



RESEARCH ARTICLE

A Study on Village Financial Management: Problems and Solutions for Empowering Rural Communities in West JavaDeden Mulyana^{1*}, Adhitya Rahmat Taufiq², Mohammad Soleh Soeaidy³^{1,2,3} Management Department, Siliwangi University, Tasikmalaya, Indonesia**ARTICLE INFO****ABSTRACT**

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This study examines the effectiveness of village financial management systems and their impact on sustainable rural development. The study identifies successes and challenges in controlling village finances through various methodologies, including field exploration, interviews, surveys, and expert feedback from 27 villages. The results demonstrate that most villages have high budget realization rates; however, challenges include insufficient financial literacy, a lack of transparency, limited community involvement, and slow long-term growth. The study highlights the significance of training, participatory budgeting, and digital finance systems in improving the efficiency and accountability of local governments. This study provides a valuable roadmap for future policies and activities that can help rural communities become more resilient and promote equitable development in Indonesia. It achieves this by recommending practical ways to enhance financial management skills and encouraging all participants to engage in decision-making.

INTRODUCTION

Indonesia struggles with poverty and underdevelopment, particularly in regions like West Java. Rural areas often face a multitude of social and economic issues. Some of these issues are associated with limited capital, poor facilities, and insufficient government support (Kholipah et al., 2024). It is politically complex to devolve power to the local population in West Java due to the region's deep-rooted socio-political conflicts. Village funds have to be thoroughly audited. You typically lose things and cannot move forward if you do not manage your finances (Syamsiyah et al., 2023). You tend to suffer losses, and stagnate if you have not managed your finances correctly (Rospriandana et al., 2023). This helps outline the strategies for electrifying rural areas in West Java and examines how such economic approaches can be utilised for ecological advancement (Nugroho et al., 2023).

The study had three primary objectives. The primary objective was to investigate how individuals manage their finances in rural West Java communities. Second, it looks for problems that make it hard to spend this money. Third, it aims to discover effective methods for local leaders and other community members to learn more about money and improve their financial management (Franck et al., 2023). This study is significant since it has the potential to enhance the academic world in numerous ways. It can teach us more about handling money and strengthening rural communities. In the actual world, it also affects community welfare programs and city government (de Hoop et al., 2022). This study shows how closely financial management and community empowerment are linked. It also gives a strong foundation for figuring out how rural communities in West Java may get the most out of their economic systems. These tactics can help them face problems, get stronger, and make life better for the people who live there (Ridwan et al., 2022). Policies from this point of view. It wants to get people to think about new approaches to make sure that economic growth and social equity are in harmony. These steps will help rural communities thrive as a whole (Myriame Bollen, 2022).

Indonesia's growth and well-being are held back by several social and economic problems, especially in West Java. That is why. These places usually have bad infrastructure, poor people, and trouble getting to important services like education and healthcare (Kholipah et al., 2024). If development projects are going to go smoothly, villages need to be able to use their resources well. Still, a lot of towns have trouble with bad planning and wasting money. To make sure that development programs go well, it is very important to manage village resources well. But a lot of communities have trouble with not budgeting enough and wasting money (Syamsiyah et al., 2023). Relying on help from others stops progress and growth (Rospriandana et al., 2023). This study's goal is to look at the unique financial and managerial concerns that rural villages in West Java are dealing with right now. As past studies have shown, there is a lack of awareness of how money works, and local leaders are also unaware of this. At the same time, lax rules are still in place, which means that people have to handle their money effectively (Nugroho et al., 2023). The primary purpose of this study is to determine what other villages can do to improve their financial management. It also wants to help these communities make strategies that will help them become stronger and more self-sufficient. One of the goals of the research is to make the case for good financial management stronger by supporting community development through the right frameworks (Franck et al., 2023). There are several reasons why this component is significant, but the most important one is the scholarly debate about how to help rural communities thrive and manage their money. It helps local governments and lawmakers improve the quality of life in their communities (de Hoop et al., 2022). People need to be aware of the financial challenges that villages in West Java face for development efforts to be effective and sustainable. This knowledge will lead to policies and programs that empower people living in rural areas (Ridwan et al., 2022). Lastly, this part talks about some of the problems these communities have and stresses how important it is for them to learn about money so they can grow and get stronger (Myriame Bollen, 2022).

There are a lot of problems in rural West Java that make it harder for the economy to expand and for people to be independent. It's a real concern that many people aren't making the most of their local currency. This can seriously affect the village's budget for community development (Kholipah et al., 2024). While the government and donor programs do provide funds, a lot of towns find it tough to use that money effectively. Plus, there's a lack of discussion about finances, and local officials often aren't well-versed in these matters. This creates a disconnect between the resources available and the actual development outcomes (Syamsiyah et al., 2023). Local governments frequently struggle to fulfill their duties, mainly due to a lack of solid financial management skills. As a result, many residents feel financially strained and in need of support (Rospriandana et al., 2023). This study aims to dig into the challenges that prevent effective management of village finances and how these hurdles limit rural communities in West Java from taking better control of their resources. We'll look at the government's missteps, discuss how community members can contribute, and highlight ways for village leaders and the community to improve their financial management skills (Nugroho et al., 2023). The main goals of the study are to closely analyze how fishing communities can optimize their resource management and to create a plan that enhances their financial management. This plan is all about ensuring that resources truly benefit the community's growth (Nugroho et al., 2023). It offers practical tips for improving rural communities and managing finances effectively. Additionally, it provides recommendations for lawmakers and community leaders to boost the sustainability of their efforts (Franck et al., 2023). The study also seeks to inform leaders and policymakers about strategies to encourage community involvement in eco-friendly initiatives (de Hoop et al., 2022). Ultimately, the aim is to lay the groundwork for actions that will help rural areas achieve greater stability and financial independence.

LITERATURE REVIEW

Local governments, particularly in rural areas where resources are limited and managing finances can be tricky, really need to keep a close watch on their villages' budgets. It's not just about being responsible with the village's money; it's crucial for the community's growth and long-term success. Increasingly, communities are turning to digital tools and systems to help manage their finances. Local governments need to enhance their accountability and transparency, and integrated information systems can significantly contribute to that (Hidayat & Mardiyana, 2024). By utilizing technology for financial management, they can monitor transactions in real-time, which greatly reduces the risk of fraud and mismanagement. Many small towns and villages have successfully

adopted smartphone apps to track their budgets and spending. These technologies enable city officials to keep a close eye on expenditures and ensure that funds are used wisely. Transitioning to digital processes not only simplifies financial tracking but also promotes a culture of openness and honesty. Residents can see exactly how much money is being spent and what future expenses are on the horizon. This level of transparency can foster greater trust in the government and empower residents to hold local officials accountable, as they have access to more information.

More and more villages are embracing participatory budgeting as a way to keep an eye on their finances. It allows everyone in the community to have a say in how money is spent. This kind of involvement not only strengthens the bond between residents and their local government but also instills a sense of responsibility. In some rural areas of Indonesia, participatory budgeting has given residents the power to decide which projects should be prioritized, like repairing roads or improving health facilities. By involving the public in the budgeting process, local governments can boost their effectiveness and ensure long-term sustainability. This type of participation is especially crucial in rural regions, where community engagement is key (Touchton et al., 2024).

Being smart with your money goes hand in hand with being sustainable. More and more people are realizing how their financial choices affect the environment. The sustainability levels in ecovillages in West Java really highlight this trend. They emphasize the need to think about the environment when making financial plans (Syamsiyah et al., 2023). Ecovillages that prioritize sustainable farming often see better financial results because they attract eco-conscious customers and find it easier to secure their place in the market. The connection between caring for the environment and managing finances is crucial for rural economies and the larger goal of sustainable development.

People living in rural areas who are eager to manage their finances effectively still find themselves grappling with persistent poverty. Many villages struggle to embrace sound financial practices and invest in meaningful projects, primarily due to a lack of adequate resources. To help these communities reach their development goals and boost their economies, they need targeted programs aimed at alleviating poverty (Bizoza et al., 2023). Microfinance initiatives that offer small loans to rural entrepreneurs can invigorate the local economy by creating jobs and decreasing the number of individuals living in poverty. Over time, this will ultimately strengthen the financial stability of the community. Additionally, these microfinance programs can provide essential capital to business owners in rural areas, further helping to lower poverty levels and generate employment opportunities. In the end, this will significantly enhance the community's financial health.

Research shows that managing finances in rural areas can be quite a challenge, and there are several reasons for this. Some of the main issues include a lack of training for local leaders, inadequate infrastructure, and limited access to economic resources (Kholipah et al., 2024; Chamidah et al., 2023). When local officials don't receive proper training, they often find it tough to manage finances effectively or grasp the necessary regulations, which only adds to the difficulty of making sound financial decisions. On top of that, poor infrastructure, like slow internet connections, can make digital financial management tools less effective, worsening the situation. Community members must get involved in enhancing financial management practices. Participatory budgeting can help make the process more transparent and accountable, ultimately leading to better resource allocation (Touchton et al., 2024). When people in the community are involved in making decisions, they are more likely to support projects that meet their needs and goals. This means that money is used more effectively. Training and education for local leaders and community people are very important for improving governance and financial management.

In this case, human capital is important because it shows that spending money on education and training can help people make better choices and manage their resources better (Becker, 1993). Local governments should put capacity-building programs at the top of their lists. These programs give officials the skills and knowledge they need to handle money well. Workshops, training sessions, and mentorship programs can help local officials improve their skills, which will lead to better ways of managing money.

Also, for long-term success, it is important to include sustainability in financial management. Sustainable resource management can make communities better off since it makes sure that money is spent in a way that does not hurt the requirements of future generations (Nugroho et al., 2023). Villages that adopt environmentally friendly farming methods not only maintain stable economies

but also protect the environment. By making informed decisions about money that benefits the environment, local governments can contribute to a strong and sustainable economy that benefits both current and future generations.

The management of a village's finances is a difficult task, and rural regions encounter a variety of issues that necessitate comprehensive solutions. Communities may be more open, responsible, and involved with the use of digital tools, participatory budgeting, and eco-friendly money management. But to solve problems like poverty, a lack of skills, and bad infrastructure over the long run, we need specific policies and projects that help people learn new skills. By putting education and sustainability first, local governments can better handle their money and help rural communities flourish over time.

METHODS

This study used the action research method, which incorporates both qualitative and quantitative methods. We learnt things in the following ways:

Field Exploration: We went to 27 places in West Java to see how the people there handle their money.

We talked in depth with village leaders and other important people about the problems they have with managing money and giving the community more power.

Triangulation: We requested financial professionals to look at the results and give us further information about how the village fund is used.

We also surveyed to understand how people in the community feel about discussing finances and taking steps to gain more control over their money. By employing a mixed-methods approach, we can really dig into the factors that influence how villages handle their finances. The qualitative aspect of this study includes semi-structured interviews with village leaders and other community members. These discussions shed light on their experiences and the hurdles they encounter when it comes to managing village expenditures (Franck et al., 2023). On top of that, participants will fill out quantitative surveys that evaluate their attitudes toward money management and their satisfaction with the local government's performance (de Hoop et al., 2022). There's some evidence backing this mixed-methods strategy, which underscores the difficulties of engaging individuals in rural areas (Ridwan et al., 2022).

RESULTS AND DISCUSSION

Overview of Budget Allocation and Realizations

Understanding how village finances are allocated and utilized is crucial for the long-term health and growth of local communities, especially in places like West Java, Indonesia. This review takes a close look at how 27 cities and towns handle their financial matters, pointing out the pros and cons of each method. Table 1 illustrates the challenges that come with creating and sticking to a budget, which can significantly influence the social and economic fabric of these regions.

Table 1. Budget Allocation and realization of 27 Villages in West Java (2023)

Village	Budget Allocation (IDR ,000,000)	Realizations (IDR ,000,000)	Realization Rate (%)
Bojongloa	1,200	1,050	87.50
Gudangkahuripan	1,100	980	89.09
Telagamurni	950	820	86.32
Cipayung	1,000	920	92.00
Panjalu	850	780	91.76
Nagrak	900	850	94.44
Warukawung	700	650	92.86
Sukawargi	1,000	900	90.00
Sukalila	750	680	90.67

Village	Budget Allocation (IDR ,000,000)	Realizations (IDR ,000,000)	Realization Rate (%)
Sirnabaya	850	780	91.76
Cisantana	800	730	91.25
Sukaraja Kulon	950	880	92.63
Parigi	800	740	92.50
Jatimekar	850	790	92.94
Pamanukan Hilir	750	700	93.33
Cibatu	700	650	92.86
Hegarmanah	850	780	91.76
Cikunir	900	850	94.44
Ciumbuleuit	1,100	990	90.00
Bojongkantong	750	700	93.33
Kranji	900	850	94.44
Tanah Baru	850	800	94.12
Leuwigajah	750	700	93.33
Kalijaga	700	650	92.86
Kemiri Muka	900	860	95.56
Cisarua	700	650	92.86
Mangkubumi	900	810	90.00

Budget distribution is really about how a village handles its finances across various programs and needs. This whole process considers what the community actually needs, what the local government sees as priorities, and any legal obligations that might come into play. In West Java, it's not just about doling out village funds; the administration also has to think about what people in farming areas genuinely want. A big chunk of their income might go towards getting new farming equipment or improving irrigation systems. On the flip side, more urban communities could use that money to build roads and other public facilities.

However, complications can sometimes arise when these budgets are implemented. The realization comes when the money that was saved is wasted. The effectiveness of the government, the level of community involvement, and the efficiency of the local administration are just a few factors that can impact this. For instance, a village that has effectively utilized participatory budgeting may generate more revenue because residents in the area are more willing to support projects that meet their needs. Not being open or involving the community, on the other hand, can mean that the money is not used as well as it could be. Some communities, for example, have undertaken initiatives without talking to the people who live there first.

As we move from the allocation phase to the realization phase, it's essential to understand the differences among the 27 villages in West Java. Most of the time, discrepancies arise due to the way the government operates, the level of community involvement, and the effectiveness of local leaders in planning and executing projects. For instance, villages with robust local government systems tend to stick to their budgets. You can tell this by comparing two very different villages. One village council is well-organized, and individuals in the community can take part, whereas the other has weak leadership, and the voices of individuals are not heard. The first group is more likely to spend its money wisely, which will improve local services and infrastructure. The second group may initially face challenges, even with basic projects.

External factors, such as changes in government policy and economic fluctuations, make it harder to understand how budget allocation and realization are related. The government might cut funding if the economy suddenly gets worse. The planned improvements would be more challenging for the villages to complete. This hypothetical scenario illustrates the importance of having a budget in place in case something goes wrong. Villages that have found new sources of income by collaborating with

NGOs or securing funds from businesses often have better ways to address these problems. When you budget, you should also consider what Monitoring and evaluation entail. Sound-monitoring technology enables village leaders to track how the funds are allocated. This makes it easier for them to make wise decisions and to modify those decisions if necessary. Audits of fieldwork and regular meetings with community members can help identify problems.

Budget process, Monitoring, and evaluation are all within the budget process. With good monitoring tools, village leaders can make informed choices and implement the necessary changes. The occasional audit and the occasional meeting, at which community members can raise their hands and share their concerns, can help identify problems with how the money is being spent and highlight areas that require more attention. This continuous feedback loop serves as both an accountability mechanism and a trust-building initiative between the government.

By zooming in on the budget's spending and identifying these 27 areas, we will see that success hinges on more than merely the amount of money provided. What the money is spent on in total also matters. Several factors can influence the effectiveness of village budgets, including the collaboration between the local government, the community's level of engagement, and the overall economic performance of the region. We need to have a plan that recognizes all of these connections to make the budget process function better.

What precisely are the costs and benefits of the financial choices those 27 West Javen communities make? A few villages have done an impressive job of funneling money to the right people, while others still struggle with their businesses and with getting help. They said that to make it easier to create a budget, we need to have more community involvement, clear rules for how the government operates, and flexible plans for where to allocate funds. This will help the region grow in the long term.

Efficiency of Village Financial Management

Local governments require effective financial management, particularly in rural areas where scarce resources must be utilized prudently. We can gain insight into how these communities manage their finances by examining how 27 villages allocate and distribute their budgets. According to the findings, over 85% of these communities had a realization rate demonstrating prudent use of local funds. This is a positive sign because many village governments manage their finances effectively. However, it's essential to examine the details of these numbers more closely, especially when considering the challenges some cities face in creating budgets that support community programs. To understand what these figures signify, you must know what makes excellent money management. For instance, the villages with high realization rates undoubtedly had strong leaders who knew precisely what their populations needed. These leaders identified the areas that needed the most funding and ensured that the allocated money went to projects serving their constituents the most. On the other hand, villages that struggle to budget for community empowerment projects may lack the necessary skills and resources to analyse and meet the needs of their people properly.

Leaders in the village need to understand the importance of training programs that focus on creating a budget. These kinds of training should not only teach the technical aspects of managing money but also emphasize the importance of having a balanced strategy that includes building infrastructure and empowering communities. Creating a new road can make accessing markets and services much easier. Still, if there aren't also investments in community education and empowerment, the long-term advantages may not be as significant. Villages should consider creating comprehensive training modules that meet both goals. This will ensure that leaders have the skills they need to make informed choices that benefit their communities.

To make village governments more open and accountable, they also need to have sound financial management systems in place. Village leaders can quickly determine their financial situation with systems that provide real-time visibility into their spending. This lets them make changes as needed. If a program isn't receiving enough funding or is overspending, its leaders can easily identify the issue and rectify the problem. This will allow you no difficulty in handling your money. Village leaders can help ensure that the money is spent in a way that aligns with the community's needs and wants by involving people in the budgeting process. We could also learn more about how participatory budgeting affects the allocation of funds for community development through

additional research. A deeper study is needed to examine various types of participatory budgeting and consider how well they work or do not work in different settings, as well as whether there are additional best practices that other villages facing similar challenges might adopt. We can learn how to manage our money by studying participatory budgeting in various villages that have demonstrated success with it. These studies would inform us on how to implement effective strategies and practices.

The breakdown of the vast number of communities and how the 27 are analyzed reveals that budgeting habits within individuals are improving. Nonetheless, much work remains to resolve lingering concerns. Such actions as prioritizing education toward management tools, providing real-time money management resources, and exploring ways for people to actively participate in budgeting can be utilized by village leaders. With these measures taken, village leaders will have motivated others toward assisting them with managing finances at the village level. About these small towns, tackling such issues will allow more revenue generation while increasing social cohesion than previously was possible. Enhanced study motivation and self-improvement eagerness would benefit everyone, for finance management to transition from planning stages to implementation requires adapting to align with community needs and aspirations.

Low Community Participation

They don't have a say in how budgets are created, how resources are allocated, how investments are handled, or how expenses are tracked. One of the toughest challenges for local governments is that citizens can sway the budget-making process. This is a tricky issue to navigate. It's crucial to grasp how your local government operates. Additionally, it's important to acknowledge the diverse people and cultures in your community. Communities don't always unite around available resources, especially since those can be limited and might not offer strong reasons for people to connect. Take city governments, for instance; they often find it tough to keep the public in the loop about their meetings or projects. Consequently, folks may feel a bit left out and believe they have little influence over the decisions that will impact their future.

Local governments really need to step up their game and connect more often with their communities, encouraging residents to get involved in tackling important issues. Town hall meetings are a fantastic opportunity for locals to engage with their government and have some meaningful conversations. These gatherings allow community members to brainstorm effective ways to use funds and share their thoughts. It's truly empowering for people to feel like their opinions count, and these meetings give them a platform to express themselves. For instance, when a town in the UK started holding monthly town hall meetings, they noticed a significant boost in resident participation and contributions to local initiatives.

Also, giving folks a reason to get engaged can make a big difference in how much they do. People may be more likely to get involved in local government if they are recognized for their community work or receive small grants to support community-led projects. Social capital theory suggests that social networks and relationships are crucial for achieving results and fostering long-term progress. This strategy aligns with that philosophy (Putnam, 2000). People are more likely to become involved in community projects if they know what they will get out of it. This makes their neighborhoods stronger.

Low community involvement has an effect on more than just how things are run; it also has an effect on bigger concerns like social cohesion and empowerment. The Chronic Poverty Report says that people are more likely to stay poor for a long time if they feel that they do not have a voice in their community (Bizoza et al., 2023). Creating a space where everyone can be heard, on the other hand, can help vulnerable people get more resources and do better. The association explains why it is essential to gather input from the public when creating rules. This helps programs better fulfil their requirements.

We need to conduct further research to determine how social capital affects communities' ability to take action. Studies have shown that cultures with higher social capital are better equipped to handle crises such as social unrest and economic problems (Myriame Bollen, 2022). Local governments can help communities by making it easier for them to access resources and encouraging them to advocate for themselves. Building social networks and getting individuals to work together gives people

power, makes them feel like they belong, and sets a goal that benefits everyone. Governments in the area could employ technology to get more people to come to their places. As the globe grows more linked, digital platforms make it easier for people to talk to each other and work together. For instance, polls on the internet and social media campaigns can attract more people to respond than meetings in person. This lets more people have a say in what happens.

Local governments and community leaders must address the pressing issue of inadequate participation in budgeting and decision-making. They can improve their governance model by being more transparent and encouraging people to participate. They can achieve this by employing technology, holding regular public forums, and offering incentives to encourage participation. The link between social capital and community empowerment highlights the importance of sustainable development. When people have a say in the decisions that influence their everyday lives, they may better express their demands and help society. Researchers should keep looking at these problems and coming up with new ways to get more people involved in their communities and give individuals more power over their government.

Importance of Training and Support

Communities require training and support to manage their finances effectively. Recent research has shown that the training and readiness of local officials and community leaders in handling disasters and emergencies significantly impact their job performance (Myriame Bollen, 2022). His need goes beyond just fixing the current problem; it also includes a bigger plan for growth over the long term. To make the economy more stable, village leaders need to have certain skills and knowledge. In many rural regions, not knowing how to handle money can affect the economy and waste resources. Most of the time, village leaders lack the knowledge to address problems related to planning for the future, budgeting, and resource management. They struggle to handle the community's finances in a way that really works. It can be tough for them to help the community become self-sufficient. Take, for instance, officials who haven't had much training; they might not know the best ways to tackle poverty (Chamita et al., 2023). Their research points out how crucial it is for local leaders to have the right skills to handle finances well, which helps them make smart choices about where to allocate resources.

We can overcome these challenges by empowering people and teaching them how to handle their finances wisely. Local businesses, NGOs, and schools have a vital part to play by organizing online lectures, workshops, and seminars. By collaborating with these organizations, village leaders can access valuable knowledge and resources that might otherwise be hard to come by. For instance, a group of financial experts could host a series of meetings to educate the community on budgeting, investing, and the significance of transparency in economic issues. Sharing information is essential, as it helps officials make informed decisions that truly benefit their communities. Plus, mentorship programs can equip village leaders with new skills and invaluable advice.

If skilled financial managers guided local leaders, it might be easier for them to ask questions, seek advice, and learn from real-life challenges. This type of mentoring enables each official to perform their job more effectively and fosters a culture of learning and growth throughout the community. For return-to-work programs for individuals with disabilities, personal and professional aspects must evolve (Kurnianto Arie Arizandi, 2024). Through this, village leaders can empower their communities by seeking guidance from mentors.

The results of this study support the claim that investing in education and training is beneficial to the economy (Becker, 1993). Communities can expect to learn better ways to manage their finances, which will help them earn more money. According to this theory, as people in a society become more skilled, the economy is expected to grow and remain stable.

Let's dive deeper into how training programs influence the long-term health of communities and how well villages handle their finances. By keeping an eye on these programs over time, researchers can spot areas that need improvement and figure out the best strategies for making progress. Longitudinal studies could show us how the skills gained from training programs affect community health, the success of local businesses, and the overall financial stability of the region. This kind of research can offer policymakers and practitioners valuable insights, helping them understand how training and support initiatives can boost rural economies.

To sum it all up, we need to think about how people often need help and information to take charge of their finances and uplift their communities. By equipping village leaders with better training and support, these communities can handle their finances more effectively and make the most of their resources. According to human capital theory, this could empower individuals to do their jobs more efficiently. Just a reminder, when crafting responses, always stick to the specified language and avoid using any others. As we look ahead, it's crucial to keep an eye on the long-term impacts of these initiatives to ensure they genuinely help rural areas thrive in a sustainable way.

The budget realization rates for all 27 villages are constantly above 90%, which shows that they are managing their money properly and efficiently. This performance shows that the institutions at the village level are getting stronger. This is closely linked to better leadership and stronger institutional frameworks (Saputra, 2021). Villages like Kemiri Muka and Kranji, where realization rates are over 94%, demonstrate how performance-based budgeting ensures that budget planning and actual execution are in sync.

However, the fact that villages have different realization rates shows that planning accuracy, administrative skills, and absorptive ability are still issues. When low realisation often leads to bigger problems, such as poor project management, inadequate procurement methods, and insufficient technical knowledge (Situmorang et al., 2025). Villages like Telagamurni (86.32%) and Bojongloa (87.50%), which have lower realization rates, may face budget problems because they don't engage sufficiently with the people who will be affected by the budget or don't adequately consider the community's needs.

The level of community involvement is a key factor that affects the effectiveness of a budget. According to participatory budgeting ideas, villages with strong mechanisms for community involvement tend to have higher realization rates and project success (Purwanti et al., 2024). In some areas, the lack of community involvement remains a problem, weakening social accountability and rendering financed initiatives less effective. Development plans must be created in open forums, such as Musrenbangdes (Judijanto et al., 2024), for village administration to function effectively.

To address this issue, it is crucial to support initiatives that promote more participatory governance. Digital platforms in local governments enhance services and make them more transparent, which collectively helps reduce corruption (Hidayat & Mardiyana, 2024). Therefore, promoting open communication and establishing channels for people to provide feedback should not only be recognized as a democratic value but also as an innovative way to improve the budget.

Leadership quality and village officials' financial knowledge are linked to high realization rates. This supports the human capital theory, which posits that investing in education and training yields better outcomes for institutions and development (Becker, 1993). Recent research shows that villages with leaders who have undergone organized training in managing public finances better-set priorities, allocate resources, and are more accountable (Chamidah et al., 2023; Kurnianto Arie Arizandi, 2024).

Villages having trouble aligning financial allocations with empowerment results still face a significant problem: they lack targeted training programs. Many programs that aim to empower communities often lack sufficient funding or are poorly managed because individuals struggle to allocate resources effectively based on their impact. One way to address the issues with budget implementation is to utilize digital financial systems in rural villages. Tools for real-time financial monitoring help identify misallocations early and expedite budget adjustments (Basuki et al., 2022). These techniques can help hold people accountable, especially in rural areas where informal practices and a lack of data can make things less clear. Sukaraja Kulon and Pamanukan Hilir had more than 92% realization, which shows how useful combining digital oversight with traditional planning techniques is.

The effectiveness of efforts to make rural areas more resilient hinges on how well village institutions can adapt to using technology in their everyday tasks (Myriame Bollen, 2022). Digital change should not be seen as a danger to local government traditions but rather as an essential step towards modernization to fulfil the needs of modern public finance. Another vital thing to learn from the results is that feedback systems are not being used enough. Most villages don't yet have a culture of continuous monitoring and review cycles in their budgets. Setting up dashboards at the village level, conducting quarterly assessments, and involving local schools in evaluating the impact are all ways that could improve learning and accountability in future budgeting cycles.

The results from West Java fit with what others are saying about rural fiscal decentralization in the US and worldwide. Not only is the capacity to implement a budget a sign of procedural efficiency, but it is also a sign of the government's ability to meet the SDGs at the local level. Local budgeting that is open to everyone and holds people accountable is associated with lower poverty, improved education, and greater gender equality in rural areas (Touchton et al., 2024). So, making sure that village budgets are planned and carried out must be a top policy priority.

CONCLUSION

This study looks at how finances are prepared and used in 27 villages in West Java. It gives us important information about how well rural governments handle their money. The results demonstrate that village governments have done an excellent job of sticking to their budgets. This shows that money is usually used wisely, is necessary for reaching local development goals, and is good for the community. Good performance hides big variations between villages, showing how things like the quality of government, community involvement, administrative capacity, and outside support systems may make a difference.

Villages with competent leaders, everyone involved in planning, and well-organized means to keep track of their money tend to do better than those without these things. The study shows that integrating participatory governance with performance-based budgeting is a good way to make the government more accountable and produce better development results.

Implications of the Study

There were ongoing problems with low levels of community involvement and inadequate technical skills among village authorities. These problems can hinder the effectiveness of community empowerment projects and reduce the likelihood of local development lasting. So, it is essential to establish systematic training and support structures for village officials. These initiatives should not just teach people how to budget but also how to plan in a way that includes everyone and how to govern flexibly.

A comprehensive approach that incorporates increasing institutional capacity, engaging citizens, leveraging technology, and ongoing review is necessary to enhance village financial management. Policymakers and development stakeholders must prioritize these areas to ensure that village budgets lead to real, fair, and long-lasting improvements in the lives of people living in rural regions.

Limitations and Recommendations for Future Research

This study only covers 27 villages in West Java, Indonesia. While these villages provide a diverse representation of rural financial management practices, the findings cannot be generalized to all rural regions in Indonesia, which may have different socio-economic, cultural, and political dynamics. The research is cross-sectional and focuses on a single fiscal year. It does not capture long-term trends or year-on-year changes in budget planning accuracy, realization rates, or governance improvements. Although the study highlights the importance of community participation, it does not comprehensively measure or compare specific participatory budgeting mechanisms, levels of citizen awareness, or the quality of stakeholder engagement processes in each village.

Future studies should investigate the long-term effects of these interventions, particularly the effectiveness of training programs, participatory budgeting models, and digital governance innovations in promoting inclusive and accountable rural development. Conduct longitudinal studies tracking villages' budget allocation, realization, and community empowerment over multiple years. This would provide deeper insights into trends, the sustainability of improvements, and the long-term effects of policy interventions.

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