

Empirical Study on Implementation of Village Fund for Issue of Urbanization from West Java Province to State Capital of Jakarta

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Abstract: Focus of this study was on “how” to answer urgent issues of Indonesian that call for balanced development to all regions, specifically concerning urban and rural development in order to overcome to alleviate or possibly to prevent the massive urbanization (rural to urban migration). West Java province is the most populated province in Indonesia and directly adjacent with the state capital of Jakarta thus it is sometimes considered as “capital buffer region”. Development in West Java province and special region of state capital of Jakarta (DKI) are basically significant but in terms of the pace, DKI is at higher pace compared to West Java. This as result, triggers massive urbanization of the population from West Java Province which is agricultural based to the state capital of Jakarta where they would strive for living in the sectors of “industry and commerce”. The rapid development in Jakarta has encouraged the shift of industrial and commercial center from Jakarta to adjacent regencies/cities of West Java. This makes the work pattern of West Java people which was agricultural based to slowly shifts towards industrial growth and changes its people from Paguyuban (gemeinschaft, homogeneous community) to Patembayan (gesellschaft, heterogeneous society). This is big phenomenon of most regions in Indonesia not only between Jakarta and West Java which people who used to live in rural migrate massively to Jakarta. It is due to Indonesian government has been “neglectful” to develop villages that arouse the perception that “if you want to succeed, go conquer Jakarta”. For almost 70 years, Indonesian government has never been focused on development of villages and there were already many experts, either scholars or practitioners in village development, suggesting the need of change in Indonesian development scheme. Eventually, their years of efforts are paid off after the seventh president of Indonesia, Ir. Joko Widodo, enacted the new legislation, “one village one billion” where every villages shall be given with one billion rupiahs to encourage development of the village by the villagers itself by the village way itself and for the village’s interest itself with expectation that there will be less and no more urbanization (rural-urban migration) and to trigger money velocity that benefit villages more rather than only in cities. This study is study of documentation and observation on policy of government whether central, local and district to supervise the implementation of village fund for issue of urbanization in West Java Province.

Key words: Policy implementation, village fund, urbanization, balanced development to all regions, rural development, population

INTRODUCTION

Seeing the glamorous and convenient life of people in city attracts villagers to migrate. They the villagers, consider city as offering many entertainment and job vacancies thus it seems easy for living. This is the classic reason for urbanization. Urbanization is phenomenon of internal migration in a country happening in all parts of the world including Indonesia. History of migration-urbanization is found to begin in middle age when initially the whole life of people was spent in rural and dependent on agriculture and hunting. As result of

commercial mechanism, people found new way in migration called as “urbanization”. At first, the rate of urbanization seemed slow but then the progress had established “new cities as detination of urbanization”. From the data of urbanization rate in all around the world in 1800, only 3% of the world population lived in urban areas but by 1900, almost 14% were urbanites. In 1950, 30% of the world population resided in urban centers.

The number of cities with over 1 million people had grown to 83 (UN, 1999). The urbanization rate keeps growing which in 2009 there were 47% of world population or 3.42 billions of people lived in cities.

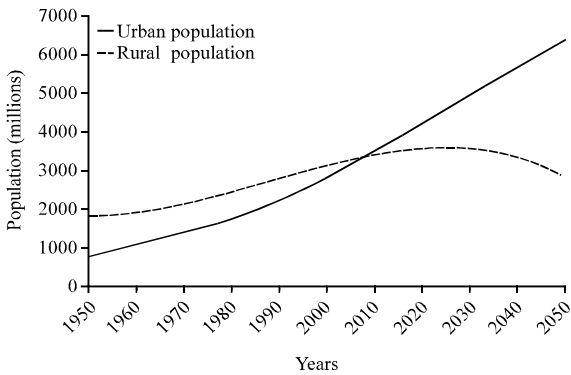


Fig. 1: Urbanization rate keeps growing (UN, 2010)

According to the trend, United Nations had calculated and predicted that in 2050 there will be 60% of world population or 6.29 billions of people would live in cities and mostly would be in developing countries such as Indonesia (UN, 2010) (Fig. 1).

Hugo explained that urban population in the world by 56.5% would be in the regions of Asia, specifically Southeast Asia, including Indonesia. This has been predicted by UNES-CAP suggesting that Asia Pacific region would reach the highest rate of urbanization since the issue is triggered by the fact that economic growth is centered mostly on cities instead of villages and in addition, the condition of agricultural sector in the villages is poorly developed. Urbanization in Asia Pacific has been also predicted by state of world population that suggest that approximately 3.3 billions of world population would be part of urbanization process and it is possibly more than half of world population would join the urbanization itself. To elaborate furthermore, the data presented by UNFPA predicts that almost 5 billions of world population in 2030 will migrate to cities. And how is urbanization issue in Indonesia?

According to Pamoedjo (1985), urbanization issue in Indonesia was assumed to happen since 1930. This assumption was obtained by calculating the ratio between urban population in 1961 and in 1930 which there was significant increasing of population by 3.6 times within the period of 1930-1961. This significant increasing, according to Hugo could happen due to urgent demand of administrative job vacancies. According to Rustandi and Panuju, urbanization in 1930 was based on the data predicting that in Indonesia people who lived in cities were 7.5% of total world population living in cities. In contrary, Soegijoko and Bulkin (Kasim, 1979) suggested that urbanization process in Indonesia started since 1920 when the proportion of urban population at the time had reach 5.8% of Indonesian population.

In its development, urbanization growth in Indonesia rapidly increase after the second world war and it was mainly caused by insecurity in rural areas due to high rate of criminality and mystical practices. In 1961, there was increasing of urbanization which 15% of Indonesian population lived in urban areas. By 1980, urbanization rate in Indonesia increased to 22.3% and in 1990s it became uncontrollable and increased to 30.9%. The rate kept increasing to 35.9% in 1995 (Chotib and Wongkaren, 1996). This calculation of was based on census in 1980 and census of the next 10 years in 1990 which locality can be categorized as urban area if populated by 5,000 people or more per square kilometer with number of agricultural household is 25% or can be less and has eight or more kinds of urban facilities. Meanwhile, measurement of urbanization rate on census of 2000 has 2 variables namely population density from 500 people to 8,500 people per km² and rate of agricultural household between 70% or more to <5%. Recent update on urbanization rate in Indonesia, based on census of 2010, it already reached 44.3% and it was projected to reach 56.2% in 2015 (Table 1 of urbanization rate). According to these data, it is interesting to have further analysis on the issue of urbanization, especially regarding the direct involvement of government to make the policy as the featured formula in overcoming the issue of urbanization in Indonesia, specifically from West Java province to state capital of Jakarta. The policy made by government for now is to optimize the village development through “village fund” to collectively change the perception on village development from “membangun desa” (building the villages) to “Desa Membangun” (the building villages) with the expectation to have less urbanization.

The progress on implementation of “Village Fund” in mid of June 2015 shown that central government has distribute village fund by 7.3 trillions rupiahs evenly and conditionally to 385 qualified regencies/cities. The mechanism of distribution is based on joint agreement between government and parliament (House of People’s Representatives or DPR) by which decided that in Amended State Budget (APBN-P) of 2015, village fund is budgeted by 20.7 trillions rupiah for 434 regencies/cities in Indonesia. The grant would be distributed gradually 2 times per year. The village fund allocation (ADD) is included in state budget (APBN) along with transfer fund for region (TkD) which are allocated in total of 643.8 trillions rupiah, consisted of components of Equalization Fund (share fund, general allocated fund, specific allocated fund) of 521.8 trillions rupiah, special autonomy fund for papua, West papua and Nangroe Aceh Darussalam (NAD) of 17.1 trillions rupiah. Special fund for special region of Yogyakarta of 547 billions rupiah and

Table 1: Urbanization rate in Indonesia (1990-2025)

Provinsi	1990	1995	2000	2005	2010	2015	2020	2025
Nanggroe aceh D	15.8	20.5	23.6	28.8	34.3	39.7	44.9	49.9
North sumatera	35.5	41.1	42.4	46.1	50.1	54.4	58.8	63.5
West sumatera	20.2	25.1	29.0	34.3	39.8	45.3	50.6	55.6
Riau	31.7	34.4	43.7	50.4	56.6	62.1	66.9	71.1
Jambi	21.5	27.2	28.3	32.4	36.5	40.6	44.5	48.4
South sumatera	29.3	30.3	34.4	38.7	42.9	47.0	50.9	54.6
Bengkulu	20.4	25.7	29.4	35.2	41.0	46.5	51.7	56.5
Lampung	12.5	15.7	21.0	27.0	33.3	39.8	46.2	52.2
Bangka-belitung Islands	-	-	43.0	47.8	52.2	56.5	60.3	63.9
DKI Jakarta	100	100	100	100	100	100	100	100
West Java	34.5	42.7	50.3	58.8	66.2	72.4	77.4	81.4
Central Java	27.0	31.9	40.4	48.6	56.2	63.1	68.9	73.8
Yogyakarta	44.4	58.1	57.6	64.3	70.2	75.2	79.3	82.8
East Java	27.5	32.1	40.9	48.9	56.5	63.1	68.9	73.7
Banten	-	-	52.2	60.2	67.2	73.0	77.7	81.5
Bali	26.4	34.3	49.7	57.7	64.7	70.7	75.6	79.6
West nusa tenggara	17.3	18.9	34.8	41.9	48.8	55.2	61.0	66.0
East nusa tenggara	11.4	13.9	15.4	18.0	20.7	23.5	26.4	29.3
East timor	7.8	9.5	-	-	-	-	-	-
West kalimantan	20.0	21.7	24.9	27.8	31.1	34.8	39.0	43.7
Central kalimantan	17.6	22.5	27.5	34.0	40.7	47.2	53.3	58.8
South kalimantan	27.1	30.0	36.2	41.5	46.7	51.6	56.3	60.6
East kalimantan	48.8	50.2	57.7	62.2	66.2	69.9	73.1	75.9
North sulawesi	22.8	26.3	36.6	43.4	49.8	55.7	61.1	65.7
Central sulawesi	16.4	21.9	19.3	21.0	22.9	24.9	27.3	29.9
South sulawesi	24.2	28.3	29.4	32.2	35.3	38.8	42.6	46.7
Southeast sulawesi	17.0	22.4	20.8	23.0	25.6	28.5	31.8	35.5
Gorontalo	-	-	25.4	31.3	37.0	42.8	48.2	53.2
Maluku	19.1	24.6	25.3	26.1	26.9	27.9	28.8	29.9
North maluku	-	-	28.9	29.7	30.6	31.5	32.5	33.6
Irian Jaya/papua	24.2	25.8	22.2	22.8	23.5	24.3	25.1	26.0
Average	30.4	35.9	35.2	39.8	44.3	48.6	52.6	56.2

Census of 1990, 2000, 2010 and population survey between Censu (SUPAS) of 1995, 2005

other transfer funds allocated by 104.4 trillions rupiah and total funds provided to regions is 664.6 trillions rupiah or approximately equal to 33.5% of total state expenditure.

In general, mechanism of funding is the implementation of law No. 6 of 2014 on village which in article 71 clause it is explained that village finance shall be all the rights and obligations of the village that can be valued in money and everything in the form of money and goods related to the implementation of the rights and obligations of the village. The rights and obligations as referred to in clause shall give rise to revenues, expenditures, financing and management of the village Finance. Meanwhile, in Article 72 clause it is stated that the village revenue as referred to in Article 71 clause shall be derived from). The village generated revenue from operations, results of assets, self-help and participation, mutual aid and other village revenue) allocation of the state budget) part of the local taxes and levies of regency/city) allocation of village funds that shall be part of the equalization funds received by the regency/city) financial assistance from the provincial budget and regency/city budget) grants and donations that shall not be binding on third parties and 7) other legitimate village revenues.

In the explanation of Article 72 clause, the amount of budget allocations directly to village shall be specified by 10% from beyond regional transfer fund (on top) gradually. The budget that comes from the state budget shall be calculated based on the number of villages and allocated by considering the population size, poverty rate, area size and geographical difficulty level in order to improve the welfare and village development distribution.

This is the statement that should be communicated clearly to all village personnel who would manage village fund to be distributed for the improvement of welfare and village development distribution instead of personal/group interests. This also respond the concerns of many parties regarding the possibility of village fund may raise new moral hazard on the side of administrative personnel at village level. Based on law on village, the activities of development and distribution between villages shall be implemented through village structuring scheme. This village structuring would be aimed to accelerate the improvement of social welfare, quality of public services, quality of good governance and also to improve village competitiveness. These efforts shall be facilitated by several possibilities such as elimination of village, establishment of village, merger of village or status changing of village and adjustment of subdistrict.

Assuming from data of the number of village in Indonesia in 2014 in total of 72,944 villages, each village is predicted to manage the fund by 1.4 billions rupiah. Comparing with today situation, the additional allocation of funds is certainly encouraging. It is expected that problematic issues in villages can be overcome immediately, especially concerning the gap between rural and urban areas. It is even possible that village fund become one solution to overcome the issue of urbanization in big cities, especially urbanization from West Java to state capital of Jakarta.

Conceptual framework: According to Saladin, there are several factors that attract villagers to migrate to urban areas:

- Life and environment in cities seem to be lively with the availability of educational facilities, entertainment venues and transportation
- There are more job vacancies
- There are places and facilities for many activities such as venues, commercial centers and cultural centers

The indications of urbanization as mentioned above also occur in several cities in Asia such as Saigon, Bangkok and Seoul. According to Bintarto (1986), factors that cause the urbanization in Seoul (South Korea) are:

- Better and more transportation facilities
- More and varied job opportunities
- Well-organized land use
- More varied activities in economic sectors

It is those factors stated above that attract villagers to migrate to urban areas. In addition, there are less job opportunities and less agricultural land in villages, especially areas in West Java that are adjacent with state capital of Jakarta. To analyze the urbanization we can't disregard theories of migration and one of them is theory of push and pull factors. According to this theory, migration occurs as result of different characteristics between urban areas with interesting features as pull factors (such as more job opportunities, higher education opportunities, good facilities, etc.) and rural areas with push factors (such as decreased natural resources, less job opportunities, natural disaster, etc). Other demographers suggest other opinion but can still be categorized in push and pull factors such as Davis (1985) who suggest that urbanization occurs as result of the increased welfare of nation thus the people want to spend on goods and services produced in urban areas and the

change of the nature of food products that become produced in urban areas. Analysis of urbanization that still become reference is from Todaro. Although, more referred to as theory of migration, it is basically theory of urbanization since it analyzes the rural to urban migration (specific definition of urbanization) where village and its agricultural sector has excess of labor while city and its industrial sector has shortage of labor (Hammado, 1971). The migration would occur if wages in urban are higher than in rural. High rate of unemployment in rural would also encourage labors to migrate to urban. Thus, job opportunities in urban mobilize massive migration from rural (UN, 1999). Based on an empirical study, it is found that a household headed by unemployed person would have more possibility to decide to migrate and the average rate of unemployment is influential on outmigration. This concept confirms many empirical study on urbanization in poor countries (Graeme, 1991).

Furthermore while the increasing of rural-urban migration has caused the increased number of job seekers in industrial sector, the less number of labor required causes the increasing number of unemployment in urban as suggested by Todaro and Stilkind. It means that industrial growth rate is not as rapid as employment growth rate. Comola and Mello has even suggested that high rate of urbanization is the factor that promote higher wages.

In broad definition, urbanization is related with the context of the establishment of city. Establishment of city occurs as results of change in political system aimed for development and agglomeration to improve the uneven rural-urban distribution (Paul, 1991; Tommy, 1996). In this approach, the analysis shows the impact of urbanization such as its implication on urban economy. Implication of urbanization, according to Bintarto (1986) shall give positive impact on variation in economic sectors and on business growth. But in the context of employment, urbanization causes unemployment as explained above, that eventually creates discrete policy on employment (Toshiro, 1996).

In order to determine a definition or conception of urbanization we need take several things into consideration which are based on the multisectoral and complex characteristics of urbanization such as: In terms of demography, urbanization is seen as a process shown in change of population distribution in an area. Problems in population density furtherly results in excess of labor and housing issues which can hinder the development. Government has specifically handled housing issues by forming housing department. In terms of economy, urbanization is structural change in the sector of livelihood. It can be seen from the high number of

villagers who abandon their agricultural job and move to work as nonagricultural laborer in urban areas. Problems related to livelihood sector is; in sociological terms, urbanization is related to lifestyle of people in rural areas that is influenced by urban lifestyle. Whether they can maintain their rural lifestyle or adapt with urban lifestyle they don't really know thus create new sociological problems. In this terms, urbanization can create new social classes and become burden for the urban since they fail to have proper living and become vagrants who live in slum or squatter areas.

In geographical terms, urbanization is seen from the distribution, diffusion of change and pattern according to time and space. It is reflected from the this statement: "Geography deals first and foremost with spatial aspects of urbanization, its purpose being to reveal its forms geography variants and types and the specific features of the particular course taken by urbanization under the impact of different social, economic and natural conditions". To determine definition of urbanism, there are several criteria:

- There have to be groups of people with nonagricultural job classification
- There is educational system that provide vocational education
- There is political stability to maintain continuity
- There is groups of trader and supplier that provide and manipulate the provisions for urbanites

Therefore, the term of urbanization is related to process of establishment and development of city while urbanism is related to urban lifestyle. Urbanization rate in Indonesia has been slowly decelerated, inhibited and prevented through village strengthening program referred to as "Village Fund". The question is how can "Village Fund" be the instrument of policy to reduce urbanization in Indonesia, especially from West Java to state capital of Jakarta?

Based on law No. 6 of 2004 on village, village revenue is derived from village generated revenue, share of local taxes and levies of regency/city, part of equalization funds received by regency/city, allocation of state budget, financial aid from provincial budget and regency/city budget and also grants and donations that shall not be binding from third parties.

Sources of village revenue are completely spent for funding all authorities under responsibility of village. The fund shall be spent to fund the implementation of village authorities that include administrative, development, public empowerment and social. Therefore, village revenue derived from state budget shall also be spent for funding those authorities.

According to law No. 6 of 2004 on village, village is delegated with authority to manage its own authority according to the needs and priority. It means that village fund shall be spent to fund all its activities according to the needs and priority of the village fund. But considering that village fund is derived from state expenditure to optimize the using of village fund, government is given with authority to decide the priority list in order to support the village development and villagers empowerment program. This priority list shall be in line with authority delegated to village.

Budget allocation for village fund is specified by 10% from beyond regional transfer fund (on top) gradually. In transition before reaching 10%, budgeting of village fund is derived from reallocation of state expenditure in village-based programs. Ministry/institutions propose budget for village-based programs to minister to be specified as the source of village fund.

If the 10% has been met, the budgeting is completely according to budgeting mechanism of state general treasurer according to law and regulations. Source of village fund as proposed by ministry/institutions and enacted by minister shall be put in nonministry/institutional state expenditure as village fund reserves. The village fund reserves is proposed by government for discussion of draft state budget and state budget bill. Village fund reserves shall be approved by parliament for village fund as part of regional transfer fund. This mechanism shall be gone through so that for the requirement village fund, it would still undergo the shift of state expenditure to village fund in form of regional transfer fund. In addition, the mechanism shall also show strong commitment toward government and parliament on better empowerment of village.

Amount of village fund as specified in state budget shall be allocated to village gradually in 2 phases. For first phase, minister allocates village fund for regencies/cities according to number of villages based on variables of population size, area size and poverty rate with certain weight (significancy). Result of the calculation is multiplied by construction cost index as indicator that reflect the geographical difficulty level. In second phase, based on amount of village fund for each regency/city, the regent/mayor allocates the village fund for every villages. Regent/mayor is given with authority to determine the significancy of geographical difficulty level as one variable for calculation according to the regional characteristics. Geographical difficulty level is indicated by such as availability of basic services and the condition of infrastructures and transportation (Van, 1996).

Relevant with the purpose of village development as stated in law No. 6 of 2014 to improve the welfare of

villagers and their life quality and also to overcome poverty, the village fund allocation take more consideration on poverty. In order to have proper, transparent, accountable and quality management of village fund allocation, the government and regency/city are given with authority to impose sanction of postponement of village fund distribution if the submission of fund usage report is not submitted or submitted late. In addition, government and regency/city can also impose sanction of budget cuts if the fund usage is not in accordance with the priorities, general guidelines and technical guidelines or if there is misusing of fund in form of deposit of >2 months.

MATERIALS AND METHODS

Considering the purpose, this research on empirical study of the implementation of village fund for issue of urbanization from West Java to state capital Jakarta was categorized as applied research. Considering the approach it was categorized as public policy research or action research. And considering the level of explanation, it was categorized as descriptive research. Analysis units in this research were condition of governance in West Java province and state capital of Jakarta, population shift from the regions of West Java to Jakarta and grand mechanism of village fund policy as the instrument to reduce urbanization from rural areas of West Java to state capital of Jakarta. This analysis was directly related to implementation model of village fund whether in terms of structure, personnel, requirement of equipment, funding and government organizational growth in the development of village fund policy to reduce urbanization from regions of West Java to state capital of Jakarta. And it is possible that this analysis can also be used by both domestic and international scholars.

Method for data collection and analysis in this research was by field research approach with Focused Group Discussion (FGD) and by theoretical approach with literature study and also by normative approach with study on law and regulations relevant with village development, village fund, the policy and urbanization.

RESULTS AND DISCUSSION

Urbanization to state capital of Jakarta: The first thing to understand about urbanization is the definition itself. The definition has always been debated and it was peaked in 1978. At the time, in a symposium with debates that can't be summarized, it was agreed that it was necessary to find general theory regarding urban areas and urbanization. The general theory was not to explain general indications

that cause urbanization in universal that develop by itself according to human development but it was considered as indications that contain various elements of community in a nation. However, definitions of urbanization in literature also refer to population shift from rural to urban areas (Bintarto, 1986). Further, definitions were always related to the increasing proportion of urbanites due to migration to urban areas and also as results of extending of urban areas (Rozi, 1981).

According to Firman urbanization also has broader meaning which is urban level of a country or a region. urbanization also has meaning of the change process which is change process from rural to urban characteristics. This change can be indicated from the change of land use from agricultural or other rural characteristics of land use to industrial, services or other urban characteristics of land use. The change can also be seen in the mental and lifestyle of the people from rural to urban behavior (Chotib, 1997). This is also what relate urbanization to urbanism. Urbanism, according to Koyano is human motivation to move to city and according to Acharya, the motivation is the awareness to search for better living and to adapt and survive (Ross, 1991).

From definitions mentioned above, there is distinction of urbanization in broad and specific definitions which provide 2 perspectives of approach in the analysis of urbanization. In specific terms, urbanization is population shift from rural to urban areas while in broader terms it is increasing of urban population along with all of the implications. Increasing of population itself can be caused by natural increasing (urban population growth) and migration from rural to urban areas. Implication of the increasing of population is expansion of urban areas with all of its dimensions such as change of lifestyle (Shogo, 1996).

Within the period of 1980-1990, spatial pattern of urbanization in Indonesia showed consistency which means that there were no shift because in the 10 years there were no change in areas as indication for urbanization rate. Urbanization rate in all provinces in Indonesia indicated increasing. There were 5 provinces with urbanization rate above national average rate, namely state capital of Jakarta, East Kalimantan, special region of Yogyakarta, North Sumatera and West Java. This is reasonable because those 5 provinces have higher economic attractiveness rather than other provinces in Indonesia (Chotib, 1997). Urbanization itself is influenced by three factors: natural population growth in urban areas, migration from rural to urban areas and reclassification of rural as urban areas. Instead of assuming those three factors, the projection of urban population was based on Urban-Rural Growth Difference (URGD). However, for

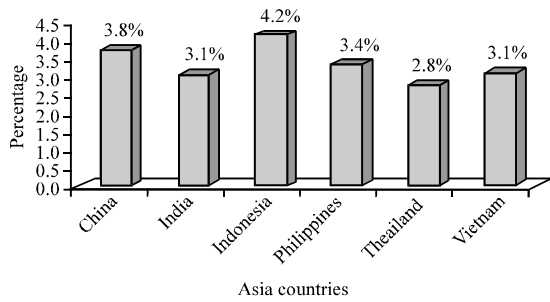


Fig. 2: Population growth of Asian countries in 1970-2010 united nations world urbanization project 2009

assumption by using URGD for the future, the projection itself has indirectly taken those three factors into consideration.

In 2025, it is predicted that 65% of Indonesian population shall live in urban areas where several provinces, specifically in Java and Bali regions shall have higher rate of urbanization compared to Indonesian average rate. Urbanization rate in four provinces in Java regions shall be above 80%, namely state capital of Jakarta, West Java, special region of Yogyakarta and Banten. Compared to Asian countries as seen in the Fig. 2 show, position of Indonesia within period of 1970-2010 had highest urbanization growth than China, India, Philippines, Thailand and Vietnam.

According to Firman, urbanization within period of 1980-2010 had constant pattern but there would be change of the pattern in the future where the most rapid rate would be in rich regions. Population analysis related with urbanization can be seen from mobility transition approach. According to Skeldon as cited by Chotib and Wongkaren (1996), population mobility transition in the developing countries can be divided into 7 stages. First, pre-transitional society where most mobility of the population is non-permanent; second, early transitional society where population begin to mobile from one to other urban areas with big city as the main destination for migration from small-medium cities; third, intermediate transitional society where population migrates from areas adjacent with big city to big city; fourth, late transitional society where most of population migrates from rural areas to big city and indicated by the rise of megacity; fifth, early advanced society where suburbanization and deconcentration of urban population occur; sixth, late advanced society where urbanization is very high and population is spread to smaller cities and seventh, super advanced society where permanen mobility is less and replaced by nonpermanent mobility and also e-Communication.

Nationally, by 1995, accoding to Chotib and Wongkaren (1996), Indonesia had only been in the fourth stage of mobility transition but there were already several provinces had been in the fifth stage with urbanization of 50% and declined mobility from rural to urban areas. In this stage, deconcentration of urban population began with the increasing of mobility from big city to marginal regions and the more extensive spread of urban population. From this perspective, there wasn't any change by 2010 but Jakarta had entered the sixth stage where urbanization was very high and the population was spread to smaller cities. this can be seen from the different population size between day and night. By 2011, population in Jakarta which was 9.6 millions at night, increase to 15 millions at daylight. There were 5.4 millions of commuters living outskirts but working downtown of Jakarta.

Jakarta is included as city with high rate of population growth. In 1930, population of Jakarta was around 435 thousands of people but the number increased to 544.8 thousands of people by 1941, 2.911 millions by 1960, 6.603 millions by 1980 and recently 8,525,062 people by March 2011. In 1950, Jakarta was not even included in top 15 populated cities in the world but after 45 years it ranks 10th (Agusfidar, 1979). Richard L. Forstall, in 2001, named Jakarta as the top 3 biggest city in the world, ranked fourth by demographia.com, ranked 6th by world-gazetteer, seventh by mongabay.com and tenth by citypopulation.de (Robert, 1982).

Increasing density of Jakarta population is the inevitable result of the increased rate of urbanization which was rapidly increasing since 1980s. In 1980, urbanization rate to Jakarta was 93.69% and increased to 100% by 1990 and remained stable at 100% by 1995. The 100% urbanization rate means that whole parts of state capital of jakarta are urban areas. Based on result of research by LP3ES in 1976, only 14% of population which was native inhabitant while the rests were migrants from West Java, Central Java and outside Java island by 14% (Dean, 1991). In 2000, Betawi people was only 30% of all citizens of Jakarta and today it is estimated to be only 10%.

The rapid employment growth in urban areas is caused by natural growth added with migrant worker. This indirectly affect the decreased economic contribution by agricultural sector due to migration of agricultural workers in rural to urban areas and functional shift of agricultural lands into unproductive lands. Urbanization caused by job seeking motive is also in line with the employment condition in rural areas. Based on data from Sakernas in 2008, unemployment rate in rural areas was twice that of urban areas (41% compared to 21%) (Elsbeth, 1980).

Table 2: Poor peoples in Indonesia, 2010

Province	Urban	Rural	Total
Nanggroe Aceh D	173.400	688.500	861.900
North Sumatera	689.000	801.900	1.490.900
West Sumatera	106.200	323.800	430.000
Riau	208.900	291.300	500.300
Jambi	110.800	130.800	241.600
South Sumatera	471.200	654.500	1.125.700
Bengkulu	117.200	207.700	324.900
Lampung	301.700	1.178.200	1.479.900
Bangka-belitung Islands	21.900	45.900	67.800
Riau Islands	67.100	62.600	129.700
DKI Jakarta	312.200	-	312.200
West Java	2.350.500	2.423.200	4.773.700
Central Java	2.258.900	3110.200	5.369.200
Yogyakarta	308.400	268.900	577.300
East Java	1.873.500	3.655.800	5.529.300
Banten	318.300	439.900	758.200
Bali	83.600	91.300	174.900
West Nusa Tenggara	552.600	456.700	1.009.400
East Nusa Tenggara	107.400	906.700	1.014.100
West Kalimantan	83.400	345.300	428.800
Central Kalimantan	33.200	131.000	164.200
South Kalimantan	65.800	116.200	182.000
East Kalimantan	79.200	163.800	243.000
North Sulawesi	76.400	130.300	206.700
Central Sulawesi	54.200	420.800	475.000
South Sulawesi	119.200	794.200	913.400
Southeast Sulawesi	22.200	378.500	400.700
Gorontalo	17.800	192.000	209.900
West Sulawesi	33.700	107.600	141.300
Maluku	36.300	342.300	378.600
North Maluku	7.600	83.400	91.100
West Papua	9.600	246.700	256.300
Papua	26.200	735.400	761.600
Indonesia	11.097.800	19.925.600	31.023.400

BPS, 2011

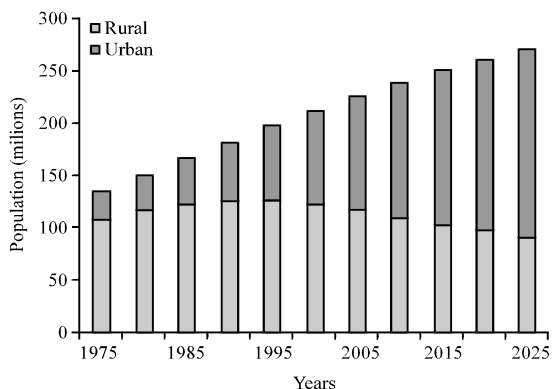


Fig. 3: Population growth in Indonesia MP3EI, 2011: 53% of Indonesia population lives in urban areas. By 2025, the number shall be more than 65%. Urban areas shall require massive development of infrastructure to encourage national economic competitiveness

Urbanization doesn't only have impact on the increasing urban unemployment but also on urban poverty. It is evident in several provinces which have almost equal poverty ratio between rural and urban areas

such as in North Sumatera, Riau, West Java, Banten, Central Java and Bali. In Yogyakarta and West Nusa Tenggara, the urban poverty rate is even higher than rural (Table 2).

There are opinionsshowing contradiction in terms of the culture of poverty that suggestthat poverty is temporary for migrants such as research by Abu Hamid and Menno confirming that poor people, specifically in Kampung Pisang wasn't merely caused byculture of poverty but also by social structure. Yet, they still aspire and struggle so that, one day, they can move to better place, have proper living and better status (Menno and Alwi, 1992).

According to Adriani (n.d.) in terms of job opportunity, urban unemployment is higher due to decreasing job opportunities in industrial sector. On the contrary, rural unemployment is influenced by decreasing job opportunities in agricultural sector. Thus in accordance with explanation from Petsimeris, employment policy in urban areas should have the approach of community based development. This concept suggest the mobilization of informal economic sectors such as China that implement the development of cultural products to successfully absorb informal industry (Fig. 3). It is in line

with Todaro who suggest that urban informal sectors is related to rural sector where people whose living is in urban informal sectors are the unskilled workers from rural areas as they struggle to escape from poverty and unemployment in rural areas. However, it is not certain that they will have better life and living in urban areas. This opinion suggests that migrant workers will be classified where skilled workers will be placed in formal sector related to industry and unskilled workers will be put in informal sectors. It is in line with the case of urbanization to Jakarta where there are 2 classes of migrant workers: ones who are career oriented and seeking for living with higher level of education and ones with low level of education would be placed in informal sectors.

With this background, informal sectors in urban areas grows significantly. Migration of workers from rural to urban areas actually indicates employment mobility from agricultural to informal sectors. Therefore, Armstrong and McGee as cited in Hugo, suggests that urban informal sectors is influenced or based on mechanism of involution similar to agricultural system in Java regions. It is line with the change of agricultural contribution in economy which is decreasing compared to industrial sector. For 5 decades, economic development has shown the transformation of economic structure from agricultural to industrial sector. It is evident in the decreasing contribution of agricultural sector and at the same time, the increasing contribution of industrial sector on Gross Domestic Product (GDP). Contribution of agricultural sector on GDP decreased from 49.3% in 1969-26.1% in 1983 while contribution industrial sector increased from 9.2%-13.2% in the same period. The contribution of agricultural sector keep decreasing to 10.7% by 2003 and reaching 10% by 2007.

Growth in informal sectors is inseparable from growth in formal (modern) sector which is slower than employment growth. As result, labor market is facing the condition of excess supply of labor such as occurring in Jakarta, Surabaya and Bandung. And study by Forbes study in ujungpandang indicated that urban economy absorb migrants as vendors and peddlers due to limited job opportunity in industrial sector. These vendors and peddlers are the victim of urbanization without industrialization. Theoretically, urbanization should be accompanied by industrialization, although practically the growth of industrial sector is unable to follow the growth of employment.

According Soewarna as cited in Tantu urban informal sectors can be divided into 5 types: first, transportation, consisting of pedicab (becak), horse and buggy (delman) and cart (gerobak); second, commerce such as street

vendors, food and beverage vendors, apparel merchants, stationary merchants, secondhand dealers; third, manufacture such as food and beverage processing, woodcraft, foodstuffs; fourth, building such terrazzo carpenters, blacksmith, masons and carpenters; fifth, services such as tailor, watchmaker, radio maker, repair shops, opticians, brokers, massagers, painting artists, handyman, cobblers, etc. Jones and Supratilah defined informal sectoral that can absorb migrants are small scale commodity distribution and other primary and secondary activities such as tailor, cobbler, secondhand dealer, pedicab driver and small groups of prostitute and beggar. Meanwhile, according to Stelle, informal sectors includes new migrants who work by themselves or with their own families. Hugo furthermore explained that informal sectors in Jakarta may indicate stereotype of where they come from. For example, groups of bus driver and conductor are usually from Sumatera, street vendors are from West Sumatera, shipyard workers are from Banten and pedicab drivers are from Northern coast of Java.

Village fund as solution for urbanization: Let's consider the urbanization after Eid of 2014 as example. Money velocity to rural areas within period of Ramadhan to Eid 2014 could reach 115 trillions rupiah. According to Bank Indonesia (BI) that number increased almost 14.9% compared to last year that reach 103.2 trillions rupiah. By April 2014, it is estimated that money supply (Jumlah Uang Beredar, JUB) was 886.6 trillions rupiah and it kept increasing to 906.7 trillions rupiah in the mid of May 2014. Still according to BI, the distribution of money in period of Eid are majority in regions of Jakarta, Bogor, Depok and Bekasi (Jabodetabek) while the rests are to hometowns of homecoming migrants (pemudik).

Many people consider that this phenomenon of urbanization occurs actually due to the high level of inequality among population and between rural and urban areas. Based on data from statistics Indonesia (Badan Pusat Statistik, BPS), portion of 20% of population with highest income in Indonesia keep increasing while 40% of population with medium and low income are fluctuative. From the gini index we can see significant increase from 0.33 in 2002 to 0.37 in 2009. These facts certainly support the premise about inequality. According to data from BPS, number of poor villagers by 2002 was 25.1 millions while poor urbanites was 13.3 millions. By 2006, poor villagers become 24.81 millions and poor urbanites 14.49 millions. Recent update of data from BPS in 2011, number of poor villagers was 18.94 millions and poor urbanites was 10.95 millions. Poverty in rural areas is twice that of urban thus it is not surprising that villagers would always consider city as place of hope. Fortunately, since Eid 2013, policy

by government of state capital of Jakarta in issue of urbanization begin to show result. Number of new migrants in 2013 was recorded to be only 31 thousands where 20 thousands of them are scattered to capital buffer regions.

This fact must be appreciated, considering the massive efforts of prevention have been done whether by urging people not to bring along their relatives to Jakarta and by many promotions, distributing banners and pamphlets on the hard life in the state capital. The significant growth of outskirts of Jakarta such as Depok, Bogor and Bekasi has also contributed to provide more varied options of destination for migrants as place to improve their living. Population growth in Depok and Bekasi is 3%, higher than population growth in Jakarta which is only 1.3%. This furthermore support arguments above. Therefore, to manage the issue of urbanization in smarter way actually can be done by demographic or territorial approach.

Demographic approach is related to the subject of urbanization itself which is the population. Urbanization can be considered negative when newcomers are unskilled and uneducated. In positive manner, population actually can be the strategic factor in the development since they are the subject and object of development. As subject, people should be guided and improved in quality thus they can be the driving factor of development. Demographic condition shall influence the dynamics of development. High population size accompanied by proper quality shall be the main driving factor for economic growth. On the contrary, high population size with poor quality of the people shall only be burden for development.

From the territorial approach, reducing the inequality between regions can be done by distributing the investment flows evenly to all regions. For example, if economic growth in Depok, Bogor and Bekasi is not attractive for migrants, whatever efforts to prevent them from entering Jakarta would be ineffective. On the contrary, if economic growth in Depok, Bogor and Bekasi is attractive for migrants, they would think twice to come to Jakarta even if they are allowed to. Both demographic and territorial approaches shall be optimal if supported by responsible allocation of village fund. With increased budget, villages shall potentially develop the quality and welfare of villagers and also promote their own development. Quality villagers will certainly benefit the village and other regions if there is urbanization.

Developed village can contribute many job opportunities for its villagers without having to migrate to urban areas. This is the process that we have to encourage. We should not fail the policy of village fund

allocation from government and letting the purpose of development and improvement of welfare become stagnant. Otherwise, negative effect of urbanization will remain haunting us.

Assuming from data of the number of village in Indonesia in 2014 in total of 72,944 villages, each village is predicted to manage the fund by 1.4 billions rupiah. Comparing with today situation, the additional allocation of funds is certainly encouraging. It is expected that problematic issues in villages can be overcome immediately, especially concerning the gap between rural and urban areas. It is even possible that village fund become one solution to overcome the issue of urbanization in big cities, especially urbanization from West Java to state capital of Jakarta.

Building the state by promoting the villages to prevent urbanization is basically a simple concept of analogizing the unitary state of the republic of Indonesia as "a chain" where the stronger the links, the stronger the chain. Here, the links are villages, subdistricts and districts. It means that if we want to have stronger state than we should first strengthen the villages, subdistricts and districts. Our state has showed its position in favour of village by enactment of law No. 6 of 2014 on village. The question is how is the position of State in relation with subdistrict and district? It should be admitted that the enactment of Law No. 6 of 2014 on Village can provide great support for subdistrict to revert its status as village. Can district do the same? It is possible that district is disbanded if local government can not provide sufficient strengthening to subdistrict and district. People would not consider it as problem whether it is village or subdistrict. What people need is the quick service, thus it is inevitable for all regional leaders to start thinking on how to strengthen districts and subdistricts.

Considering the history of Indonesian government for more than 6 decades or 60 years, our government has constantly changed and made many policies. Yet, in national policy regarding village, the mechanism provided by government has been more of repair and improving without clear direction. There had been many scholars and practitioners and activists in village development that strive to promote villages but the condition was worrying until it began to show some progress after Parade Nusantara occupied the Parliament (DPRRI) building in Jakarta.

Since the year of 1948 (Law No. 22 of 1948 on Principles of Local Government) to 2003 (Law No. 32 of 2004 on Local Government), there had not been any serious regulation regarding village consistent with efforts to promote the independence and welfare of

village. What happen in the period was that villages were more and more underdeveloped. Furthermore, at the same time, products of sectoral regulations removed the rights and authority of village in great extent. Law No. 5 of 1979 on village administration had failed the village institutional and organizational diversity that has long existed in the land of Nusantara where villages basically have derivative rights and asymmetrical treatment of policy. Many experts suggested that before Indonesia was founded, villages has already existed. There was a small village called “Desa Tarik” at the time significantly grow and found a kingdom referred to as “Majapahit” and also a small village at the riverside of “Musir” that eventually grow into “Sriwijaya”. By the approach of “sociology of government”, it can be concluded that villages in the past were great and has long existed before Indonesia was founded, thus villages have “Recognitive Autonomy”. However, it was all shattered thus villages became powerless. Inevitably, government should provide “Delegated Authority” so that villages with their shattered independency can return to their true characteristics through the implementation “Pure autonomy of village”.

The enactment of Law No. 41 of 1999 on forestry has furthermore marginalized the position of villages. It even cut the rights of local people to benefit from forest as the source for their independency and welfare. This law of forestry has disorganized the traditional village institutional order that has been protecting the forest against extinction. In addition, law No. 7 of 2004 on water resources has also contributed to the loss of village rights on basic needs.

Enactment of law No. 6 of 2014 on village has developed new paradigm and concept on the policy of village management nationally. This Law of village placed villages as the foreground instead of merely historical background of Indonesia. This Law that was enacted at the end of 2013 also develops the principle of diversity, promotes principles of recognition and subsidiarity of village. In addition, it promotes rights and sovereignty of village which was marginalized. Village, in essence is the national entity that form the unitary state of the republic of Indonesia (NKRI). In the elucidation of the law, it is explained that its purposes are as follow:

- To give recognition and respect for the existing village with diversity before and after the formation of the republic of Indonesia
- To provide clarity and legal certainty on the status of the village in the constitutional system of the republic of Indonesia in order to bring justice for all Indonesian people

- To preserve and promote the customs, traditions and culture of the village community
- To encourage initiatives, movements and participation of the village community and the potential for the development of the village assets for common welfare
- To establish a professional, efficient and effective, transparent and accountable village administration;
- To improve public services for the citizens of the village community in order to accelerate the realization common welfare
- To increase the social and cultural resilience of the village community in order to realize a village community that is able to maintain social cohesion as part of the national defense
- To improve the economy of the Village community and address the disparity of national development; and
- To strengthen the Village community as the subject of development

The existence of law No. 6 of 2014 on village as the accelerator in implementation of policies by government, especially the ideals and dreams of the 7th president of Indonesia, Ir. Joko Widodo to promote villages through the Nawacita (Nine Priorities) of agenda for development:

- Returning the state to its task of protecting the whole nation and providing security to all citizens
- Developing clean, effective, trusted and democratic governance
- Developing Indonesia's rural areas by strengthening regions and villages within the framework of unitary state
- Reforming law enforcement system agencies that are free of corruption, dignified and trustable
- Improving the quality of life
- Increasing productivity and competitiveness in international market
- Promoting economic independence by developing domestic strategic sectors
- Overhauling the character of the nation
- Strengthening the spirit of “Unity in Diversity” and social reform

Other sinergic principal section between law of village and nawacita is that both promote the potential social assets of the nation as the philosophical base for development policies. The law of village promotes what is called by the chairman of parliament special committee for bill of village as catur sakti (the 4 forces) while nawacita promotes what is called as Tri Sakti (the three forces).

Table 3: Law or vantage promote

Catur sakti of the law of village	Tri Sakti of Nawa Cita
Village shall be socially powerful	Politically sovereign
Village shall be politically sovereign	Economically independent
Village shall be culturally dignified	Culturally characterized
Village shall be economically independent	

What are elements of catur sakti and tri sakti? (Table 3). Village shall be socially powerful. Empirically, villages in Indonesia has great social assets. Villagers have many social bounds and strong social solidarity as the important supporting factor for governmental, developmental and social activities. Self-supporting (swadaya) and mutual assistance (gotong-royong) characteristics has been proven to be the main supporting factor for village “original autonomy”. When national capacity is unable to reach village level, self-supporting and mutual assistance characteristics can be a permanent alternative to enable many projects of village infrastructural development.

Politically sovereign means that village shall have local initiatives and freedom to manage itself when the state is unavailable to do so. Although, available the state occasionally impose initiatives from central government that may incapacitate local initiatives. Local freedom (emancipation) in the development and attainment of welfare requires recognition from the state. The State needs to facilitate local institutions and organizations, to remove the imposition and to encourage the more extensive emancipation.

Village has democratic traditions where transparency, deliberation and participation become pillars in decisionmaking. Direct election of village chief has been one democratic tradition. Although no budget allocation from government, village has long been able to provide incentives for the chief and other village personnel by its own system for example by the system of tanah bengkok (salary land). The practice of village meeting begin from the smallest community to highest council that involve many elements of the village has been part of rural life. Thus, in terms of democratic culture, village has gone beyond democratic system of the state.

Sovereignty of village in terms of economic means the capability of village to maintain, manage and optimize the economic functions of natural assets. when the State sticks to natural resources management model merely for economic growth, village become the pioneer incontinuous natural resource management. With it the balance of nature can be preserved while maintaining the orientation of public welfare in long-term basis. The way village maintain economic assets is in contrast with extractive model by government. Government leaves the natural resources management in the hand of private sector instead of prioritizing the stakeholders in local

community while the more inclusive model of rural economic organization is disregarded as the reference model for local economic development.

The social assets included in dictum of catur sakti is in line with tri sakti of nawacita. This indicates that implementation of the law of village is cohesive with the spirit of government to restore national dignity as politically sovereign, economically independent and culturally characterized in the eye of other nations. Village, then become the most fundamental element as well as the highest priority in the national scheme of development. Catur sakti of the law of village and tri sakti of nawacita shall realize these four pillars in the development of public welfare began from village (Fig. 4).

Law enforcement with justice: It means that in the future, the enactment of the law of village and amount of fund to village, whether by village fund allocation (ADD) and village fund (DD) shall be the gate for all Indonesian citizens, from central to village level to be “legally aware” and shall be the new media for the capacity development of all law enforcers in Indonesia through professional enforcement of law. However, from what has happened until today with the policy of providing huge fund for village, the policy is not considered as “a surprise to promote village” anymore since almost all village personnel are afraid to use the fund. They are afraid of law enforcement thus it inhibits the village chief and personnel in the implementation of programs to improve the village. People often coin unique acronyms for law enforcers in Indonesia with stigmatized perception as something usual and has become anecdote such as POLISI (Police officers) as abbreviation for Perkara Orang lain sumber income (“lawsuit for others, income source for them”) or JAKSA (Prosecutor) for Jangan Kau Siksa Aku (“don’t torture me, please”), HAKIM (Judge) for Hubungi Aku Kalau Ingin Menang (“contact me if you want to win the lawsuit”). It is these perceptions and anecdote that also discourage village personnel to use village budget.

Considering those conditions can Indonesian people especially the villagers be developed and welfare if legal regulations are mostly curative acts? Can’t preventive actions be enforced by law enforcement so that rural development process can be implemented without have to worry or afraid? Or can’t small administrative mistakes by village personnel be resolved just at district level and communicated to districts communication forum between camats, police chief (kapolsek) and danramil? Let us reflect the ideals and dreams of central government under leadership of President Joko Widodo so that we can have developed village and thus developed country.

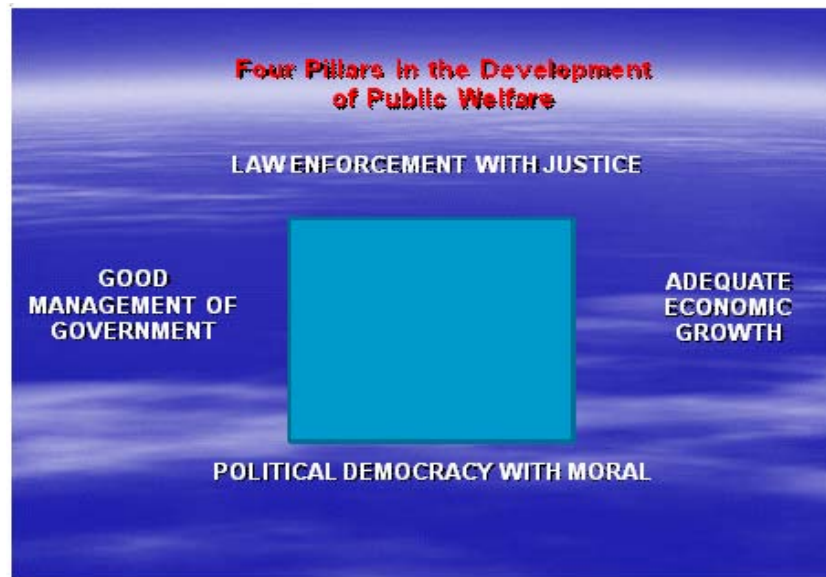


Fig. 4: Law enforcement

Adequate economic growth: It means that with the law of village, Indonesian economic growth that was seen by experts as “superficial” should be implemented in more actual manner. Why was it considered as superficial? Simple, if the economic growth is real and actual, then why are there so many unemployment? Urbanization from rural to urban areas has lead to uneven economic growth to be more in favor of urban areas. The more terrible thing is the change of Indonesian economic tradition from agricultural to industrial while the industrial development itself is not evenly distributed.

Should phenomena above continue? Indonesia should return to its basic characteristic where the progress of development should not be only in urban areas or concentrated to one region/island of Java. If we still want Indonesia to continue to exist and unite then economic growth must be felt by all regions because principally, management of the state is simple similar to the household management: “it is okay to mistakenly subtract, multiply or add but you must not mistakenly divide” which means that we must not mistakenly divide (distribute) the economic growth to whole regions of Indonesia.

Political democracy with moral: With the law of village, it is expected to provide new energy in political development in Indonesia from central to regional level where the concept of concern for rural development in terms of administrative political study is asset for all politicians who want to succeed in political career. President Joko Widodo has indirectly mapped the

national political forces so that if he want to be reelected as president he should be in favor of village development. It also applies for regional leaders at provincial and regency/city level where they should favor the development of villages, subdistricts and districts if they want to be reelected, since villages can be major votebank for regional election. On more extreme side, there are practitioners suggest that “a confident incumbent doesn’t necessarily need to campaign for second election”.

According to other scholars there are expectatin for ideals by the enactment of the law of village regarding the political condition in Indonesia that “in the future, it is expected that the one who occupy the seat in Indonesian parliament (whether at central or regional level) or the one who become the regional leader will be the successful village chief”. Agreat village chief who lead for 3 periods will certainly have real supporter base, unlike most members of parliament who are not necessarily supported by pure vote. “In the future, members of parliament in indonesia shall be former village chiefs instead of anyone who come out of nowhere then suddenly and unexpectedly become member of parliament”.

Good management of government: The enactment of the law of village shall change the management pattern of government that used to be under responsible of central government and considered as the only right one. Borrowing terms from the modern management father (Peter Drucker), actually there are no underdeveloped countries. There are only undermanaged countries. It means that management is the prime mover and that

development is only a consequence. What makes a country underdeveloped is basically because the management is still inappropriate thus undermanaged. Today, the advancement of a country is supported by IT system, so that a developed country is due to its advanced information technology. Therefore, it is necessary that in the near future, e-Govt shall be applied to all levels from central to the lowest one: village, subdistrict and district. Governmental management from one generation of "classive service" must begin to move to second generation of "close to customer" approach, thus it is inevitable to have village, subdistrict and district offices as symbol of governmental prestige. The question is where is the fund derived from? Here, managerial skills is required. The concentration of development that was used to be convergent to central must be shift to the lowest level: village, subdistrict an district.

After administrative office is available then it should proceed to third generation of service where the village, subdistrict and district offices should be the second home which means that it is required that all facilities to be online. Most people follow technological advancement, thus governmental organizations should also change and provide online public facilities such as free Wi-Fi. This free Wi-Fi shall encourage people to be more active and shall discourage apathetic attitude and then we'll be ready to step forward to the next generation of "Stop Complain" which means that in the future, all public services shall be directed toward public complete satisfacton. This fourth generation can only be found in private sectors. Yet, there still be next one, the fifth generation of "zero complain" where governmental management shall be within the concept of "smart city" which means that all villages and regions are integrated in e-Govt and public shall experience real existence of government. Let's develop village comprehensively. Developed village, developed country.

CONCLUSION

President Joko Widodo in his Nawacita (Nine Priorities), argue that one of the prioritized programs to be implemented is that the development of Indonesia shall begin from marginal areas to strengthen regions and villages within the concept of unitary state. This is in line with the efforts to overcome issue of urbanization becoming more uncontrollable. One of popular programs by President regarding this distribution issue is village fund.

In accordance with law No. 6 of 2014 on village, the distribution of village fund shall begin in 2015. Philosophically, village fund should be spent to improve the welfare and village development distribution by

improving the quality of public services at village level, promoting rural economy, overcoming the development gap between villages and consolidating the villagers as the subject of development. This program shall certainly bring positive impact in controlling the uncontrollably rapid rate of urbanization in some big cities in Indonesia.

Mechanism of village fund allocation has also been provided by government in proportional manner by considering population size, area size, poverty rate and geographical difficulty level of each village. This is indeed in line with the principle of even distribution and development. Yet, the common problematic issue usually occur in this country is that despite how good the concept, it is poorly implemented. From several studies and news presented in media, management skills in government at village level begin to be questionable. It is feared that the funds allocated are not spent as they should be. It is therefore, necessary to pay serious attention on the management of village fund.

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