



# Failure of Good Governance At the Local Level: A Case Study of PKH Social Assistance and Village Fund Management

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## Abstract

Good governance is a fundamental prerequisite for creating effective, transparent, accountable, and responsive governance to public needs. However, the reality on the ground indicates that governance practices are not aligned with these principles of good governance. Implementation failures are still common, especially at the lowest levels of government, such as villages. This phenomenon is reflected in various problems, ranging from the ineffective distribution of social assistance, weak oversight mechanisms for the use of village funds, to minimal active community participation in decision-making and oversight processes. The consequences of implementation failures of good governance. This is a drastic decline in public trust in government institutions and has hampered the achievement of development program goals. This article comprehensively analyzes the root causes of governance problems at the village level, emphasizing the importance of internalizing and implementing the principles of transparency, accountability, participation, and law enforcement as key pillars for building a cleaner, more responsive, and more welfare-oriented government. Furthermore, this study identifies and proposes a series of holistic improvement solutions, based on an inclusive, participatory approach and optimizing the use of information technology, to improve the quality and effectiveness of public services at the village level.

## INTRODUCTION

Achieving good governance is a crucial agenda in the development of a country, because it is the foundation for the efficiency, effectiveness, and legitimacy of governance (Hartanto et al., 2021; Scholar, 2019). The concept of good governance is only relevant at the central level, but it is also very urgent to implement it consistently at the smallest levels of government, such as villages and even Neighborhood Associations (RT) (Menon & Hartz-Karp, 2019). As the structural units closest to the community, RTs and villages have a fundamental role in bridging the needs of residents with government policies, as well as being at the forefront of providing public services (Su et al., 2024). However, various reports and research results show that the implementation of the principles of good governance at the

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local level, despite development still faces some serious challenges (Morita et al., 2020; Munzhedzi & Makwembere, 2019). Classic problems that frequently arise include the misdirected distribution of social assistance, the widespread abuse of authority in the management of village funds, and the low level of community involvement and active participation in policy formulation and oversight. These conditions not only lead to inefficiency and ineffectiveness of development programs but also significantly erode public trust in government institutions, which in turn can hinder the achievement of sustainable development goals (Beshi & Kaur, 2020; Engkizar et al., 2021).

Specifically in the village context, village fund management is a major focus (da Costa Freitasl & da Costa, 2022). With the enactment of Law of the Republic of Indonesia Number 6 of 2014 concerning Villages, village governments now have greater autonomy and authority in managing village finances. While aimed at accelerating development and community empowerment, this increased authority must be balanced with strong oversight mechanisms and increased capacity and integrity of village officials. Without adequate oversight and a commitment to the principles of good governance, village funds are highly vulnerable to misuse and corruption, as indicated by various case studies highlighting suboptimal village fund management (Garung & Ga, 2020; Saputra & Fitriwati, 2023; Sari & Widyawati, 2021).

This article aims to conduct an in-depth analysis of the factors causing failure. Good governance at the local level, focusing on case studies of social assistance distribution, particularly the Family Hope Program (PKH), and village fund management practices (Eshiotse et al., 2023; Meyer & Auriacombe, 2019). Furthermore, this research will identify and propose pragmatic and applicable solutions to encourage implementation. Good governance, which is more effective, transparent, and responsive, is needed to realize excellent public services and sustainable village development (Basterretxea et al., 2022; Handayani et al., 2023).

## **METHOD**

This research adopts a qualitative approach with a case study method, which allows for in-depth exploration of the implementation phenomenon of good governance at the local level (Amadi, 2023; Annamalah, 2024; Uddin et al., 2021). Data were collected through a comprehensive literature review of various sources, including: (a) policy documents and related laws and regulations, good governance, and village fund management; (b) relevant research reports and dissertations/theses; and (c) scientific journal articles discussing transparency, accountability, community participation, and corruption-related issues in the context of local government (Engkizar et al., 2022).

Data analysis was carried out descriptively-qualitatively, by identifying failure patterns, causal factors, and the impact of not implementing the principles of good governance (Djafar et al., 2019; Muhartono et al., 2025). Findings from various literature sources are integrated to build a solid argument regarding the condition of good governance at the village level and formulate relevant, evidence-based solutions. This approach allows researchers to understand the complexity of the problem from multiple perspectives and present a holistic picture.

## **RESULT AND DISCUSSION**

Implementation of good governance. At the local level, particularly in villages, various obstacles are faced, manifested in several crucial aspects (Basri et al., 2021; Junaedi, 2023). This analysis integrates findings from various reviewed literature to provide a comprehensive picture: 1) Inaccurate Distribution of Social Assistance. One of the most obvious indicators of the failure of good governance is the frequent occurrence of inaccurate targeting in the distribution of social assistance, such as the Family Hope Program (PKH). This problem is explicitly highlighted, which is often caused by inaccurate recipient data, a lack of adequate field verification by relevant

parties, or even the intervention of political or personal interests in the process of determining the recipient list. As a result, people who really need assistance are neglected, while individuals or groups who are not entitled to it actually benefit (Andriani & Rassanjani, 2024; Kurniawan, 2024; Marantek & Sejati, 2023).

Data analysis was carried out descriptively-qualitatively, by identifying failure patterns, causal factors, and the impact of not implementing the principles of good governance (Djafar et al., 2019). Findings from various literature sources are integrated to build a solid argument regarding the condition of good governance at the village level and formulate relevant, evidence-based solutions (Mills et al., 2021). This approach allows researchers to understand the complexity of the problem from multiple perspectives and present a holistic picture. Furthermore, community participation in village fund management is not fully inclusive and substantive. Purwanti, (2021) found that although the community had been involved in village fund management in Melilian Village, the level of participation was not optimal at all stages. Sari & Widyawati, (2021) also noted that participation in planning remained weak, and the community did not fully understand the different types of village funds available. Cultural factors and paternalism exacerbated this situation. A culture of obedience to administrators in the context of Islamic boarding schools can impact accountability, and this is similar in villages, where traditional power structures often hinder communities from daring to criticize or independently oversee the village government (Engkizar et al., 2022b).

On the other hand, challenges in utilizing information technology and implementing e-government also pose obstacles to achieving transparent and accountable village governance (Fadrial et al., 2024; Sofyani et al., 2020). Information technology has significant potential to improve the efficiency of public services and strengthen the principles of good governance. However, the implementation of e-government in the regions still faces various obstacles. While e-government can accelerate services and expand access to information, limited technological infrastructure and inadequate human resources pose serious obstacles (AbdulKareem et al., 2020; Mono, 2021; Zeebaree et al., 2020).

Resistance from implementers who lack technological expertise and a culture of corruption also hampers the optimization of electronic systems, including in the procurement of goods and services (Arini et al., 2023). The success of e-government depends heavily on infrastructure readiness, human resource capacity, and political commitment (Arini et al., 2023). Unfortunately, the uneven and suboptimal implementation of e-government at the regional level remains a barrier to achieving greater financial transparency.

Although the implementation of good governance while local governments still face various challenges, several supporting factors can drive improvements in village governance (Basri et al., 2021). These include the existence of laws and regulations, such as the Village Law and the Law on Public Information Disclosure, which provide a strong legal basis for demanding transparency and accountability. Furthermore, increased public awareness of their rights to information and active participation in government processes contributes to strengthening the push for better governance (Engkizar et al., 2023). Support from external parties, such as universities, non-governmental organizations, and the mass media, also plays a crucial role in advocacy, mentoring, and monitoring village government performance (Wisnumurti et al., 2020). Amidst these challenges, the rapid development of information technology offers significant opportunities for innovation in more transparent and efficient governance (Kania et al., 2021).

Third, increasing substantive community participation must be a priority. Village governments need to conduct intensive outreach regarding community rights and obligations in village governance oversight, through regular meetings, village information media, and interactive digital platforms (Setiawan, 2024; Xisao et al., 2025). The formation and empowerment of independent civil society groups, such as citizen forums or supervisory committees, must be supported to monitor the use of

village funds and the implementation of development programs. Community participation should not stop at the consultation stage but should also include decision-making and providing feedback through easy, secure, and responsive complaint mechanisms. Fourth, firm and effective law enforcement is essential to create a deterrent effect on perpetrators of abuse of authority or corruption at the village level. Law enforcement officials such as the police, prosecutors, and the Corruption Eradication Commission (KPK), with the support of local governments, must demonstrate a commitment to consistently and transparently addressing violations (Prasetyo & Herman, 2025). Furthermore, preventative efforts need to be strengthened through regular and independent internal and external audits to ensure integrity and accountability in the management of village funds (Amiruddin & Riswadi, 2025; Wijayanti et al., 2024).

## CONCLUSION

Implementation failure of good governance. At the local level, reflected in issues such as the misdirected distribution of social assistance and weak oversight of village funds, these problems represent significant obstacles to inclusive and sustainable development in Indonesia. The root causes of these problems are multifactorial, including limited human resource capacity in village governments, suboptimal infrastructure and information technology utilization, local cultures that lack transparency, and weak law enforcement.

To overcome these challenges and realize good governance. Effective governance at the village level requires collaborative and integrated efforts. Increasing transparency through optimizing the use of information technology, strengthening accountability mechanisms that involve the active participation of communities and oversight institutions, and increasing substantive public participation at every stage of development are crucial steps. Furthermore, firm and impartial law enforcement against all violations is key to restoring public trust and creating a deterrent effect. Comprehensive governance reform must begin at the grassroots level, namely, villages and the smallest communities, as an essential foundation for building a just, prosperous, and sustainable nation.

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