

# Strengthening Public Financial Governance through Village Facilitators: Evidence from Village Fund Management in Indonesia

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## *Abstract*

*This study examines the role of Village Facilitators in strengthening public financial governance through the implementation of government financial policy in village fund management. Using a qualitative approach based on observations, in-depth interviews, focus group discussions, and document analysis, the study explores how facilitators enhance accountability, transparency, and allocative efficiency in decentralized financial systems. The findings show that Village Facilitators act not only as administrative supervisors but also as strategic intermediaries who translate financial regulations into practical governance mechanisms. Through social mapping, participatory planning, and community organization, they improve financial decision-making and accountability structures. However, challenges such as political dynamics, limited institutional capacity, and uneven digital literacy constrain effectiveness. This study highlights the importance of intermediary actors in linking financial policy and governance outcomes to achieve sustainable and accountable public financial management.*

**Keyword:** Village Facilitators, Public Financial Governance, Village Fund Management; Financial Accountability, Participatory Planning, Financial Regulation

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## **Introduction**

Village Facilitators constitute a strategic profession that plays a significant role in strengthening community-based development and public financial governance at the grassroots level. Empirical studies demonstrate that the Village Fund policy has contributed to poverty reduction and local economic resilience when properly implemented and monitored (Smas et al., 2025; Ndun & Moeis, 2024). This profession operates under the Human Resources Development Agency of the Ministry of Villages, Development of Disadvantaged Regions, and Transmigration (Kemendes PDTT), as regulated by Law No. 6 of 2014 on Villages. The regulation affirms that Village Facilitators (PD) and Local Village Facilitators (PLD) are integral components of a participatory, equitable, and sustainable village development system. Previous research further highlights that governance quality significantly determines the effectiveness of Village Fund implementation (Kurniawati et al., 2024; Junaidi, 2023).

From a public financial governance perspective, the effectiveness of Village Fund management is closely related to financial performance, governance quality, and transparency mechanisms. Studies published in the Indonesian Financial Review indicate that weak financial performance and inaccurate allocation decisions may increase financial risk and lead to inefficiencies in resource utilization (Addira & Lubis, 2024). In addition, governance mechanisms such as audit quality and good corporate governance have been shown to strengthen accountability and improve organizational performance (Suharna & Syamsuri, 2025). Transparency also plays a crucial role, as information asymmetry can reduce the reliability of financial reporting and increase the risk of manipulation (Mulyani & Syamsudin, 2025). Furthermore, the development of accounting systems and standards is essential in strengthening governance structures and improving financial reporting quality (Naimah et al., 2025). Effective governance is also closely linked to decision-making quality, particularly in resource allocation and investment, where strong governance mechanisms contribute to better allocative efficiency (Wulandari, 2025). Although these findings are primarily situated within corporate contexts, their theoretical implications are highly relevant to public financial governance, particularly in decentralized systems such as village fund management. Financial decision-making is inherently associated with uncertainty and variability, where higher-order risk characteristics such as

skewness and kurtosis influence predictability and outcomes in financial systems (Lubis et al., 2022). Village fund management represents a form of government financial policy implementation at the local level, where regulatory frameworks directly influence budget allocation decisions, accountability mechanisms, and financial performance outcomes within decentralized governance systems.

Village facilitators are mandated to enhance community capacity in managing local resources independently. However, in practice, many facilitators remain confined to administrative roles, particularly supervising village fund distribution and utilization, rather than functioning as genuine social change agents. Studies indicate that limited institutional capacity and procedural rigidity often reduce facilitators' transformative potential (Saharuddin, 2024; Dama, 2022). Ideally, facilitators should serve as catalysts of empowerment, encouraging innovation, building trust, and fostering collective awareness of village self-reliance (Sarifuddin, 2022; Sambas & Saputro, 2024).

In the context of community empowerment and public financial governance, facilitators must understand the social, cultural, economic, and political dynamics of village life. Research on accountability and governance dynamics confirms that political context and administrative competence strongly influence transparency and regulatory compliance in village fund management (Ningsih, 2024; Imanto, 2025). Facilitators therefore act as institutional intermediaries between communities and government institutions, ensuring that development policies align with local needs while maintaining financial accountability.

The need for facilitators to function as knowledge centers becomes increasingly important in relation to Ministerial Regulation No. 21 of 2020, which aligns village development with the Village Sustainable Development Goals (SDGs). Policy analyses reveal that alignment between Village Fund allocation and SDGs requires strengthened monitoring systems and participatory planning mechanisms (Kurniawati et al., 2024; Smas et al., 2025). Consequently, facilitators must operate across multiple sectors, translating national policy mandates into locally contextualized actions while ensuring that financial decisions are both accountable and efficient.

Beyond facilitation, their role encompasses social mapping and local political analysis. Studies on governance effectiveness emphasize that accurate community profiling and

institutional coordination are crucial to avoid elite capture and improve development outcomes (Saharuddin, 2024; Ndun & Moeis, 2024). Through participatory development planning, such as assisting in the preparation of RPJMDes and RKPDes, facilitators help ensure that financial allocations are data-driven and responsive to community priorities, thereby improving allocative efficiency in village fund management (Sarifuudin, 2022; Junaidi, 2023).

Despite their strategic position, facilitators face substantial challenges, including limited resources, bureaucratic rigidity, political pressures, and rapid digital transformation. Evidence from crisis contexts, such as the COVID-19 pandemic, shows that governance adaptability is essential in managing fiscal pressures and maintaining community participation (Dama, 2022). Furthermore, accountability studies underline that digital transparency mechanisms can improve oversight but require enhanced facilitator competencies (Sambas & Saputro, 2024; Imanto, 2025).

Ultimately, village facilitators are not merely technical implementers of policy but strategic change agents in shaping effective and sustainable public financial governance at the local level. The literature consistently indicates that governance quality, accountability mechanisms, and institutional capacity are decisive factors in ensuring that Village Fund policies produce equitable and sustainable outcomes (Kurniawati et al., 2024; Smas et al., 2025; Ndun & Moeis, 2024). Their role therefore remains central in strengthening participatory governance and effective regulatory implementation within decentralized financial systems.

Despite extensive studies on village governance, community empowerment, and financial accountability, existing research tends to examine these aspects separately, with limited integration across governance mechanisms, regulatory implementation, and public financial management. In particular, the role of Village Facilitators as institutional intermediaries in linking these dimensions remains underexplored. Furthermore, the relationship between facilitation practices, allocative efficiency, and financial accountability in village fund management has not been sufficiently addressed in the literature. Therefore, this study aims to fill this gap by analyzing how Village Facilitators contribute to strengthening public financial governance within decentralized village systems.

## **Research Questions**

1. How do Village Facilitators (PD) and Local Village Facilitators (PLD) contribute to strengthening public financial governance, particularly in enhancing accountability, transparency, and allocative efficiency in village fund management?
2. How do Village Facilitators address institutional, political, and administrative challenges in implementing regulatory frameworks and financial accountability mechanisms within decentralized village governance?
3. What constraints affect the effectiveness of Village Facilitators in translating regulatory mandates into sustainable and accountable village financial management practices?

### **Research Objectives**

1. To examine the role of Village Facilitators in conducting social mapping and understanding local political contexts as a basis for improving financial decision-making and allocative efficiency.
2. To analyze the role of Village Facilitators in participatory planning processes to enhance transparency, accountability, and effectiveness in village fund governance.
3. To explore how Village Facilitators organize community groups and institutional actors to strengthen collective capacity and public financial governance at the village level.

## **Literature Review**

### **Regulatory Framework and Institutional Role of Village Facilitators**

#### **Law No. 6 of 2014 and Participatory Governance**

The enactment of Law No. 6 of 2014 on Villages marked a fundamental shift in Indonesia's rural governance system by strengthening local autonomy, decentralization, and participatory development (Ndun & Moeis, 2024; Imanto, 2025). This regulatory framework not only broadens administrative authority at the village level but also legitimizes participatory processes in planning, budgeting, and accountability—thereby enabling villages to manage public resources, including Village Funds, more responsively (Kurniawati et al., 2024; Smas et al.,

2025). Law No. 6/2014 has consequently become a legal basis for village-led development that emphasizes equity, local resource management, and community empowerment. From a financial perspective, village governance can also be interpreted as the implementation of government financial regulation, where policy design and institutional arrangements shape fiscal outcomes, resource allocation efficiency, and accountability structures at the local level.

### **Village Facilitators as Institutional Intermediaries**

Within the implementation architecture of Law No. 6/2014, Village Facilitators (PD) and Local Village Facilitators (PLD) serve as institutional intermediaries that translate regulatory intent into local governance practices (Junaidi, 2023; Sambas & Saputro, 2024). Initiated by the Ministry of Villages, Development of Disadvantaged Regions, and Transmigration (Kemendes PDTT), the facilitator system was designed to strengthen community empowerment and improve governance capacity at the village level (Ningsih, 2024). As capacity-building agents, facilitators guide communities in development planning, financial management, and adaptive governance, ensuring that Village Fund mechanisms are implemented with transparency, accountability, and compliance with statutory provisions.

### **Community Empowerment and Participatory Development**

Community empowerment lies at the core of village governance reform. Ministerial Regulation No. 21 of 2020 articulates that village development must involve stakeholders from the state and community in co-producing development plans and outcomes (Kurniawati et al., 2024; Junaidi, 2023). This participatory orientation aligns with global sustainability frameworks, such as the Village Sustainable Development Goals (Village SDGs), where integrated planning and accountability are essential (Smas et al., 2025). Empowerment thus transforms citizens from passive recipients to active contributors in policy formulation and decision-making processes, enhancing governance legitimacy and resilience (Ndun & Moeis, 2024).

### **Participatory Planning and Regulatory Compliance**

According to Peraturan Menteri Desa PDTT Nomor 16 Tahun 2019 tentang Musyawarah Desa (2019), participatory deliberation is a key mechanism in village governance, ensuring that development planning reflects collective decision-making and community priorities. Effective village governance demands systematic planning mechanisms to ensure not only administrative

compliance but also community responsiveness (Sarifuddin, 2022; Saharuddin, 2024). According to Article 14 of Ministerial Regulation No. 21 of 2020, village development cycles must include:

1. Village data collection
2. Development planning
3. Implementation
4. Accountability and reporting

Village facilitators are central to ensuring that these processes incorporate community input, prioritize data validity, and uphold fiscal accountability (Junaidi, 2023; Ningsih, 2024). During the preparation of RPJMDes and RKPDes, facilitators help communities identify priority issues, formulate strategic actions, and align budget allocations with regulatory standards, thereby enhancing the effectiveness of public resource utilization and regulatory adherence (Kurniawati et al., 2024).

### **Social Mapping as a Governance Instrument**

Social mapping represents a critical governance tool for contextualizing local development needs and navigating socio-political dynamics (Sambas & Saputro, 2024; Ndun & Moeis, 2024). Through social mapping, facilitators gain insights into:

- Informal networks and social capital
- Formal leadership structures
- Vulnerable groups and social stratification
- Community participation patterns

This analytical understanding enables more precise targeting of development interventions, reduces elite capture risks, and strengthens evidence-based planning (Imanto, 2025; Ningsih, 2024). Moreover, social mapping facilitates political neutrality by enabling facilitators to understand competing interests within village power structures and to mediate inclusively without compromising transparency (Junaidi, 2023).

### **Section**

The institutionalization of Law No. 6/2014 reinforces a governance framework that elevates village autonomy, participatory planning, and accountability. Village facilitators operate at the nexus of regulatory implementation, community capacity building, and governance effectiveness. Empirical evidence from recent studies (2021–2025) affirms that facilitation mechanisms, when integrated with social mapping and participatory planning, enhance transparency and regulatory compliance in village fund management (Smas et al., 2025; Kurniawati et al., 2024; Sambas & Saputro, 2024; Ndun & Moeis, 2024). Ultimately, the success of village development depends not only on legal frameworks and fiscal transfers but also on the capacity of facilitators to bridge policy and community needs responsibly and sustainably.

### **Theoretical Framework**

This study is grounded in three main theoretical perspectives: governance theory, regulatory implementation theory, and public financial management. First, governance theory emphasizes that effective public administration depends on transparency, accountability, and participatory engagement in decision-making processes. In the context of village fund management, governance quality determines whether financial resources are allocated efficiently and in accordance with community needs. Weak governance structures often lead to inefficiencies, elite capture, and reduced public trust. Second, regulatory implementation theory explains how formal policies are translated into practical actions at the local level. The effectiveness of policy implementation is influenced by institutional capacity, actor behavior, and contextual dynamics. Village Facilitators play a critical role as intermediary actors who bridge regulatory frameworks and local governance practices, ensuring that village fund policies are implemented effectively and accountably. Third, public financial management theory highlights the importance of fiscal accountability, allocative efficiency, and financial transparency in managing public resources. Effective financial governance requires accurate budgeting, transparent reporting, and community participation to minimize financial risk and improve development outcomes. In decentralized systems such as village governance, these elements become even more crucial due to the complexity of local institutional arrangements.

By integrating these three theoretical perspectives, this study positions Village Facilitators as strategic actors in strengthening public financial governance through regulatory implementation at the village level.

## **Research Method**

### **Research Design**

This study employs a qualitative research approach aimed at gaining an in-depth understanding of the roles and dynamics of Village Facilitators (PD) and Local Village Facilitators (PLD) in the context of community empowerment and village governance. A qualitative design was selected because it enables comprehensive and contextual exploration of complex social realities, particularly those related to participatory development, regulatory implementation, and local institutional dynamics.

Rather than measuring causal relationships between variables, this study seeks to interpret meanings, experiences, and interactions that shape the implementation of village development policies. The qualitative approach allows the researcher to capture the lived realities of facilitators and community actors within decentralized governance structures.

### **Data Collection Methods**

To obtain comprehensive insights, the study utilized four primary data collection techniques:

#### **Observation**

Field observations were conducted to directly document facilitator activities in village development processes. These included participation in village planning meetings (Musyawarah Desa), preparation of RPJMDes and RKPDes documents, facilitation of community groups such as BUMDes, farmer groups, and women's associations, as well as daily coordination between facilitators and village officials. Observation focused not only on visible activities but also on underlying social dynamics, including communication patterns, power relations, levels of community participation, and governance challenges encountered during implementation. This method enabled the researcher to assess how empowerment concepts and regulatory compliance are translated into practical governance actions.

#### **Focus Group Discussions (FGDs)**

Discussion forums were organized to gather diverse perspectives from stakeholders, including village facilitators, village officials, community leaders, and program beneficiaries. These forums provided a platform for collective reflection on the effectiveness of facilitation practices and regulatory implementation. FGDs also served as a mechanism for identifying recurring challenges such as administrative capacity limitations, bureaucratic obstacles, and community resistance. The interactive format facilitated cross-validation of experiences and promoted deeper understanding of institutional dynamics.

### **In-Depth Interviews**

Semi-structured interviews were conducted with key informants, including Village Facilitators (PD), Local Village Facilitators (PLD), village heads, village officials, and community representatives. The semi-structured format allowed flexibility while ensuring alignment with the research objectives. Interviews explored facilitators' motivations, strategies, constraints, and adaptive responses to socio-political and administrative environments. This method provided rich narrative data on how regulatory frameworks are interpreted and implemented at the village level.

### **Document Analysis**

Documentary analysis was conducted to strengthen and contextualize the empirical findings of this study. The documents examined included Law No. 6 of 2014 on Villages, Ministerial Regulation No. 21 of 2020 on Village Development and Community Empowerment, official reports issued by the Ministry of Villages, as well as village planning and budgeting documents such as RPJMDes, RKPDes, and APBDes. In addition, relevant academic studies and policy reports were reviewed to provide broader analytical perspectives on village governance and facilitation practices. These documentary sources offered normative, legal, and institutional foundations for interpreting field data, enabling the researcher to understand the regulatory framework, policy evolution, and governance implications surrounding the role of village facilitators in decentralized development processes.

### **Data Analysis**

Data analysis in this study was conducted using an inductive qualitative approach. The analytical process followed three interconnected stages. First, data reduction was carried out by

identifying, selecting, and categorizing relevant information obtained from field observations, in-depth interviews, focus group discussions, and document analysis. During this stage, raw data were systematically organized to distinguish core themes from supporting or repetitive information. Second, the reduced data were presented through data display by organizing them into thematic patterns related to community empowerment, governance quality, participatory mechanisms, and regulatory compliance. This stage enabled clearer interpretation by structuring complex information into analytically meaningful categories. Finally, conclusion drawing and verification were undertaken to interpret patterns and develop broader conceptual insights regarding the institutional role of village facilitators. Throughout this process, empirical findings were continuously connected to theoretical frameworks on governance, decentralization, participatory development, and regulatory implementation to ensure analytical coherence and theoretical grounding.

In addition, this study employs thematic analysis to systematically interpret qualitative data. The analytical process involves three stages: open coding to identify initial concepts, axial coding to establish relationships between categories, and selective coding to develop core themes related to public financial governance and regulatory implementation. This approach enhances analytical rigor and ensures that findings are grounded in systematically interpreted empirical data.

### **Validity and Trustworthiness**

To ensure research credibility and trustworthiness, this study applied triangulation techniques. Source triangulation was conducted by comparing information obtained from different categories of informants, including village facilitators, village officials, and community members. By examining perspectives from multiple stakeholders, the researcher was able to identify consistencies, discrepancies, and complementary insights regarding facilitation practices and governance dynamics. In addition, method triangulation was implemented by cross-checking findings derived from observation, in-depth interviews, focus group discussions, and document analysis. The integration of multiple data sources and methods strengthened the validity of interpretations and reduced the risk of partial or biased conclusions. Through these triangulation strategies, the study enhanced the reliability, consistency, and analytical rigor of its findings while minimizing potential researcher subjectivity.

## Research Contribution

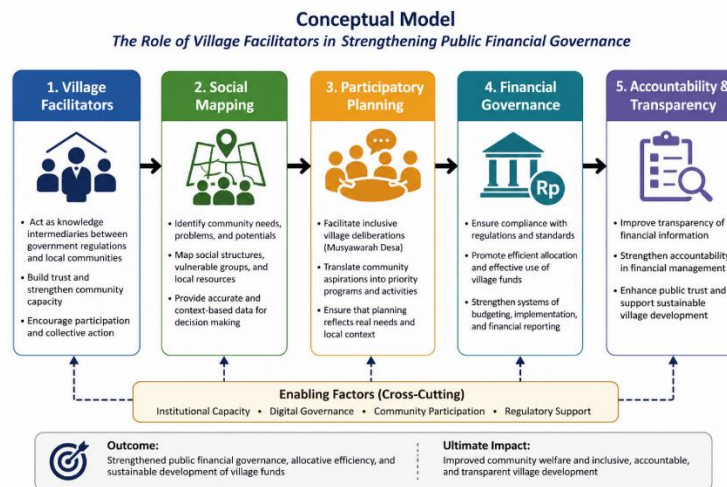
Through this qualitative methodology, the study aims to provide a holistic and reflective understanding of how Village Facilitators function as institutional intermediaries in decentralized governance systems. The approach allows exploration not only of technical aspects of fund management but also of non-technical dimensions such as ethical commitment, social sensitivity, political awareness, and community trust. By capturing the lived experiences of facilitators and stakeholders, this research contributes to a deeper understanding of regulatory implementation and public financial governance in village development contexts.

## Results and Discussions

### Results

#### Conceptual Model of Findings

The findings of this study can be conceptualized as follows:



**Figure 1 Conceptual Model**

This model illustrates that Village Facilitators play a central role in translating regulatory frameworks into practical governance outcomes, particularly in improving allocative efficiency and financial accountability in village fund management.

This study proposes a conceptual model illustrating the role of Village Facilitators in strengthening public financial governance through a sequential and integrated process. The model begins with Village Facilitators as key institutional actors who initiate governance processes at the local level. First, Village Facilitators conduct social mapping, which serves as a diagnostic tool to identify community needs, power structures, vulnerable groups, and local resources. This stage is essential for generating accurate and context-based information as the foundation for decision-making. Second, the results of social mapping are translated into participatory planning, where community members are actively involved in development deliberations such as *Musyawarah Desa*. This process ensures that planning reflects actual community priorities and reduces information asymmetry. Third, participatory planning contributes to strengthening financial governance, particularly in terms of budget allocation, regulatory compliance, and efficient use of village funds. At this stage, governance mechanisms are operationalized through structured planning, implementation, and reporting systems. Finally, effective financial governance leads to improved accountability and transparency, as financial decisions become more data-driven, participatory, and aligned with regulatory standards. This outcome enhances public trust and ensures that village fund management supports sustainable development. Overall, the model demonstrates that Village Facilitators play a central role in transforming regulatory frameworks into practical governance outcomes, particularly by linking social processes with financial decision-making and accountability mechanisms.

### **Social Mapping as a Strategic Foundation of Facilitation**

The findings indicate that social mapping functions as the primary analytical instrument enabling Village Facilitators (PD/PLD) to understand village realities comprehensively. Through systematic mapping, facilitators identify key actors, power relations, institutional arrangements, vulnerable groups, and available local resources. This confirms Sugiharto et al. (2021), who argue that social mapping provides a structural basis for sustainable empowerment planning. These findings are further supported by insights from practitioners, who emphasize that social mapping is essential for identifying power relations and ensuring inclusive participation in village governance (I. Karyanto, personal communication, 2023).

From a broader community development perspective, understanding local socio-cultural contexts is essential for designing effective interventions (Alfitri, 2011; Ndraha, 1990). Rural

development is not merely infrastructural expansion but involves transforming social relations and strengthening institutional capacity (Mubyanto & Sartoni, 1988). In this regard, social mapping becomes a diagnostic framework enabling facilitators to uncover root causes of socio-economic disparities.

Forum discussions during the ToT P3PD (2023) revealed that facilitators who consistently apply social mapping are more capable of identifying power imbalances, anticipating conflict, and designing context-sensitive interventions. The integration of social inclusion principles, as emphasized by Akhmadin (2022), further strengthens planning inclusivity in line with the spirit of Law No. 6 of 2014.

### **Participatory Planning and Institutional Legitimacy**

The study finds that social mapping significantly improves participatory planning quality. Facilitators who integrate mapping results into Musyawarah Desa forums enable communities to critically examine RPJMDes, RKPDes, and RAPBDes documents. This reflects participatory planning principles articulated by Ridwan (2013).

The institutional legitimacy of facilitators in planning is reinforced by Permendesa PDTT No. 21 of 2020 and deliberative mechanisms under Permendesa PDTT No. 16 of 2019. However, field observations reveal that elite dominance and bureaucratic rigidity may weaken deliberative processes. In such cases, facilitators must exercise relational competence and emotional intelligence to maintain inclusive dialogue (Goleman, 2018).

### **Community Organizing and Capacity Strengthening**

The results demonstrate that facilitators who prioritize community organizing contribute significantly to collective capacity development. Organizing activities, such as strengthening BUMDes and farmer groups, shift development from procedural compliance to community-driven empowerment.

This aligns with Topatimasang and Tan (2004), who emphasize structured collective action as the foundation of social transformation. Participation must extend beyond attendance toward substantive engagement (Sonny, 2022). Similarly, Karyanto (2022) stresses that facilitators should act as empowerment catalysts rather than administrative supervisors.

The humanistic dimension of facilitation also emerges strongly. Drawing from Rogers (2012) and Drijarkara (1989), facilitators who treat communities as equal partners foster trust and sustainable cooperation. Community learning processes observed during ToT forums reflect Ndraha's (1990) view that development prepares society for broader transformation.

### **Knowledge Leadership, Political Literacy, and Digital Adaptation**

The findings reveal that facilitators who position themselves as “knowledge centers” generate stronger critical reasoning among community members (Majid, 2022). Reflective practice and regulatory literacy enhance governance participation (Sugiyono, 2012). Interviews with Akhmadin and Karyanto (2023) highlight the importance of reflexivity in ensuring that facilitation remains transformative rather than routine. Practitioners also highlight that facilitators must function as knowledge intermediaries who are able to translate regulatory frameworks into understandable and actionable information for communities (M. Akhmadin, personal communication, 2023).

Political literacy also emerges as a critical competency. While Law No. 6 of 2014 institutionalizes decentralization, practical governance involves negotiation among actors with competing interests. Facilitators with negotiation and strategic communication skills are more effective in preserving inclusivity (Goleman, 2018).

Finally, digital literacy represents an emerging governance dimension. The development of Village Information Systems (SID) reflects digital integration in rural administration. However, many achievements remain underreported. As emphasized by the Directorate General of Public Information and Communication (2018), strategic communication strengthens accountability and institutional visibility. Facilitators capable of issue analysis and media engagement enhance recognition and transparency (Yana, 2021).

Overall, the results show that effective facilitation depends on integrated competencies: social mapping, participatory planning, community organizing, knowledge leadership, political navigation, and digital literacy.

### **Discussion**

These findings indicate that government financial policies are not self-executing but depend on intermediary actors who translate regulatory frameworks into effective financial governance practices. The effectiveness of financial regulation is therefore contingent upon the capacity of facilitators to operationalize policy into contextually relevant and accountable financial management processes.

The findings of this study extend previous research by demonstrating that Village Facilitators function not only as administrative actors but also as strategic agents in public financial governance. While prior studies predominantly emphasize compliance and procedural aspects (Junaidi, 2023; Ningsih, 2024), this study reveals that facilitation practices play a critical role in enhancing allocative efficiency and financial accountability. This suggests that governance effectiveness is not solely determined by regulatory frameworks, but also by the capacity of intermediary actors to operationalize financial decision-making processes at the local level. This finding is consistent with studies in the Indonesian Financial Review, which highlight that governance mechanisms and financial decision quality significantly influence organizational performance and risk management (Addira & Lubis, 2024; Wulandari, 2025).

From a governance perspective, the results confirm that effective public administration depends not only on formal authority but also on collaborative interaction, accountability, and participatory engagement. Previous studies on village governance indicate that transparency and accountability are strongly influenced by institutional capacity and governance quality (Kurniawati et al., 2024; Imanto, 2025). In the context of decentralization, Law No. 6 of 2014 provides villages with fiscal and administrative autonomy; however, autonomy alone does not guarantee inclusive and accountable governance. Empirical evidence shows that elite dominance, limited administrative capacity, and weak oversight mechanisms often constrain participatory processes (Saharuddin, 2024; Ndun & Moeis, 2024). This study confirms that intermediary actors are essential in translating regulatory mandates into socially embedded practices. Village Facilitators reduce information asymmetry, mediate power imbalances, and strengthen compliance with financial planning and budgeting regulations.

The findings also reinforce participatory development theory by highlighting the importance of social mapping as a foundation for evidence-based decision-making. Prior studies emphasize that social mapping enables a deeper understanding of local socio-economic structures and

improves the effectiveness of development interventions (Sugiharto et al., 2021; Ndraha, 1990). Unlike symbolic participation often observed in administrative processes, social mapping enables context-sensitive planning and improves deliberative quality by grounding financial decisions in empirical realities. This contributes directly to improving allocative efficiency in village fund management, as also suggested by studies on participatory planning and financial accountability (Sarifuddin, 2022; Sambas & Saputro, 2024).

Furthermore, community organizing represents a shift from procedural governance to substantive empowerment. Empirical research indicates that structured collective action strengthens social capital and enhances institutional resilience in community-based governance systems (Topatimasang & Tan, 2004; Alfitri, 2011). Facilitators who actively engage in organizing processes are more effective in fostering bottom-up governance and ensuring that financial decisions reflect collective priorities rather than elite interests.

The positioning of facilitators as knowledge intermediaries further strengthens governance outcomes. Previous studies highlight that knowledge-based facilitation enhances regulatory literacy and improves community participation in decision-making processes (Karyanto, 2022; Majid, 2022). In line with humanistic and person-centered perspectives (Rogers, 2012; Drijarkara, 1989), facilitators who promote critical awareness and collaborative learning are more effective in building trust and sustaining governance processes. Without such epistemic grounding, governance risks becoming technocratic and disconnected from local realities.

In addition, emotional intelligence and political literacy emerge as critical competencies for navigating complex local governance dynamics. Studies show that facilitators must be able to manage social tensions, negotiate competing interests, and maintain inclusive participation in politically sensitive environments (Goleman, 2018; Imanto, 2025). The increasing role of digital governance further underscores the need for digital literacy, as transparency and accountability mechanisms increasingly rely on information systems and digital reporting tools (Sambas & Saputro, 2024).

Theoretically, this study contributes to regulatory implementation theory by demonstrating that policy effectiveness is contingent not only on regulatory design but also on the capacity of intermediary actors to translate policies into contextually relevant practices. This finding aligns with prior research that emphasizes the importance of institutional actors in bridging policy and

practice in decentralized governance systems (Junaidi, 2023; Ningsih, 2024). However, this study extends the literature by explicitly linking facilitation practices with financial governance outcomes, particularly allocative efficiency and accountability, dimensions that remain underexplored in previous studies.

Overall, the findings suggest that the effectiveness of decentralized village governance is determined by the integration of multiple competencies, including social mapping, participatory facilitation, community organizing, political awareness, and digital literacy. When these competencies are effectively combined, Village Facilitators are able to transform regulatory frameworks into inclusive, accountable, and sustainable governance practices.

## **Conclusion**

The findings of this study underline four strategic implications for strengthening the institutional role of Village Facilitators (PD/PLD) within decentralized village governance.

First, Village Facilitators must position themselves as knowledge centers within rural governance ecosystems. Their effectiveness depends not merely on administrative compliance but on their ability to cultivate critical reasoning among community members. By strengthening villagers' analytical capacity in reviewing development planning documents, budgeting processes, and policy priorities, facilitators help prevent procedural participation and arbitrary decision-making. Knowledge-based facilitation thus becomes a safeguard against superficial engagement and enhances substantive democratic participation in village development.

Second, when facilitators function as knowledge intermediaries, they are better positioned to collaboratively design strategic development programs. Strategic value in this context refers to initiatives that possess bargaining power, institutional sustainability, and measurable social impact. Programs grounded in collective analysis and contextual understanding are more likely to align with community needs while strengthening the village's institutional standing within broader governance structures.

Third, facilitation work cannot be separated from political context. Political literacy does not imply partisan engagement but rather the capacity to understand local power configurations, decision-making processes, and policy negotiations. Facilitators must navigate social and political dynamics through social mapping and strategic engagement, ensuring that participatory processes remain inclusive and transparent despite competing interests.

Fourth, strengthening digital literacy and media competence is increasingly necessary. The expansion of Village Information Systems and digital governance requires facilitators to develop competencies in content production, issue analysis, and strategic communication. Media engagement not only enhances transparency but also protects village development achievements from being underrecognized or politically appropriated. Digital facilitation therefore becomes an integral component of modern participatory governance.

In sum, the transformation of Village Facilitators into knowledge-based, politically aware, and digitally competent actors is essential for advancing inclusive, accountable, and sustainable rural development. Their strategic positioning determines whether decentralization becomes merely administrative or genuinely transformative. This study highlights that the effectiveness of government financial regulation at the village level is highly dependent on the capacity of Village Facilitators to translate policy into accountable, transparent, and efficient financial governance practices.

### **Policy Implications**

This study provides important policy implications for strengthening village governance. First, capacity-building programs for Village Facilitators should emphasize financial governance, including budgeting, accountability, and digital reporting. Second, institutional support systems need to be improved to enhance coordination between facilitators and village governments. Third, the integration of digital governance tools should be strengthened to improve transparency and monitoring of village fund utilization.

### **Limitations and Future Research**

This study is limited by its qualitative approach and contextual focus, which may restrict generalizability. Future research is recommended to adopt quantitative or mixed-method

approaches to examine the relationship between facilitation practices and financial governance outcomes across a broader range of villages.

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