



Article

Received
2 July 2024

Accepted
26 September 2025

Published online
October 2025

Author(s)
Corresponding Author
 Hendy Setiawan
 0000-0002-1776-9057
 hendysetiawan2020@mail.ugm.ac.id
 Fakultas Ilmu Sosial dan Politik Universitas Selamat
Sri Batang

Keywords: the village fund; extreme poverty; oversight reforms; inclusive governance, improved welfare

Inclusive Governance in The Village Fund Oversight:

A Reform Strategy to Reduce Extreme Poverty in Batang Regency

Hendy Setiawan

Abstract: Extreme poverty remains a persistent challenge in Batang Regency, despite the increased allocation of The Village Fund from the central government since 2015. This challenge is further compounded by cases of corruption in the use of The Village Fund in several villages. Therefore, reforming the Village Fund oversight through an inclusive governance approach is essential to ensure accountability and promote the reduction of extreme poverty. This study employed a qualitative descriptive method with a literature review. Data were collected through searches of relevant secondary sources and analyzed using the Spradley technique, which involved domain analysis, taxonomy, componential analysis, and cultural theme analysis. The findings indicate that the limited human resource capacity of village officials remains a critical barrier to achieving meaningful participation. The disbursement of The Village Fund in Batang Regency was not accompanied by improved capacity of the program administrators, which created challenges to participation from both village human resources and the broader community, which largely remained passive. The Village Fund oversight reforms, which were often dominated by external mechanisms, had a significant impact on governance outcomes. However, reliance on external oversight alone still led to cases of corruption, underscoring the importance of strengthening internal mechanisms through a more inclusive community approach. Therefore, oversight reforms should be developed with a focus on inclusive governance, integrating both internal and external dimensions.

About the Author(s)

Hendy Setiawan is a lecturer in the Government Science Study Program, Faculty of Social and Political Sciences, Selamat Sri University, Batang, specializing in the study of bureaucratic politics and welfare. His research interests include ecological politics, security politics, civil society, public services, political bureaucracy, and local government. He completed his undergraduate studies in the Department of Government Science, Faculty of Social and Political Sciences, Muhammadiyah University of Yogyakarta, and graduated in January 2020. He then earned his Master's degree from the Department of Politics and Government, Faculty of Social and Political Sciences, Gadjah Mada University, Yogyakarta, graduating in April 2022. At present, in addition to serving as a lecturer, he is also an active writer and researcher.

© 2025 The Author(s)



This work is licensed under a [Creative Commons Attribution-NonCommercial-ShareAlike 4.0 International License](https://creativecommons.org/licenses/by-nc-sa/4.0/).



Secretariat General
Ministry of Home Affairs
Republic of Indonesia

I. Introduction

The purpose of this study is to examine the role of the Village Fund oversight reform, grounded in inclusive governance, Hicke (2015) in alleviating extreme poverty in Batang Regency. Village governance remains a pressing and widely debated issue (Samsu & Mamu, 2016). Since the disbursement of the Village Fund began in 2015, village institutions have been positioned as the focus of development, with the Central Government expecting them to contribute to the improvement of village-based community welfare (Setiawan & Sulisty, 2022). Instead of improving welfare, the disbursement of the Village Fund has not significantly reduced the poverty level in villages. Researchers from the Institute for Development of Economics and Finance (Indef) argue that the Village Fund has not effectively alleviated poverty or reduced inequality (Gareta, 2019). As a result, improving welfare remains a major challenge.

One indicator of enhanced village welfare is the capacity of village institutions to address the extreme poverty that has long affected communities (Praditya et al., 2024). This issue is particularly relevant following the enactment of Law No. 6 of 2014 on villages, which grants substantial authority, opportunities, and privileges for villages to regulate and manage their own autonomy according to their potential and initiatives (Salingkat, 2022). Just one year after the enactment of this regulation, fiscal decentralization followed with the disbursement of the Village Fund from the Ministry of Finance, further solidifying villages' autonomous status (Sofyani et al., 2018).

The demand to improve village welfare has grown stronger as the Central Government continues to place greater emphasis on strengthening village institutions. This attention arises from a historical context in which villages were perceived as unimportant, marginalized, impoverished, or underdeveloped—frequently portrayed as traditional and disconnected from the modern era (Kurniawan et al., 2020; Yuningsih & Chodijah, 2022). In the past, development contributions were primarily measured by the growth of big cities. However, this situation has changed significantly, as the distinction between villages and cities has become increasingly

blurred. The rural-urban divide has gradually eroded, reflected in the more dynamic and vibrant transformation of rural life (Setiawan, 2020). These shifts mark a new phase in the development and modernization of village communities.

Between 2015 and 2024, the Ministry of Finance has significantly increased the disbursement of The Village Fund to enhance village welfare and development. Chart 1 shows the disbursement over this period, as reported by the Ministry of Finance.

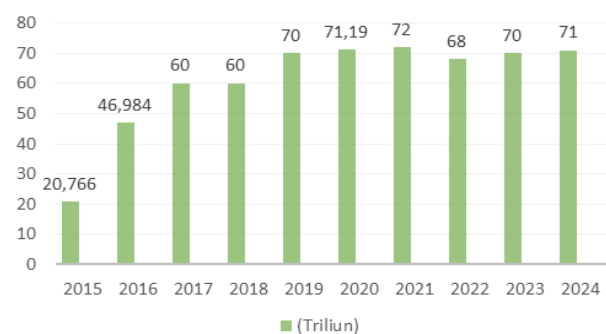


Figure 1. The Village Fund Disbursement, 2015–2024

Source: (Kemenkeu.go.id, 2024)

The data show that the Central Government has steadily increased the disbursement of the Village Fund from 2015 to 2024. By 2024, the disbursement was nearly three times higher than in the first year. An exception occurred during the 2021 – 2022 period, when allocations decreased by approximately 4 trillion rupiah, reflecting the state's ongoing fiscal recovery from the COVID-19 pandemic. After the pandemic, the upward trend resumed, with increases of 2 trillion and 1 trillion rupiah in 2023 and 2024, respectively.

The Central Government expects this sustained allocation to foster prosperous village communities and enable the village governments to address economic, social, and political challenges while strengthening community independence through local autonomy and initiative. This offers an opportunity for every village government to continue efforts to reduce poverty and achieve the broader goals of equity, justice, and prosperity.

Yet, in its implementation, the expected outcomes of prosperity have not occurred. Ironically, the substantial funds allocated have generated concern and anxiety among many

parties, particularly due to undesirable practices (Deny et al., 2023). This stands in stark contrast to the original purpose, as the disbursement of such a significant amount of funds was intended to inspire optimism for community prosperity. However, instead of fostering optimism, many have expressed concern over the various irregularities that have emerged, such as the misuse of The Village Fund, abuse of authority, and potential corruption. These irregularities help explain why improvements in village community welfare indicators remain difficult to achieve (Sitinjak, 2021; Sutarna & Subandi, 2023).

Between 2016 and 2023, the Village Fund contributed to reducing the number of people living in extreme poverty by approximately 1.7 million. Of these, around 1.2 million moved closer to the poverty line, while about 56,000 rose above it. If corrupt practices had not undermined poverty-alleviation efforts, poverty reduction through the Village Fund could have been even more substantial (Aranditio, 2024). Accordingly, reforming the oversight of the Village Fund is crucial to ensure its effective use in reducing extreme poverty. Chart 2 shows the number of cases and suspects of Village Fund corruption, based on the Corruption Case Action Trend Report published by Indonesia Corruption Watch (ICW) for the period 2015–2023



Figure 2. Village Fund Corruption Cases and Suspects, 2015–2023.

Source: (ICW, 2024)

Figure 2 indicates that the number of Village Fund corruption cases has steadily increased since 2015. This trend corresponds with the annual rise in the Village Fund allocations. The number of suspects involved in such cases has also grown significantly, with 1,695 individuals implicated in 2023 alone. These cases have

resulted in substantial losses. Given the evident risks associated with the misuse of the Village Fund, reforming its oversight through inclusive governance is crucial. Such reforms aim to ensure that village governance is monitored both internally and externally, thereby maximizing the effective use of the Village Fund to achieve its objectives.

According to Statistics Indonesia (BPS) data (2024), rural inequality declined only marginally from 0.34 in 2014 to 0.313 in 2023—a decrease of just 0.027 over nearly a decade (Hasibuan, 2024). According to BPS, as of March 2023, the urban poverty rate stood at 7.29%, equivalent to 11.74 million people. In rural areas, the poverty rate was higher, reaching 12.22%, or 14.16 million people. Compared with September 2019, when the rural poverty rate was 12.60%, the figure had declined by 0.38 percentage points to 12.22% in March 2023. In contrast, the urban poverty rate rose by 0.73 points, from 6.56% in September 2019 to 7.29% in March 2023. Although rural poverty has declined more rapidly than urban poverty, the poverty rate in rural areas remains significantly higher (Retnosari, 2024). As of March 2023, the rural poverty depth index was 2.035, compared with 1.163 in urban areas. This disparity is further reflected in the poverty severity index, which was 0.511 in rural areas and 0.281 in urban areas. This means that the poverty rate in rural areas remains significantly higher than in urban areas. These three factors provide the fundamental rationale for reforming Village Fund oversight through an inclusive governance approach.

This issue is also evident in Batang Regency, where widespread instances of abuse of authority in the management of the Village Fund persist. Village government officials continue to be implicated in corruption cases related to the Village Fund. In 2022, for instance, the head and treasurer of Pretek Village in Pecalungan District were taken into custody at the Batang Government Detention Center on allegations of misappropriating Village Fund resources. The case was prosecuted by the Batang District Attorney's Office (Indriani, 2022).

Given widespread noncompliance with Village Fund regulations, it is unsurprising that many villages in Batang Regency continue to experience extreme poverty. According to a 2023

report from the Batang Regency Government, 21 villages in the regency fall under the category of extreme poverty (Jumadi, 2023). This finding also suggests that other villages face moderate or general poverty.

This situation stands in stark contrast to the spirit of prosperity envisioned by fiscal decentralization at the village level through Village Fund allocations. Consequently, reforming Village Fund oversight through inclusive governance is essential. In the case of Batang Regency, the discourse on reforming the Village Fund oversight through inclusive governance is particularly urgent for at least three main reasons.

The case of Batang Regency illustrates a broader trend in other regions, where oversight of the Village Fund allocation remains weak at the implementation level (Rusmawijaya, 2022). This is evident from the numerous cases in which village heads have been implicated in fund-related corruption. According to a Kompas report dated October 18, 2022, at least 686 village heads have been implicated in corruption cases currently under investigation by the Corruption Eradication Commission (KPK) (Meiliana, 2022). This number is likely to continue rising, given the annual increase in the Village Fund allocations from the central government. The increasing involvement of village heads and officials in corruption underscores the persistent weaknesses in the oversight of Village Fund management. From the initial planning and implementation stages to the monitoring and evaluation processes, the use of the Village Fund frequently lacks credibility due to deficiencies in the oversight system.

Numerous studies have examined the mechanisms of the Village Fund oversight processes. Some focus on models implemented by the inspectorate, covering planning, implementation, monitoring, and evaluation (Lakoro et al., 2023). Other studies emphasize community participation-based monitoring, highlighting the essential role of public engagement in ensuring proper oversight of the Village Fund allocations. These studies consistently stress that public engagement is essential, not only for providing public oversight and control over the Village Fund budget but also for ensuring that the funds are used in line with their intended purpose and the broader goals of

community welfare. (Kartika, 2012; Amin, 2022; Marlina et al., 2023).

Meanwhile, some studies on the Village Fund oversight focus on the role of the Village Consultative Body (BPD) (Firmansyah et al., 2021; Harefa et al., 2024; Putra & Hapsari, 2020). These studies underscore the BPD's central role in monitoring the use of The Village Fund. However, their limitation lies in addressing only internal oversight, which may restrict opportunities for external scrutiny. Lastly, studies on the Village Fund allocation oversight have also highlighted mechanisms built into the management system, such as accountability measures, the application of good governance principles, and transparency in fund utilization. (Febriansyah et al., 2021; Aminudin, 2019). However, none of the existing studies have examined the IncGov approach as a framework for reforming the oversight of Village Fund management. Such an approach is crucial for reducing extreme poverty and thereby improving community welfare. Moreover, Law No. 6 of 2014 on Villages has been revised for the second time through Law No. 3 of 2024. These amendments provide momentum for strengthening Village Fund oversight and aligning it more closely with welfare-oriented values.

A review of previous studies shows that little attention has been given to a comprehensive analysis of the Village Fund oversight reform through the lens of inclusive governance. Yet, inclusive governance is a crucial element of meaningful reform, as it supports welfare improvements and specifically contributes to reducing extreme poverty in villages.

This study offers two key contributions. The first novelty is theoretical, namely the application of inclusive governance as an analytical framework for understanding the Village Fund oversight reform. Such reform cannot be measured solely by internal or external participation. Inclusive governance extends beyond public participation, encompassing a broader and more complex scope. Hickey, for example, links inclusive institutions with normative sensibilities, positioning inclusion as a benchmark for promoting and evaluating institutions such as villages. According to Hickey (2015) Inclusive Governance is best understood as a process that raises several fundamental questions: How does decision-making occur, who

is involved, why and how should they participate, whose voices are acknowledged, and what dynamics shape the process? These interactions and communications determine not only the nature and quality of the decisions made but also how effectively they are implemented.

The second novelty of this study lies in its research location, Batang Regency. Previous studies have paid little attention to the Village Fund oversight reform grounded in the concept of inclusive governance. Yet, inclusive oversight reform represents a crucial benchmark, as its association with minimal corruption cases has significant implications for reducing extreme poverty in villages.

Given these considerations, this study is guided by the following central research question: In what ways can Village Fund oversight reform grounded in inclusive governance be effectively implemented in Batang Regency? This study examines how the Batang Regency Government could reform Village Fund oversight through the framework of inclusive governance to address extreme poverty in the region. It also seeks to provide a reference point for future initiatives aimed at reforming Village Fund oversight through inclusive governance—a framework that has received limited attention, particularly in the context of Batang Regency. Accordingly, the theoretical foundation of this paper elaborates on inclusive governance and its potential application to Village Fund oversight reform.

II. Methods

This study employed a descriptive qualitative approach through a literature review. In qualitative research, the descriptive approach is applied to enable in-depth interpretation and analysis of the issues examined, while a literature review typically serves to collect and present data, thereby supporting the validity and accuracy of the findings. Therefore, this approach was considered suitable for the research model applied in this study. Through this method, the researcher was able to identify relevant data to address the central research question (Setiawan, Widiono, et al., 2023; Erison & Setiawan, 2023; Setiawan & Widyana, 2022). Therefore, this approach was considered suitable for the research model applied in this study.

The data sources consisted of secondary materials drawn from official reports issued by government institutions and agencies; mass media coverage, including newspapers, radio, and magazines; and scholarly literature, such as books, journals, and other relevant scientific articles (Tahmidaten & Krisyanto, 2020; Adlini et al., 2022). These data included statistics, visual images, and other materials pertinent to the study. The primary focus of this research was the reform of the Village Fund oversight through inclusive governance to reduce the prevalence of extreme poverty in Batang Regency.

Considering that this study employed a descriptive qualitative method, the Spradley model was used for data analysis. This model consists of four stages. The first stage was domain analysis, which provided a general overview of the research topic. The second stage was taxonomic analysis, in which the selected domains were further detailed to produce more focused research observations.

The third stage was componential analysis, where specific characteristics within each domain structure were identified by comparing the domain elements. Finally, the fourth stage was cultural theme analysis, during which the connectivity and interrelationships between domains were examined, leading to the drawing of conclusions. (Muhidin et al., 2020; Hidayati & Setiawan, 2023). This study faced limitations related to available resources, including time, funding, and access to supporting materials, which constrained the scope and depth of the research. The researcher applied the Spradley model, as illustrated in Figure 3.

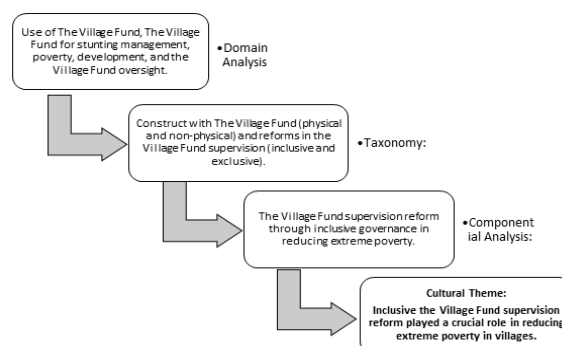


Figure 3 Spradley Model Analysis Technique

(Source: Spradley Data Analysis Technique, processed by the author (2025).

III. Results and Discussion

Reforming the Village Fund oversight through inclusive governance provides a comprehensive framework for maximizing welfare outcomes. Numerous cases were identified, including in Batang Regency, where villages continued to experience extreme poverty despite the disbursement of the Village Fund since 2015. According to government records, at least 21 villages in Batang Regency remained fall under the category of extreme poverty (Jumadi, 2023). Additionally, during the implementation of the Village Fund, several village heads and officials misused the funds for purposes other than those originally intended (Buono, 2020; Indriani, 2022). These findings highlight that existing oversight mechanisms for the Village Fund management were inadequate to optimize outcomes and achieve their intended objectives.

Moreover, oversight of the Village Fund management was predominantly conducted internally, particularly by the Village Consultative Body (BPD). This internal oversight was often regarded as sufficient for supervising the use of the Village Fund, although such reliance constrained broader accountability (Nasaban, 2023). As a result, external dimensions of oversight—such as public participation and collaborative monitoring—were often neglected and, in some cases, even perceived as a threat. This pattern of oversight underscores the need for reform grounded in the principles of inclusive governance. Furthermore, the Village Consultative Body (BPD) lacks sufficient capacity to exercise effective oversight (Romli, Ombi & Nurlia, 2017). As a result, it has been unable to fully ensure that the Village Fund management is accountable and transparent to the publik.

A. The Challenge of Achieving Meaningful Participation in Decision-Making

The Village Development Deliberation process (Musrembangdes) constitutes the initial stage of the Village Fund management oversight. This forum provides a platform for the Village Government to engage in substantive dialogue on development planning with community members. It typically brings together representatives from diverse community groups to articulate their

aspirations and generate a range of options for determining future village development priorities.

In addition, the Musrembangdes functions as a “village budget festival,” as a form of transparency and openness in the allocation of the Village Fund. This process aligns with the budget festival policy introduced in Batang Regency under the leadership of Regent Yoyok Riyo Sudibyo (Purbaya, 2016). Ideally, it should yield a substantive outcome: the identification of priority village development programs that are both urgently needed and collectively agreed upon. In practice, however, the Musrembangdes process has not been effectively implemented. The early stages continue to be shaped by vested interests, as evidenced by the limited representation of the broader community. Consequently, the Musrembangdes—intended as the initial mechanism for monitoring the Village Fund management—has not functioned effectively in accordance with the principles of equity and prosperity-oriented development.

A 2018 study on community participation in Village Fund management in Pucanggading Village, Bandar District, Batang Regency shows that participation is influenced by both supporting and inhibiting factors. Supporting factors include opportunity, willingness, openness, and commitment from both the community and the village government. In contrast, inhibiting factors include delays in fund disbursement, educational levels and workloads, weak coordination among stakeholder institutions, and instances of what Arnstein’s theory refers to as pseudo-participation (Wulandari et al., 2022).

The situation in Pucanggading Village reflects the broader challenges faced by villages across Batang Regency. A study by the Batang Regency Government on Village Fund utilization reveals that the disbursement of funds from the central government is not matched by corresponding improvements in the human resource capacity of village officials, whose overall quality remains relatively low (Irianto, 2018; Herlambang, 2021). As a result, community participation in Village Fund management has not been adequately achieved, and many community members do not regard it as particularly important.

However, the greatest challenge to strengthening participation in the Village Fund

management—which directly influences welfare outcomes—lies in the limited capacity of village officials. A 2018 study by Muhtada, which examined Limpung Village, Kalipucang Kulon Village, Bawang Village, Klidang Wetan Village, and Kluwih Village, likewise identifies deficiencies in human resource capacity as a persistent problem (Muhtada et al., 2018). This situation is further exacerbated by the relatively low level of education in Batang Regency. This reality poses challenges for community participation in Village Fund management and contributes to the low Human Development Index in Batang Regency (Setiawan, Yendra, et al., 2023; Choirunnisa et al., 2024). Figure 4 below shows the Village Fund monitoring conducted in Blado District.



Figure 4. Oversight of the Village Fund in West Selopajang Village, Blado District (2023)

Source: (batangkab.go.id, 2024)

Figure 4 illustrates the Batang Regency Government's commitment to strengthening community participation in Village Fund management. This tiered monitoring system is designed to encourage community engagement in each village through an initial oversight mechanism carried out during village development planning discussions (musrenbangdes). Such an approach is crucial because the substantial disbursement of Village Fund resources must be accompanied by improvements in the human resource capacity of village officials to ensure effective allocation and to help reduce the extreme poverty currently experienced in Batang Regency.

B. Stakeholder Involvement: The Village Fund and Extreme Poverty

Inclusive reform of the Village Fund oversight has become an urgent necessity for every village, particularly given the large annual disbursement of funds. The substantial resources allocated to each village should, at the very least, contribute to alleviating extreme poverty so that the benefits of the Village Fund are translated into tangible improvements for the community. In Batang Regency, for instance, the annual disbursement of the Village Fund amounts to approximately 500 million rupiah per village. The distribution of these funds is further regulated by Batang Regent Regulation Number 11 of 2021 on the Procedures for the Distribution and Determination of the Village Fund in Each Village. Table 1 shows the basic allocation of the Village Fund based on Batang Regency Regent Regulation Number 11 of 2021.

Table 1. The Village Fund Distribution Clusters in Batang Regency

No.	Type	Number of Residence	Amount of Basic Allocation of The Village Fund
1	1	Up to 100	Rp 481,573,000.00
2	2	101- 1,000	Rp 561,574,000.00
3	3	1,001- 5,000	Rp.641.574.000 00
4	4	5,001- 10,000	Rp.721.575.000 00
5	5	More than 10,000	Rp.801.576.000 00

Source: Batang Regency Regent Regulation Number 11 of 2021

Based on the data on Village Fund distribution in Batang Regency, the regulation classifies the allocations into five main clusters. From these clusters, it is evident that the minimum Village Fund allocation received by a village amounts to Rp 481,573,000.00, meaning that each village manages nearly half a billion rupiah. Villages with populations exceeding 10,000 people fall within the fifth cluster, receiving Rp 801,576,000.00 of Village Fund—almost one billion rupiah. This substantial allocation underscores the importance of managing the funds transparently through inclusive oversight.

The successful implementation of inclusive governance-based oversight reforms of the Village Fund in Batang Regency has the potential to significantly reduce extreme poverty. However, achieving such reforms is a complex undertaking. Two fundamental challenges persist: the limited quality of human resources and the insufficient capacity and competence of village officials to manage the Village Fund. This constraint was highlighted by former Batang Regent Wihaji, who acknowledged that the average resident had only completed elementary school. This situation has adversely affected Batang Regency's Human Development Index, placing it sixth from the bottom among districts in Central Java ([Herlambang, 2021](#)).

The Batang Regency Government has demonstrated its commitment to addressing extreme poverty through the strategic utilization of the Village Fund to improve community welfare. In response to the limited availability of competent village officials, technical guidance programs are being implemented. These programs target village officials responsible for financial management, including the administration of the Village Fund, and are conducted collaboratively with various stakeholders. The aim is to enhance the competence and capacity of village officials, thereby improving the effectiveness of Village Fund management ([Jumadi, 2021](#)). Furthermore, through this initiative, the Village Fund will also contribute to strengthening the capacity of the village government ([Mifta, 2024](#)).

In this technical guidance training, village officials were trained to develop the Village Budget (APBDes) structure, implement proper procedures, manage the Village Fund, and systematize village administration. Interestingly, the Corruption Eradication Commission (KPK) has also been involved in providing technical guidance to village officials to instill anti-corruption values, given that the KPK's observations indicate a high incidence of alleged Village Fund misappropriation ([Kutnadi, 2023](#)).

Unfortunately, not all relevant parties have been involved in efforts to improve the competence and capacity of village officials through this cross-sectoral collaboration. Viewed

within the context of cross-sectoral collaboration and the pentahelix approach—a hallmark of inclusiveness—universities (both academics and students), community groups, and actors directly involved in Village Fund administration should be actively included in the process. Their participation can significantly contribute to the ongoing reform of the Village Fund oversight system. The involvement of universities as external stakeholders is particularly essential, ranging from conducting initial studies on Village Fund management to providing recommendations and follow-up support. The key to success lies in inclusive, cross-stakeholder collaboration. This is a critical consideration for the Batang Regency Government, especially given that the participation of this sector remains minimal despite the substantial fiscal resources allocated through the Village Fund.

Therefore, the ongoing reform of the Village Fund oversight based on inclusive governance requires further improvement. Strengthening this process is essential to ensuring that inclusive governance-based reforms in the Village Fund oversight have a tangible impact on poverty reduction. Current efforts focus on enhancing technical guidance and training for village officials, involving multiple sectors.

As discussed in the case of Batang Regency, the limited capacity of village officials in managing the Village Fund finances indirectly contributes to high levels of extreme poverty. Moreover, extreme poverty in Batang has contributed to a related issue: the high prevalence of stunting, which is closely associated with the community's challenging economic circumstances, leading many households to neglect essential dietary needs. Such a situation underscores the urgency of implementing Village Fund oversight reforms that directly address community needs. Villages categorized as extremely poor require special attention and tailored interventions to ensure that the Village Fund is effectively utilized to alleviate poverty and prevent the persistence of long-term developmental problems. Table 2 shows the Village Fund disbursements across sub-districts in Batang Regency.

Table 2. The Village Fund Disbursement by Sub-district in Batang Regency

25 Sub-Districts	Number of Recipient Villages	Village Financial Assistance (Rupiah)		
		The Village Fund	Allocation The Village Fund	Revenue Sharing from Regional Taxes and Levies
1 Wono-tunggal	15	11,349,138,000	6,004,388,800	484,871,000
2 Bandar	17	14,594,639,000	6,444,453,300	594,098,000
3 Blado	18	15,136,204,000	6,449,388,800	545,748,000
4 Reban	19	16,341,351,000	6,204,585,600	586,233,000
5 Bawang	20	16,699,83,000	7,188,982,300	684,613,000
6 Tersono	20	14,850,394,000	6,583,259,900	632,439,000
7 Gringsing	15	11,511,996,000	5,702,709,500	643,348,000
8 Limpung	17	12,724,331,000	6,124,068,300	620,652,000
9 Banyu-putih	11	8,302,149,000	3,942,516,400	415,880,000
10 Subah	17	13,322,303,000	6,015,517,000	611,055,000
11 Pecalungan	10	8,669,377,000	3,716,305,700	344,398,000
12 Tulis	17	12,723,222,000	5,695,111,300	560,228,000
13 Kande-man	13	9,799,600,000	5,037,568,000	622,109,000
14 Batang	12	10,585,704,000	4,236,267,900	509,307,000
15 Warungasem	18	15,402,761,000	6,473,926,500	571,302,000
Total	239	192,013,003,000	85,819,543,900	8,426,281,000

Source: Official Report of the Batang Regency Government

Batang Regency comprised 15 sub-districts, which were divided into 9 urban villages and 239 villages (Table 2). Among these, 21 villages were categorized as experiencing extreme poverty.

Under an inclusive governance approach, poverty is viewed as a consequence of 'exclusive' public participation in development. In this framework, inclusive participation forms part of the oversight mechanism to ensure that those directly affected receive tangible benefits. As a result, conscious and informed community involvement can be achieved, leading to policy decisions oriented toward reducing extreme poverty.

Conversely, the absence of an inclusive oversight model enabled the continued recurrence of the Village Fund corruption cases in Batang Regency. Most recently, the Village Head of Mojotengah, Reban District, was named a suspect in the alleged corruption of the Village

Fund in the 2024 fiscal year, with estimated losses amounting to more than IDR 235 million. (Bernadi, 2025). This finding underscores the urgent need for an inclusive oversight model in the Village Fund management—one that is not dominated by external actors but actively engages both village officials and the community to ensure transparent and accountable governance. An inclusive oversight model can help curb the rising trend of corruption cases in villages.

C. The Village Fund Oversight Reform Based on Inclusive Governance

It must be acknowledged that reforming oversight based on inclusive governance, particularly in the management of the Village Fund, is a challenging task. Persistent adverse conditions undermining community life highlight the scale of these challenges. Accordingly, targeted initiatives to reform the Village Fund oversight are crucial. The existing oversight mechanisms have been in place for over a decade, and the reform represents an evaluation and enhancement of the current system. Such reform is intended to generate positive externalities that support a community that is more equitable, organized, structured, and sustainable (Harefa et al., 2024). The necessity of this oversight reform is further evidenced by numerous cases indicating that residents' lives continue to be marked by poverty and economic vulnerability.

In Batang Regency, efforts to reform Village Fund oversight have largely been driven by external institutional actors rather than by the direct involvement of local communities. In 2017, the Central Java Regional Police Chief launched the Village Fund Oversight Information System (Sipadan) to minimize conflict and enhance transparency in Village Fund utilization. This digital reporting system, unique to Batang Regency, was developed collaboratively by the Batang Police and the Batang Regency Government (Kutnadi, 2017).

Furthermore, efforts to strengthen Village Fund oversight in Batang Regency are supported by the Corruption Eradication Commission (KPK), whose oversight focuses on four main aspects: institutional regulations, governance, supervision, and human resources (Jumadi, 2022). The involvement of external actors in the Village

Fund oversight signifies the Batang Regency Government's intent to show genuine concern and implement concrete measures. Furthermore, the involvement of these institutions represents a deliberate effort to ensure that the Village Fund effectively contributes to reducing extreme poverty in the region.

However, the Regency Government must also recognize that oversight reform should not focus solely on external mechanisms. A balance between internal and external oversight is essential. Oversight reform grounded in inclusive governance, which emphasizes public participation and the direct involvement of the community, is the most effective approach. Its effectiveness stems from strong community synergy, active public oversight, and development programs and policies that are genuinely community-driven. This is the essence of inclusive governance-based oversight reform.

Inclusive governance-based oversight reform requires awareness that originates and develops within the community. When oversight reform is externally driven, Village Fund management tends to be less efficient and effective, as village policymakers may perceive external oversight as a threat, leading to hesitation in fund utilization. Consequently, this situation calls on the Batang Regency Government to reassess its current approach and design Village Fund oversight reforms based on inclusive governance, thereby enhancing the effectiveness of poverty reduction initiatives.

IV. Conclusion

The Village Fund oversight reform based on inclusive governance in Batang Regency continues to face significant challenges. A major concern is that the government-allocated Village Fund has not yet produced a measurable impact on reducing extreme poverty, with 21 villages still classified as extremely poor. This situation is believed to stem from allegations of non-transparent use of Village Fund, marked by various irregularities and instances of corruption involving village officials, including village heads. Strengthening inclusive governance in Village Fund oversight reform could enhance accountability and governance, thereby contributing to poverty reduction. Addressing

weak community participation, along with the limited human resource capacity of village officials, should be a key priority in the future Village Fund oversight reforms.

Furthermore, the implementation of Village Fund oversight reform in Batang Regency has not yet fully embraced the principles of inclusive governance. Existing oversight mechanisms tend to prioritize external monitoring, such as involving the police as a reporting channel for information on Village Fund utilization. In contrast, the internal dimensions of inclusive governance have not yet been adequately implemented. Oversight reform grounded in inclusive governance assumes that effective monitoring of the Village Fund relies on a shared awareness within the community and strengthened by informed public participation. All segments of society should be engaged throughout all stages of Village Fund-related policies, from planning to implementation.

These findings suggest that, for the Batang Regency Government to implement inclusive governance-based oversight reform effectively, it must actively involve village communities in the process. This remains a challenge, as many communities with considerable potential as inclusive actors tend to be apathetic, leaving oversight responsibilities entirely to village officials. Village communities should be encouraged to adopt a proactive and collaborative role, ensuring that Village Fund oversight reform remains inclusive while maintaining a balance between internal and external oversight mechanisms. For example, all elements of the community—including youth organizations (Karang Taruna), local community associations, women's groups, and other community members—should be actively engaged in the process. Their participation is essential to ensure the successful implementation of inclusive governance in Village Fund oversight.

Acknowledgment

The author expresses sincere gratitude to all who offered encouragement and support for the successful completion of this paper, particularly the Selamat Sri Batang University. He also extends appreciation to colleagues in the Government Science Study Program at UNISS Batang for their valuable input and engaging discussions, which contributed significantly to the development of the ideas presented and may serve as a reference for future researchers.

V. References

- Adlini, M. N., Dinda, A. H., Yulinda, S., Chotimah, O., & Merliana, S. J. (2022). Metode Penelitian Kualitatif Studi Pustaka. *Edumaspul: Jurnal Pendidikan*, 6(1), 974–980. <https://doi.org/10.33487/edumaspul.v6i1.3394>
- Amin, H. (2022). Pengelolaan Alokasi Dana Desa (ADD) Terhadap Pembangunan Gampong. *Journal of Social and Policy Issues*, 2, 71–76. <https://doi.org/10.58835/jspi.v2i2.42>
- Aminudin, A. (2019). Implementation of Good Village Governance in Village Development. *Journal of Public Administration and Local Governance*, 3(1), 1. <https://doi.org/10.31002/jpalg.v3i1.1356>
- Aranditio, S. (2024). Penghapusan Kemiskinan Lewat Dana Desa Dibayangi Korupsi. Kompas.id. <https://www.kompas.id/artikel/10-tahun-dana-desa-masih-dibayangi-korupsi>
- batangkab.go.id. (2024). Monitoring Dana Desa. Batangkab. Go.Id. <https://blado.batangkab.go.id/?p=3&id=36>
- Bernadi, R. (2025). Korupsi Dana Desa Rp 235 Juta, Kades di Batang Jadi Tersangka. Detikjateng. <https://www.detik.com/jateng/hukum-dan-kriminal/d-8023463/korupsi-dana-desa-rp-235-juta-kades-di-batang-jadi-tersangka>
- Buono. (2020). Mantan Kades Bismo Ditangkap Polisi. Warta Desa. <https://www.wartadesa.net/mantan-kades-bismo-ditangkap-polisi/>
- Choirunnisa, Setiawan, H., Rahmanda Irawan, R., & Erison, Y. (2024). Promosi Dan Edukasi Pendidikan Tinggi Melalui Kegiatan Expo Campus Di Man 01 Batang. *Hippocampus: Jurnal Pengabdian Kepada Masyarakat*, 3(1), 140–146. <https://doi.org/https://doi.org/10.47767/hippocampus.v3i1.746>
- Deny, L. C., Panggabean, M. L., & Sudjiarto, T. (2023). Efektivitas Penanganan Korupsi Dana Desa yang Menghambat Pembangunan Infrastruktur Desa di Kabupaten Manggarai yang Dilaksanakan oleh Kepolisian Resort Manggarai. *Journal Of Social Science INNOVATIVE: Journal Of Social Science Research*, 3, 8552–8566. <http://j-innovative.org/index.php/Innovative/article/view/5878%0Ahttps://j-innovative.org/index.php/Innovative/article/download/5878/4138>
- Erison, Y., & Setiawan, H. (2023). Agile Governance: Deskripsi Kemiskinan berbasis Birokrasi Cergas melalui Gerakan Bela Beli di Kabupaten Kulon Progo D.I. Yogyakarta. *Salus Cultura: Jurnal Pembangunan Manusia Dan Kebudayaan*, 3(2), 135–146. <https://doi.org/10.55480/saluscultura.v3i2.119>
- Febriansyah, E., Andeka, R., & Hernandianto. (2021). Akuntabilitas Pengelolaan Alokasi Dana Desa di Desa Talang Buai Kecamatan Selagan Raya Kabupaten Mukomuko. *Jurnal Jumka*, 1(1), 49–58. <https://doi.org/https://doi.org/10.36352/raj.v2i2.455>
- Firmansyah, F., Muhamadong, M., Budiman, A., Hendra, H., & Rizkiani, F. (2021). Badan Permusyawaratan Desa (BPD) Dalam Pengawasan APBDesa Di Kabupaten Bima. *JISIP (Jurnal Ilmu Sosial Dan Pendidikan)*, 5(1), 223–235. <https://doi.org/10.58258/jisip.v5i1.1697>
- Gareta, S. P. (2019). Indef Menilai Dana Desa Belum Naikan Kesejahteraan Masyarakat Pedesaan. Jogja.Antaranews. <https://jogja.antaranews.com/berita/405284/indef-menilai-dana-desa-belum-naikan-kesejahteraan-masyarakat-pedesaan>
- Harefa, M., Waruwu, E., Mendrofa, Y., & Hulu, P. F. (2024). Management Perspective : Jurnal Penelitian Manajemen Analisis Model Pengawasan Badan Permusyawaratan Desa Terhadap Program. *Management Perspective: Jurnal Penelitian Manajemen Original*, 1(2), 82–90. <https://doi.org/10.62138/management.v1i1.xx>
- Hasibuan, S. N. (2024). Revisi UU Desa dan Kemiskinan Perdesaan. Kompas. https://www.kompas.id/baca/opini/2024/04/03/revisi-uu-desa-dan-kemiskinan-perdesaan?open_from=Search_Result_Page
- Herlambang, A. A. (2021). IPM Rendah, Rata-rata Masyarakat Batang hanya Lulus SD. Ayobatang.Com. <https://batang.ayoindonesia.com/batang-aya/pr-37453981/IPM-Rendah-Ratarata-Masyarakat-Batang-hanya-Lulus-SD>
- Hicke, S. (2015). Inclusive Institutions. *Institute of Development Studies*, 29(29), 1–35. www.gsdrc.org
- Hidayati, A., & Setiawan, H. (2023). Women and Budget: Pro Gender Government Expenditure Budget in Batang Regency. *Bestuurskunde: Journal of Governmental Studies*, 113(3), 13–25. <https://doi.org/10.1111/j.1467-9442.2011.01655.x>
- ICW. (2024). Laporan Kasus Korupsi dan Tersangka Dana Desa. Antikorupsi.Org. <https://www.antikorupsi.org/>
- Indriani, D. (2022). Kades dan Bendahara Desa Pretek Jadi Tersangka, Kasus Korupsi Dana Desa, Ditahan di Rutan Batang. Tribunjateng. <https://jateng.tribunnews.com/2022/10/24/kades-dan-bendahara-desa-pretek-jadi-tersangka-kasus-korupsi-dana-desa-ditahan-di-rutan-batang>
- Irianto, R. D. (2018). Kajian Tentang Dana Desa Di Kabupaten Batang. Litbang.Batangkab.Go.Id. <https://litbang.batangkab.go.id/?p=33&id=57>
- Jumadi. (2021). Pemkab Batang Gelar Bimtek Peningkatan Kapasitas Aparatur Desa. Berita.Batangkab. <https://berita.batangkab.go.id/?p=1&id=8049>
- Jumadi. (2022). KPK RI Berikan Pengawasan Lebih Untuk Seluruh Kepala Desa di Batang. Batangkab.Go.Id. <https://berita.batangkab.go.id/?p=1&id=9127>
- Jumadi. (2023). 21 Desa Masuk Kemiskinan Ekstrim, RKPD Pj Bupati Batang Entaskan di Tahun 2024. Berita.Batangkab.Go.Id. <https://berita.batangkab.go.id/?p=1&id=10270>
- Kartika, R. (2012). Partisipasi Masyarakat dalam Mengelola Alokasi Dana Desa (ADD) di Desa Tegeswetan dan Desa Jangkrikan Kecamatan Kepil Kabupaten Wonosobo. *Jurnal Bina Praja*, 04(03), 179–188. <https://doi.org/10.21787/jbp.04.2012.179-188>

- Kemenkeu.go.id. (2024). *Peningkatan Kualitas Pengelolaan Anggaran Dana Desa*. Kemenkeu.Go.Id. <https://bppk.kemenkeu.go.id/balai-diklat-keuangan-makassar/artikel/peningkatan-kualitas-pengelolaan-anggaran-desa-869352>
- Kurniawan, I., Setiawan, B., & Listiani, T. (2020). Pembinaan Aparatur Pemerintah Desa Dalam Bidang Manajemen Pemerintahan Desa Bagi Para Kepala Desa Dan Perangkat Desa Di Kecamatan Cikajang Kabupaten Garut. *LOSARI: Jurnal Pengabdian Kepada Masyarakat*, 2(2), 32–36. <https://doi.org/10.53860/losari.v2i2.26>
- Kutnadi. (2017). *Kapolda Jateng luncurkan sistem informasi pengawasan dana desa*. Antaranews.Com. <https://www.antaranews.com/berita/674018/kapolda-jateng-luncurkan-sistem-informasi-pengawasan-dana-desa>
- Kutnadi. (2023). *Tim KPK lakukan bimtek nilai-nilai antikorupsi di Batang*. Antaranews.Com. <https://www.antaranews.com/berita/3531990/tim-kpk-lakukan-bimtek-nilai-nilai-antikorupsi-di-batang>
- Lakoro, M., Koton, Y. P., & Mopangga, H. (2023). Model Pengawasan Pengelolaan Dana Desa Oleh Inspektorat Kabupaten Bone Bolango. *Innovative: Journal Of Social Research*, 3(c), 8703–8719.
- Marlina, S., Frinaldi, A., & Magriasti, L. (2023). Analisis Pengelolaan Dana Desa (Studi Kasus Di Nagari Ujung Gading Kecamatan Lembah Melintang Kabupaten Pasaman Barat). *Jurnal Ilmu Sosial Dan Pendidikan (JISIP)*, 7(3), 2419–2425. <https://doi.org/10.58258/jisip.v7i1.5426/http>
- Meiliana, D. (2022). *Firli Bahuri Prihatin Sudah 686 Kepala Desa dan Perangkatnya Terjerat Korupsi*. Kompas. <https://nasional.kompas.com/read/2022/10/18/17543511/firli-bahuri-prihatin-sudah-686-kepala-desa-dan-perangkatnya-terjerat#:~:text=Editor&text=JAKARTA%2C KOMPAS.com - Ketua,tahun%2C sejak 2012 hingga 2021>
- Mifta. (2024). *Pelatihan Peningkatan Kapasitas BPD Boleh Gunakan Dana Desa*. Jatengprov.Go.Id. <https://jatengprov.go.id/beritadarah/pelatihan-peningkatan-kapasitas-bpd-boleh-gunakan-dana-desa/>
- Muhidin, A., N, R. A. M., & Mubarak, I. (2020). Study of Mapping the Needs of Facilities and Infrastructure of Automotive Board of Univeritas Pendidikan Indonesia. *Journal of Mechanical Engineering Education*, 7(2), 134–146. <https://ejournal.upi.edu/index.php/jmee/article/view/29856>
- Muhtada, D., Diniyanto, A., & Qory Alfana, G. (2018). Model Pengelolaan Dana Desa: Identifikasi Problem, Tantangan, Dan Solusi Strategis. *RISTEK : Jurnal Riset, Inovasi Dan Teknologi Kabupaten Batang*, 2(2), 29–44. <https://doi.org/https://doi.org/10.55686/ristek.v2i2.34>
- Nasaban, W. M. christian. (2023). *Rawan Dikorupsi, Pengawasan pada Penggunaan Dana Desa Harus Diperkuat*. Kompas. <https://www.kompas.id/baca/polhuk/2023/03/15/rawan-korupsi-pengawasan-dana-desa-harus-diperkuat>
- Praditya, A. D., Celi Aprianti, Diah Anisa Muharani, Renaldi Setiawan, Yora Putri Wulandari, & Ismail Ismail. (2024). Pembangunan Berkelanjutan Desa : Strategi Mengatasi Kemiskinan dan Meningkatkan Kesejahteraan Masyarakat Desa Sido Sari. *Jurnal Pelayanan Dan Pengabdian Masyarakat Indonesia*, 3(3), 16–24. <https://doi.org/10.55606/jppmi.v3i3.1450>
- Purbaya, A. A. (2016). *Festival Anggaran, Ajang Pemkab Batang Buka-bukaan Soal Anggaran*. Detiknews. <https://news.detik.com/berita/d-3163538/festival-anggaran-ajang-pemkab-batang-buka-bukaan-soal-anggaran>
- Putra, M. E., & Hapsari, A. N. S. (2020). Peran Badan Permusyawaratan Desa dalam Pengelolaan Aset Desa. *Jurnal Akuntansi Maranatha*, 12(1), 109–122. <https://doi.org/10.28932/jam.v12i1.2009>
- Retnosari, L. (2024). *Kemiskinan Perdesaan*. Kompas. https://www.kompas.id/baca/opini/2024/01/04/kemiskinan-perdesaan?open_from=Search_Result_Page
- Romli, Ombi & Nurlia, E. (2017). Lemahnya Badan Permusyawaratan Desa (BPD) Dalam Melaksanakan Fungsi Pemerintahan Desa. *Jurnal Ilmu Pemerintahan*, 3(1)(1), 36–54.
- Rusmawijaya, A. R. (2022). Pengelolaan Dana Desa: Optimalisasi Peran Camat Cikembar dalam Pembinaan dan Pengawasan Dana Desa. *Distingsi: Journal of Digital Society*, 1(1), 86–96. <https://jurnal.panengen.com/index.php/djods/article/view/54%0Ahttps://jurnal.panengen.com/index.php/djods/article/download/54/61>
- Salingkat, S. P. (2022). Pengelolaan Alokasi Dana Desa (Add) Di Desa Sibedi Kecamatan Marawola Kabupaten Sigi. *SIBATIK JOURNAL: Jurnal Ilmiah Bidang Sosial, Ekonomi, Budaya, Teknologi, Dan Pendidikan*, 1(12), 2753–2760. <https://doi.org/10.54443/sibatik.v1i12.427>
- Samsu Alam, A., & Mamu, A. (2016). Isu-Isu Strategis dalam Pembangunan Desa di Kecamatan Pitumpanua Kabupaten Wajo. *Jurnal Ilmu Pemerintahan*, 9(2), 95–102. <https://doi.org/https://doi.org/10.31947/jgov.v9i2.1095>
- Setiawan, H. (2020). Fenomena Gelandangan Pengemis Sebagai Dampak Disparitas pembangunan Kawasan Urban dan Rural di Daerah Istimewa Yogyakarta. *Jurnal MODERAT*, 6(02), 361–375. <https://doi.org/http://dx.doi.org/10.25157/moderat.v6i2.3218>
- Setiawan, H., & Sulistyono, N. W. (2022). Strengthening the Capacity of Village Community Institutions through Village-Owned Enterprises in Sumbermulyo Village Bantul, Yogyakarta. *TRANSFORMASI: Jurnal Manajemen Pemerintahan*, 13(2), 95–120. <https://doi.org/10.33701/jtp.v13i2.1366>
- Setiawan, H., Widiono, G. W., & Hikmah, G. (2023). The Formation of the New Autonomous Region of Papua and Welfare Guarantees in the Decentralization Policy. *Jurnal Borneo Administrator*, 19(3), 319–332. <https://doi.org/10.24258/jba.v19i3.1181>
- Setiawan, H., & Widyana, M. R. (2022). Rethinking Patterns Development of Aceh's Socio-Economic Welfare After Two Decades of Implementing Asymmetric Autonomy "Special Autonomy." *Journal of Government and*

-
- Political Issues*, 2(1), 8–21. <https://doi.org/10.53341/jgpi.v2i1.27>
- Setiawan, H., Yendra, Y., & Choirunnisa, C. (2023). Penguatan Kapasitas SDM Melalui Motivasi dan Edukasi Pendidikan Tinggi Bagi Siswa SMK NU Bandar Kabupaten Batang. *Parta: Jurnal Pengabdian Kepada Masyarakat*, 4(1), 1–8. <https://doi.org/10.38043/parta.v4i1.4218>
- Sitinjak, Y. K. (2021). Penataan Kebijakan Kepala Desa dalam Mencegah Terjadinya Tindak Pidana Korupsi Dana Desa di Wilayah Kecamatan Tanah Siang Kabupaten Murung Raya. *Jurnal Lmu Sosial*, 2(1), 2013–2015. <https://www.bajangjournal.com/index.php/JISOS/article/view/4807>
- Sofyani, H., Suryanto, R., Arie Wibowo, S., & Widiastuti, H. (2018). Praktik Pengelolaan dan Tata Kelola Pemerintahan Desa Dlingo di Kabupaten Bantul: Pembelajaran dari Desa Percontohan. *Jati: Jurnal Akuntansi Terapan Indonesia*, 1(1), 1–16. <https://doi.org/10.18196/jati.010101>
- Sutarna, I. T., & Subandi, A. (2023). Korupsi Dana Desa Dalam Perspektif Principal-Agent. *Jurnal Administrasi Pemerintahan Desa*, 4(2), 121–136. <https://doi.org/10.47134/villages.v4i2.52>
- Tahmidaten, L., & Krismanto, W. (2020). Permasalahan Budaya Membaca di Indonesia (Studi Pustaka Tentang Problematika & Solusinya). *Scholaria: Jurnal Pendidikan Dan Kebudayaan*, 10(1), 22–33. <https://doi.org/10.24246/j.js.2020.v10.i1.p22-33>
- Wulandari, S., Yuliandari, E., & Rusnaini. (2022). Partisipasi Masyarakat Dalam Pengelolaan Dana Desa. *Jurnal Demokrasi Dan Ketahanan Nasional* |, 1(4), 2022. <https://doi.org/https://doi.org/10.13057/souvereignty.v1i4.532>
- Yuningsih, Ami & Siti Chodijah. (2022). Peran Masyarakat Desa Dalam Menjalankan Program Badan Usaha Milik Desa (Bumdes) Rancakasumba. *Jurnal Dialektika: Jurnal Ilmu Sosial*, 20(2), 48–63. <https://doi.org/10.54783/dialektika.v20i2.57>
-