

Leadership, Social Capital and Village Finance: Development Capital For Village Sustainability

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Abstract

This research aims to capture the combination of leadership, social capital, and village finance in realizing rural sustainable development. Field research seeks to understand social reality by the actual circumstances that exist and occur in a particular area. Researchers obtain scans of social reality through a qualitative research approach. Researchers in this context use qualitative research with an emphasis on case studies. The research used participant observation techniques, in-depth interviews, and field documentation. The results show that the village's financial capacity is an essential element. However, more importantly, the legitimacy and trust of the community in the leadership of the village head can establish communication in campaigning for village environmental conservation with a sustainable development orientation. The village head presents himself as a protector through humanist communication interactions with all elements in the village environment. The legitimacy of power and trust in the formal village leader leads to the belief of the community to take part in village development.

Keywords: Leadership; Social; Capital; Village Finance; Sustainable Development.

INTRODUCTION

The regulation of the Village Law initiated the attention of many parties to the village area. The Village Law constitutionally mandates all levels of government to pay attention to village development. The development in question is not limited to physical development but touches on other non-physical development aspects, such as economic empowerment and social development of village communities.

Village governments, as development organizers, obtain funding sources from the highest level of government to the district/municipal government. As mandated by law, the central government provides village funds from the state budget allocation for village governments. The provincial government provides funding allocations (village financial assistance) for village governments, including district and city governments, transferring village fund allocations from the local government budget. The village government accumulates all

of these sources of revenue into a single village government revenue and expenditure budget.

Revenue from higher levels of government is a source of finance for village governments to implement development programs. Fiscal capacity indicates the village government's ability to implement development programs, although other factors influence it. Local values that have become traditions in rural communities are another factor that can impact mobilizing development activities. The traditions of the village community are social capital that provides the potential to do something for the village together. The combination of economic capital summarised in the village budget and social capital in the form of traditional values prevailing in the village community transforms into a development force.

Figureheads in the village environment impact the success of village development programs. Sociologically, the presence of figures in village communities is driven by informal and formal influences. Informal figures are present in the village community because of religious

content or local nobility genealogical lines. Villagers place trust and obedience in informal leaders born from cultural similarities. In contrast to informal figures, formal leaders gain legitimacy from within the community due to considerations of structural position in formal institutions. The image of a formal leader in the village context manifests in the form of the position of the village head.

The influence of informal leaders in the village community has mobilization power, and formal leaders have authority over the budget. Cultural and structural leadership authority become the power to realize village development programs together. The above description illustrates the local potential to advance rural areas by combining financial capacity, tradition, and village leadership. Therefore, the question posed in this research is how the combination of village finance, local tradition, and leadership is in realizing rural sustainable development.

METHODOLOGY

Field research seeks to understand social reality by the actual circumstances that exist and occur in a particular area. Researchers obtain scans of social reality through a qualitative research approach. Researchers in this context use qualitative research with an emphasis on case studies. Some parties view case studies in understanding events so that researchers pay attention to a particular event. Others emphasize case studies based on geographical areas so that researchers focus on specific areas. Therefore, this research has relevance because case studies are understood as geographical areas.

The rural area is the geographical research area that is the focus of the case study. The research method used participant observation, in-depth interviews, and field documentation. The participant observation technique led the researcher to be involved in the research site so that he could directly observe the research object. Information from observations is still one-sided and limited to the researcher's point of view, so it needs better data validity content. The in-depth interview technique opens the opportunity to patch up the weaknesses of one-sided information from the observation results through an open

question-and-answer process between the researcher and the informant. The results of observations and in-depth interviews become a medium for triangulation (validity test) or reconfirming the truth of the information obtained through the two data collection techniques. The consistency of information becomes a measure for researchers to determine the quality of research data so that it meets the criteria to become material for analysis or is limited to junk information. Finally, field documentation techniques allow researchers to obtain and store information in scanned soft (digital) and physical documents.

RESEARCH INFORMANTS

The target of the in-depth interview is the research informant. Initially, every subject has the potential to be positioned as an informant in a study. If understood in the context of rural research, every villager has the potential to be selected as an informant. Every villager can be selected as an informant if they are considered to be able to provide relevant information related to the research topic. This statement led the researcher to select informants who could obtain information relevant to the research topic. The selection of informants based on several criteria compiled by the researcher is known as purposive sampling.

This research established several criteria for informants, including elements of the village government, community leaders, local entrepreneurs, and villagers. Based on these criteria, the informants identified were the head of the village government and the head of financial affairs from the village government. A community leader with a religious base was positioned as an informant, representing the informal leader element. Informants representing local entrepreneurs were categorized based on those willing to provide personal assets for the public benefit of the village community. Informants from villagers (without any predicate of social status) were appointed based on recommendations from village officials. The following infographic shows the informants.

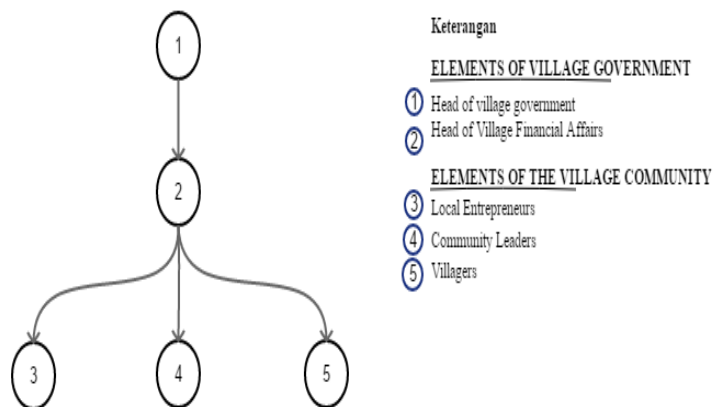


Figure 1: Flow of field informants

One of the ways to obtain data was through interviews with informants. Researchers first met and built communication with elements of the village government. We started the interview with village officials, considering that the development's policy and executor came from the village government. The head of the village government, the highest leader, and the person responsible for village development became the critical informants in this research. The village head mostly expressed the strategy of preparing the plan and implementing the realization of village development.

The technical implementation of development planning, including village financial affairs, is known mainly by the ranks below the head of the village government, namely the heads of planning and village financial affairs. Information from officers from each section provided knowledge about the technical implementation of planning and budgeting.

RESULTS AND DISCUSSION

Results

The research location is in a village with a more homogeneous demographic pattern. Local villagers have a socio-economic background characterized by agriculture, and some are

engaged in small business activities in the field of home industry and small traders in the village. Another small group of residents, together with residents from outside the village, operate an orphaned Pesantren education unit for children from around the village and from outside the village area.

The neighborhood is located in a hilly area, so it is straightforward to find natural panoramic viewpoints in this village area. The natural panorama presented leads visitors from outside the village to spend time in this place. Visitors can easily find accommodation because there are many lodging options available in addition to the many restaurants found in the village area. The presence of visitors from outside the village is also enjoyed by scattered small businesses such as food stalls and traders of local fruits produced around the village.

The presence of hotels and restaurants around the village has a positive impact on the availability of public facilities along village roads. Hotel and restaurant business owners collectively build village road infrastructure independently. Meanwhile, several other business owners are willing to provide land voluntarily to open access to village road infrastructure development. The self-help village road infrastructure provides benefits for the development of hotel and restaurant businesses and good benefits for the socio-economic activities of the communities around the village.

Community self-help is not limited to voluntary behavior or economic motivation, in this case, the willingness to build village road infrastructure. The legitimacy of power and trust in the formal village leader led to the belief of the community to take part in village development. The village head, as a government leader, can present himself as a protector of all parties through humanist communication interactions oriented towards collective interests. In an interview excerpt with the village head, he revealed.

Gotong Royong

The existence of voluntary collective activities such as gotong royong characterizes village communities. In some views, gotong

royong activities are part of the cultural heritage of Indonesian society (Pambudi & Utami, 2020). Some community groups represent gotong royong in activities such as the jampan tradition, which is a voluntary gift of money or goods to help villagers who are experiencing economic difficulties or are used for the improvement of environmental facilities (Setyawan & Nuro'in, 2021). Other community groups embody the spirit of gotong royong in agriculture (Harini, 2020), religious, and environmental activities.

The village head, as the formal leader of the rural area, plays a significant role in preserving the culture of Gotong Royong. Communication style and legitimacy in front of the community provide space for the village head to encourage Gotong Royong activities to continue in the rural environment. Sometimes, the village head institutionalizes gotong Royong activities by dividing residents into functional groups such as thanksgiving groups, Yasinan, and death groups (Suri, 2018).

In a similar case where this research took place, the village head, with the legitimacy and trust of the community, obtained a communication channel in campaigning for the conservation of the village environment even though this legacy began to experience erosion due to the impact of economic activities (Febriani et al., 2017; Widaty, 2020) and national policies (Khamidah, 2022). In field observations, villagers conduct environmental cleaning activities in cooperation as part of the village area's community life process. Likewise, the group of villagers who live on the coast of the protected forest area cannot be separated from the target of the environmental issue campaign. This community group is encouraged to have an awareness of environmental conservation, of course, with the stimulation of economic value compensation in order to inhibit unwise forest utilization. Ultimately, all components in the village environment become pillars of sustainable development in rural areas.

DISCUSSION

Village finance

Fiscal capacity will allow village governments to plan and realize development programs more

freely. From the village government's perspective, fiscal capacity indicates the ability of village finances to self-finance development programs. Village funds from the central government, village fund allocations from the district government, and financial assistance from the provincial government contribute to the fiscal capacity of village governments. Research focusing on village funds and allocations shows that both affect the village development index (Arina et al., 2021; Setyowati, 2019). The results of research on the topic of village funds and village fund allocations do not necessarily apply in general. Research with a similar focus but different locations ultimately draws different conclusions. Iftitah & Wibowo, (2022) concluded that village funds and the allocation of village funds had little impact on the village development index. However, in the case of the development of village-owned enterprises, the impact is quite significant.

Another dimension during the public budget journey is the element of supervision in the implementation of development activities by involving community components. Community participation is a space for transparency in village financial management. The community has room for aspirations as well as participating in and supervising the process of village development. In addition to transparency, accountability is another pillar in the village financial management process. The village government presents information on performance achievements on the use of public budgets by mandates and aspirations at the beginning of planning.

Empirically, the process of village-scale public accountability still faces the constraints of limited human resources. In some administrative regions, accountability practices in the village government could have gone better (Ika Asmawati & Prayitno Basuki, 2019). Such constraints can potentially hamper public accessibility to information on public budget activities operated by the village government.

Village leadership

Sociologically, leadership models in rural communities consist of formal and informal forms, known as formal and informal leaders. The

difference between the two types of leadership lies in legal legitimacy. A formal leader is a leader who has legal authority according to the applicable legal provisions. In contrast, an informal leader is a leader who does not have legal authority according to the applicable law (Jefta, 1995). Leadership in a village community is characterized by "influence," or known as a critical person, meaning that a village leader may have one or both of these influences due to informal power and authority due to legal position.

Power can be interpreted as a person's ability to influence and control the thoughts and behavior of citizens. The concept of authority is the right to influence and control villagers because of a leader's formal status. The relationship between power and authority can "run parallel" or not parallel. The situation is said to run parallel if a person has the "power" to influence and control villagers and at the same time has the formal "authority" to influence and control villagers.

The image of "walking in parallel" is attached to a village head who, in the view of the law, has the authority and, at the same time, also has the personal power to control and influence rural

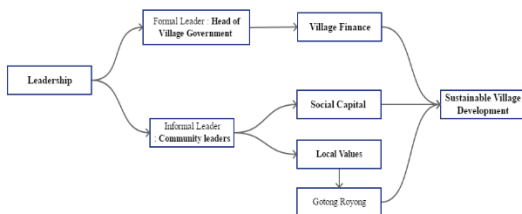


Figure 2. Sustainable village development: the interaction of local leadership, financial resources and social capital

Local Values

Rural communities and traditions are intertwined in daily life. Village traditions are inseparable from the routine activities of the village community. Communities with an agricultural economic background embody local traditions when starting the planting season and harvest (Rasyid, 2014; Sudrajat et al., 2017). Likewise, coastal communities have their ways and traditions of expressing gratitude for marine resources (Afriansyah & Sukmayadi, 2022).

communities. A different situation is said to be "not aligned", where a village head has legal authority but does not have the power to control and influence the village community simultaneously. In a situation where power and authority are not aligned, a formal leader, such as a village head, uses the influence (power) of a local figure to mobilize the community around the village.

This situation shows that someone who is not a formal leader but can influence and control the community is a manifestation of the type of informal leader found in the social environment of the village community. A person with the type of informal leader is more than one figure, and the number is more than one by itself, forming each follower in a village community group. Informal leaders are scattered in village community groups, and members in each group tend to patronize the leader.

On some occasions, the social influence of an informal leader can be used for the common good. Rural development programs that involve informal leaders to mobilize the community are a tangible form of the role of an informal leader.

Village communities have their traditions to express feelings of gratitude for the abundance of natural resources (Masruroh et al., 2021; Zamzami, 2016). Although village community groups express feelings differently, the implementation involves collective community participation in the village environment. Collective participation in local traditional activities is a bond between one individual and another.

Village traditions do not contain local cultural values alone but have touched and have economic value, at least in recent years. The preservation of local traditions through rural tourism activities (Prasta, 2021), performing arts culture (Suharti, 2012; Susanti & Sjachro, 2019), and local wisdom (Arcana et al., 2021) provides empirical evidence of the contact of cultural values and economic values in the container of tourism villages. Promoting local traditions and culture in tourism promotes community participation in collective economic empowerment. Illustrations

in the village tourism sector provide insight into cooperation as a representation of the social capital that develops in the rural environment (Utami, 2020).

Village community groups with a spirit of collectivity manifest themselves in Gotong Royong activities as part of village local wisdom (Slikkerveer, 2019). This joint activity becomes a social node that makes each bind themselves consciously and voluntarily. Although voluntary efforts flow consciously, the tradition of Gotong Royong cannot be separated from the influence of a leader figure. Leaders in this context are not mechanical leaders who give directions to do specific jobs but rather patronage leaders who entice individuals to participate in Gotong Royong activities. Such figures are mostly attached to informal leaders, such as local community leaders, or formal leaders, namely village head officials.

CONCLUSION

Village communities, characterized by collectivity, are social capital in mobilizing the power of rural development. In addition to the village's financial capacity, the social capital that grows within the community is the driving force supporting village development programs. In the form of Gotong Royong, cooperation contains the spirit of working together for the common good. The leadership figure is guarding the spirit of togetherness in developing the village area. In a collective village community, leadership figures play an important role in village activities. Leaders in the formal and informal sense act as directors in the implementation of development activities. The village head represents a traditional leader who controls the wheels of the village government. Local village leaders are understood as figures who influence the village community due to social and cultural ties. Both forms of leadership stimulate the implementation of village sustainability development by empowering the social capital that the village budget allows.

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