economy orientation (Lai & Tang, 2016; Gao & Wu, 2017; Otsuyama et al., 2018; Hart, 2018; Emerick 2018; and Zhang et al., 2019). Furthermore,

Hu et al. (2017) explain that village development can consider several factors, including service and accessibility, social interaction, security, and independence. These factors are stimulants to village sustainability. Therefore, village management cannot be carried out through antagonistic (Hyeroba et al., 2017), and there is also an excessive interaction (Yamazaki et al., 2018). It will have implications for resource exploitation and competition between community groups. Empirically, this research emphasizes the non-economic factors that affect the village funds in Central Java Province. The lack of this research is that it does not consider the institutional and socio-cultural factors in the estimation model. Future research can develop the empirical model in this research.

There are some approaches used to develop a village based on its non-economic potentials. Those approaches are relevant to the research results of non-economic factors that determine the village funds in Central Java Province. The first approach is village youth as a young population approach or development agent. Fennell et al. (2018) explain that village youth is human resources who carry on the village development. For this reason, their quality and opportunities to develop should be the sustainable orientation of the village. They must get right and easy access to information and technology, job opportunity, and social media utilization for productive activity and village resource utilization.

The second approach is the ability of the government to develop and advancing the village will encourage workers from outside the country and cities who come from the village to return to their village (Chen & Wang, 2019). Explicitly, it can say that the higher the government's incentives in village development, the more engaged the community will be in returning to their village.

The third approach is participatory development. Humphreys et al. (2019) and Nielson et al. (2019) describe that participatory development can utilize for village development. It is because the participants will encourage the participation of rural communities in economic and non-economic activities (including village institutions). On top of that, the ability of rural communities to develop village institutions will encourage the communities to achieve welfare sustainably. Besides, the existence of social participation practice in village development is evidence of the village's success in building its community. The community interaction that reflects friendship, togetherness, and concern for the environment will encourage better village management. The result is that the efforts to achieve community welfare become easier than before.

Conclusion

The Village Funds is the financial source of village development in terms of physical and non-physical targets. The physical development consists of village infrastructure and facilities. Meanwhile, non-physical development is in the form of community empowerment and welfare. The HDI and population become the significant factors affecting the Village Funds in terms of community empowerment. This research shows that there are some variables that affect the village funds, such as the population and the ratio of village funds to the population. However, the HDI does not an impact of village funds.

The Government and Village Leaders need to have complete and accurate population data. They also need to encourage rural communities to participate actively in the village development due to the availability of allocated funds. Hence, their active participation expects to improve the quality of their life and increase their welfare. Human resources have an essential role in utilizing village funds in Central Java Province. Thus, the central government needs to consider the number of population as one determinant of the number of village funds in each region.

The results of this empirical study can be taken as a consideration for the Central Government in preparing formula for Village Funds allocation, i.e., by considering the non-economic aspects. This condition means that the value of Village Funds allocation per region (i.e., the province) will vary according to the conditions of non-economic aspects. Besides, the Government should also start encouraging the allocation of Village Funds for community empowerment in order to improve the quality of their life.

Acknowledgment

Universitas Sebelas Maret, in the form of Research Grant 2018, supports the publication of the article.

References

- Asni, F., Maryunani, Sasongko & Budi, D. (2013). The Management of the Village Funds Allocation as an Instrument Towards Economic Independence Village (Case Studies in 2 villages in Siak Regency, Province Riau). *Journal of Business and Management*, 10(4), 1-9. <https://doi.org/10.9790/487X-1040109>
- Aziz, N. L. L. (2016). Otonomi Desa dan Efektivitas Dana Desa (The Village Autonomy and The Effectiveness of Village Funds). *Jurnal Penelitian Politik*, 13 (2), 193-211. <https://doi.org/10.14203/jpp.v13i2.575>
- Boonperm, J., Haughton, J., & Khandker, S. R. (2013). Does the Village Funds Matter in Thailand? Evaluating the Impact on Incomes and Spending. *Journal of Asian Economics*, 25, 3-16. <https://doi.org/10.1016/j.asieco.2013.01.001>
- Chandoevrit, W. & Ashakul, B. (2008). The Impact of the Village Funds on Rural Households. *TDRI Quarterly Review*, 23(2), 9-16.
- Chen, H. & Wang, X. (2019). Exploring the Relationship Between Rural Village Characteristics and Chinese Return Migrants' Participation in Farming. Dependence in Rural Employment. *Cities*, 88, 136–143. <https://doi.org/10.1016/j.cities.2019.01.016>
- Diamantina, A. (2017). Management, Distribution, and Redemption of Village Funds. *Diponegoro Law Review*, 2(1), 203-226. <https://doi.org/10.14710/dilrev.2.1.2017.203-226>.
- Emerick, K. (2018). Trading Frictions in Indian Village Economies. *Journal of Development Economics*, 132, 32-56. <https://doi.org/10.1016/j.jdeveco.2017.12.010>.
- Falsolaiman, M., Sadeghi, H. & Hajipur, M. (2014). Village Development Groups: Model

- Based on Participation in Achieving Rural Development. *Journal of Geography and Regional Planning*, 7(4), 78-85. <https://doi.org/10.5897/JGRP12.075>
- Fennell, S., Kaur, P., Jhunjunwala, A., Narayan, D., Loyola, C., Bedi, J., & Singh, Y. (2018). Examining Linkages between Smart Villages and Smart Cities: Learning from Rural Youth Accessing the Internet in India. *Telecommunications Policy*, 42(1), 810-823. <https://doi.org/10.1016/j.telpol.2018.06.002>
- Gao, J. & Wu, B. (2017). Revitalizing traditional villages through rural tourism: A case study of Yuanjia Village, Shaanxi Province, China. *Tourism Management*, 63, 223-233. <http://doi.org/10.1016/j.tourman.2017.04.003>
- Gujarati, D. N. & Porter, D. C. (2009). *Basic Econometrics*. Singapura: The McGraw-Hill Companies Inc.
- Gupta, R., Bhardwaj, P., Shukla, J. P., Mishra, D., Prasad, M., & Amritphale, S. S. (2016). The Requirement of Intra Village Pathways for Roadway Technology Adoption: A Rural Survey in Nador Village, Madhya Pradesh, India. *Technology in Society*, 47, 101-110. <https://doi.org/10.1016/j.techsoc.2016.09.005>
- Handra, H., Sidik, M., Satria, S., Suhirman, Murniasih, E., Suryani, D. & Robertson, D. (2017). Village Funds and Poverty Alleviation. *KOMPAK Working Paper*. Retrieved from http://kompak.or.id/userfiles/publication/download/Feb2017_brief-dana-desa-EN-Final.pdf
- Hart, K. (2018). The Suburbanization of Rural Life in an Arid and Rocky Village in Western Turkey. *Journal of Arid Environments*, 149, 73-79. <https://doi.org/10.1016/j.jaridenv.2017.03.011>
- Hu, X., Xia, B., Skitmore, M., Buys, L., & Hu, Y. (2017). What is a Sustainable Retirement Village? Perceptions of Australian Developers. *Journal of Cleaner Production*, 164, 179-186. <http://doi.org/10.1016/j.jclepro.2017.06.227>
- Humphreys, M., de la Sierra, R. S., & Windt, P. V. (2019). Exporting Democratic Practices: Evidence from a Village Governance Intervention in Eastern Congo. *Journal of Development Economics*, 140, 279-301. <https://doi.org/10.1016/j.jdeveco.2019.03.011>
- Hyeroba, D., Friant, S., Acon, J., Okwee-Acai, J., & Goldberg, T. L. (2017). Demography and Health of "Village Dogs" in Rural Western Uganda. *Preventive Veterinary Medicine*, 137, 24-27. <http://doi.org/10.1016/j.prevetmed.2016.12.009>
- Jurniadi, D., & Paranoan, D. B. (2015). Faktor-faktor yang Berpengaruh terhadap Efektivitas Penyaluran Alokasi Dana Desa di Kecamatan Teluk Pandan Kabupaten Kutai Timur (Factors Affecting Effectiveness of Village Funds Allocation in Teluk Pandan Sub-district of Kutai Timur District). *Journal Administrative Reform*, 1(1), 112-124. <http://e-journals.unmul.ac.id/index.php/JAR/article/view/545/495>
- Kan, K. (2016). The transformation of the Village Collective in Urbanising China: A Historical Institutional Analysis. *Journal of Rural Studies*, 47, 588-600. <https://doi.org/10.1016/j.jrurstud.2016.07.016>
- Lai, Y. & Tang, B. (2016). Institutional Barriers to Redevelopment of Urban Villages in

- China: Atransaction Cost Perspective. *Land Use Policy*, 58, 482–490. [http:// doi.org/10.1016/j.landusepol.2016.08.009](http://doi.org/10.1016/j.landusepol.2016.08.009)
- Nielson, L., Wiles, J. & Anderson, A. (2019). Social Exclusion and Community in an Urban Retirement Village. *Journal of Aging Studies*, 49, 25–30. <https://doi.org/10.1016/j.jaging.2019.03.003>
- Otsuyama, K., Aung, S. P., & Maki, N. (2018). Adaptive Strategies and Transformation for Community Recovery A Case Study of Villages in Hinthada, Ayeyarwady Region, Myanmar. *International Journal of Disaster Risk Reduction*, 34, 75-93. <https://doi.org/10.1016/j.ijdr.2018.11.007>
- Ristianti, N. S. (2016). S.M.A.R.T. Eco-Village for Hazardous Coastal Area in Bedono Village, Demak Regency. *Procedia - Social and Behavioral Sciences*, 227, 593-600. <https://doi.org/10.1016/j.sbspro.2016.06.120>
- Sesotyaningtyas, M. & Manaf, A. (2015). Analysis of Sustainable Tourism Village Development at Kutoharjo Village, Kendal Regency of Central Java. *Procedia - Social and Behavioral Sciences*, 184, 273-280. doi: 10.1016/j.sbspro.2015.05.091
- Simangunsong, F. & Hutasoit, I. (2017). Empirical Study on Implementation of Village Funds for Issue of Urbanization from West Java Province to State Capital of Jakarta. *International Business Management*, 11 (5), 1058-1072. <https://doi.org/10.3923/ibm.2017.1058.1072>.
- Simangunsong, F., & Wicaksono, S. (2017). Evaluation of Village Funds Management in Yapen Islands Regency Papua Province (Case Study at Pasir Putih Village, South Yapen District). *Journal of Social Sciences*, 5, 250-268. <https://doi.org/10.4236/jss.2017.59018>.
- Smith, N. R. (2014). Beyond Top-down/Bottom-up: Village Transformation on China's Urban Edge. *Cities*, 41(B), 209-220. <http://doi.org/10.1016/j.cities.2014.01.006>
- Sutiyo, G., Muluk, S., Mafira, T. & Rakhmadi, R. (2018). Indonesia's Village Funds: An Important Lever for Better Land Use and Economic Growth at the Local Level. *Working Paper on Climate Policy Initiative*. Retrieved from: <https://climatepolicyinitiative.org/publication/indonesias-village-funds-an-important-lever-for-better-land-use-and-economic-growth-at-the-local-level/>
- Watts, J. D., Tacconi, L., Irawan, S. & Wijaya, A. H. (2019). Village Transfers for the Environment: Lessons from Community-based Development Programs and the Village Funds. *Forest Policy and Economics*, 108, 1-11. <https://doi.org/10.1016/j.forpol.2019.01.008>.
- Xue, J. (2014). Is Eco-Village/Urban Village the Future of a Degrowth Society? An Urban Planner's Perspective. *Ecological Economics*, 105, 130-138. <https://doi.org/10.1016/j.ecolecon.2014.06.003>.
- Yamazaki, S., Resosudarmo, B. P., Girsang, W. & Hoshino, E. (2018). Intra-village and inter-village resource use conflict in Indonesia: The case of the Kei Islands. *Ocean and Coastal Management*, 155, 50-59. <https://doi.org/10.1016/j.ocecoaman.2018.01.022>.

- Zacharias, J., & Lei, Y. (2016). Villages at the Urban Fringe—the Social Dynamics of Xiaozhou. *Journal of Rural Studies*, 47, 650–656. <https://doi.org/10.1016/j.jrurstud.2016.05.014>.
- Zhang, Y., Long, H., Ma, L., Tu, S., Liao, L., Chen, K., & Xu, Z. (2019). How Does the Community Resilience of Urban Village Response to the Government-led Redevelopment? A Case Study of Tangjialing Village in Beijing. *Cities*, 95, 1-13. <https://doi.org/10.1016/j.cities.2019.102396>.