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Cover Page Footnote

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Increasing the Capacity Building Program Based on Local Wisdom (Case study in Kepatihan Village, Gresik Regency)

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Abstract. This study aims to describe village governance based on the principles of good governance and to reconstruct a more effective capacity building model based on local wisdom values. This study uses a mixed method of quantitative and qualitative methods. This research design intends to evaluate quantitative data and explore it more deeply using qualitative data. The research sample consisted of 86 people taken from the population, which included elements of the village apparatus, the Village Consultative Body and community leaders—collecting data through questionnaires, interviews and secondary data. Data analysis was firstly carried out descriptively quantitative then elaborated with interactive qualitative data. The results showed that the Kepatihan village government had not met the criteria for good governance. This is partly due to the ineffective capacity building program. This research suggests a need for a more effective approach by synergizing with local wisdom values so that the capacity building program can truly internalize and ultimately increase the competence of village officials. The novelty presented from this research is to increase the effectiveness of the village apparatus capacity building program, which can be synergized with local village traditional events.

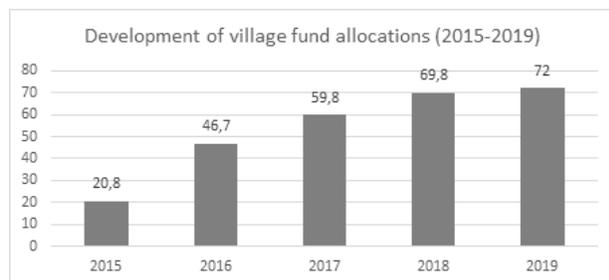
Keywords: Village, capacity building, good governance, local wisdom

INTRODUCTION

The development of the population in urban areas is increasing every year. In 2019 the urban population increased to 150.9 million or 55.8% of Indonesia's total population of 270.6 million. The increase in urban population from year to year shows that the village is still seen as less attractive as a place to live and has economic, social, and cultural activities. For this reason, in recent years, the Indonesian government launched a program to accelerate development and economic growth in villages, namely the village fund policy. The benefits of village funds are prioritized for financing development and community empowerment to improve rural communities' welfare, the quality of human life, and poverty alleviation, which is outlined in the Village Government Work Plan.

The allocation of village funds from year to year increases with details as follows:

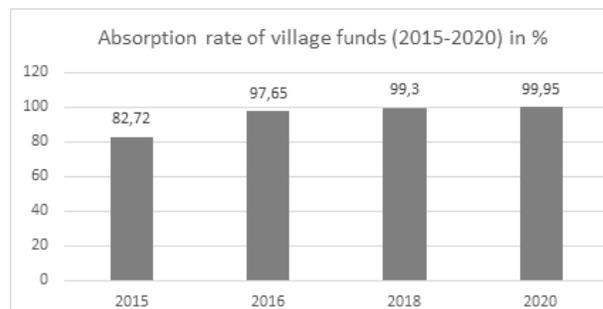
Figure1. Development of village fund allocations (2015-2019)



Source: Ministry of Finance of the Republic of Indonesia, 2020

Likewise, the absorption of village funds has also increased from 2015 to 2020, as illustrated below:

Figure2. Absorption rate of village funds (2015-2020)



Source: Ministry of Finance of the Republic of Indonesia, 2020

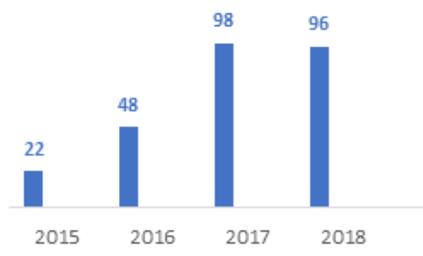
The funds have been distributed to 74,954 villages throughout Indonesia. However, the management of this abundant village fund is prone to the risk of corruption. Based on the results of monitoring by the Indonesian Corruption Watch (ICW) from 2015 to Semester I 2018, cases of corruption in village funds have increased. There have been at least 181 cases of corruption in village funds with 184 corruption suspects and a total loss of IDR 40.6 billion (<https://nasional.kompas.com/>). ICW data shows 46 corruption cases in the village budget sector out of 271 corruption cases during 2019. Village budget corruption was recorded to have caused state losses of up to IDR 32.3 billion (<https://nasional.kompas.com/>). This shows the absence of an effective supervisory system in the management of village funds, and on the other hand, there is still a lack of integrity of the village government.

The inaccuracy of village funds can also be seen from the number of Village Heads who do not know and cannot manage the Village Funds disbursed by

the government according to their allocation. They eventually have to deal with the law. Several cases raised by the Minister of Finance, such as village funds, were originally for road repairs but were used for building construction. There is something else that is supposed to be for the construction of an embung but is instead used for roads, and there is still another misuse of the budget so that it must be improved from the aspect of governance (Media Indonesia, Thursday 24 September 2017).

This phenomenon indicates that the village government accountability system is not yet optimal, especially in managing village funds. Based on Indonesia Corruption Watch (ICW) monitoring on cases of violations of the use of village funds from 2015 to 2018, it continued to experience a significant increase reaches 262 cases as shown below.

Figure3. Cases of violation of village funds since 2015-2018



Source: <https://www.cnnindonesia.com/nasional>

These conditions indicate that among the many village governments that have succeeded in managing village funds productively, effectively, and efficiently, many tend to abuse their authority. As Sumodiningrat dan Wulandari (2016) argues, some of the use of village funds is less effective because it does not touch the basic aspects of the village, namely the agricultural sector. This condition needs the attention of various parties to minimize misuse of village funds. Violations are generally caused by weaknesses in four aspects, namely regulation, management, supervision and human resources who manage village funds. Several studies have also shown that there are various obstacles in the distribution and use of village funds, such as the low capability and capacity of Village Government human resources and very minimal participation of village communities (Aziz, 2016; Mariyanti & Mahfudz, 2016; Mariyono & Sumarno, 2015).

Whether or not the village government is effective, especially in managing village funds, is strongly influenced by the capacity factor of village officials in applying the principles of good governance. Although there have been many programs to increase the capacity of village officials, the reality still shows that many village government administrations have not been fully able to implement the concept of good governance in their governance. The number of cases of irregularities in the use of village funds in recent

years shows that the village government accountability system is still low (Azhari, 2016). The low capacity of village officials is seen from the level of understanding, awareness or commitment in implementing an accountability system among village officials. It still needs to be improved. The concept of accountability, which has been relatively new since the beginning of the reform period in Indonesia, is still not fully understood by government administrators. Low understanding of the accountability system will result in ineffective implementation of a "pseudo" accountability system (Astuti, SJW, 2010).

Research on village capacity building is still urgent and needs attention. Several studies recommend this, such as Yunus and Sani's (2017) research results show that strengthening the capacity of village government still needs to be fulfilled, especially in terms of recruitment, working conditions, leadership, organizational culture, and management structure. They also emphasized the importance of continuous training and active participation from the village government as one of the supporting factors for strengthening the capacity of the Village government. Apart from supporting factors, inhibiting factors were found, such as low community participation and the inactive role of village institutions. Another research conducted by Haning and Tahili (2018) also shows that the strengthening of the capacity of village government in the implementation of village fund-policy implementation at Maros Regency was not optimal. They concluded that the village fund policy's primary target to strengthen the village government's capacity and the people of Maros Regency had not been implemented effectively. These findings are proven through a study of four dimensions: strategic thinking, empowerment, social capital, and community participation, which have not been achieved optimally. Similar to the results of the study, Takdir, Syam, and Sakrawandi (2021) found that the capacity of the village government in managing the village funds budget in Pulau Sembilan District, Sinjai Regency is not optimal. Particularly in terms of infrastructure development, it was found that the quality of development was in the poor category. Therefore, it is necessary to have tighter supervision related to good village fund management supported by strong regulations to realize the development and empowerment of village communities right on target. The results of the above research indicate that research on the capacity of village governments in managing village funds is still important, so that solutions can be found to overcome their weaknesses.

The ability to apply the principles of good governance in the implementation of village governance is a necessity as implied in Law No. 6 of 2014 that the implementation of village governance adheres to, among other things, the principles of accountability, legal certainty, participation, effectiveness and efficiency, etc. principles of good governance. However, implementing an accountability system is not easy. Many factors cause the accountability system to fail,

including the lack of awareness, understanding, and commitment to the importance of accountability from both the apparatus and the village community.

In addition, the implementation of village government also needs to be based on the principle of local wisdom, namely wherein the implementation of village development and policymaking must utilize and pay attention to local wisdom that reflects the needs and interests of the local village community. Therefore, efforts are needed to raise awareness and commitment from below, which is supported by the values of local wisdom in order to create a natural and effective accountability mechanism. Departing from this phenomenon, it gave rise to ideas to further explore the values of local wisdom that could support the program to increase the capacity of village officials in applying the principles of good governance to create accountable village governance.

Local wisdom is a policy or original knowledge of a community that comes from the noble values of cultural traditions to regulate the order of people's lives. Local wisdom is usually reflected in the long-standing habits of community life. The sustainability of local wisdom will be reflected in the values prevailing in certain community groups. These values become the holdings of community groups who will become a part of life that can be observed through their daily attitudes and treatment (Suaib, 2017).

The assumption made in this study is that the village government capacity building program is no different from community capacity building where village officials are a subsystem of the village community itself. A new program, in this case is a capacity building program, will certainly be easier to accept and internalize if it is synergized with the values of the village's local wisdom in its implementation. Based on the background of the problems above, the problem of this research is how the capacity of village government in applying the principles of good governance and how the values of local wisdom can be synergized in the capacity building program of village officials.

RESEARCH METHOD

The method used in this study is a combination of quantitative and qualitative. The mixed research method used in this study is a sequential design, where the quantitative component precedes the qualitative component (Schoonenboom and Johnson, 2017). Quantitative methods are used to describe the capacity of village government based on the principles of good governance. In comparison, the qualitative method is used to explore the values of local wisdom that can support the program to increase the capacity of the village apparatus.

Data collection was carried out for three months between June to August 2020 including distributing questionnaires and in-depth interviews. The distribution of questionnaires to several samples consisting of several elements, namely the village apparatus of Kapatihan Gresik, including 52 hamlet heads,

RW and RT, 9 heads and 25 members of the Village Consultative Body (BPD), making the total sample of 86 people. The sampling technique for village officials and BPD is total sampling. Meanwhile, respondents who come from elements of community leaders are taken by convenience sampling. The data obtained from this questionnaire were processed using a Likert scale consisting of 1 to 5 to obtain high, medium, and low categories..

The next stage was a triangulation of data through in-depth interviews to confirm the quantitative data obtained from distributing questionnaires and obtain additional, more in-depth information. Informants were selected purposively based on certain considerations related to the management of village funds, which consist of elements from the village head, village officials, BPD, community leaders. After extracting qualitative data through interviews, the next stage was the implementation of focus group discussions (FGD) to explore and identify the values of local village wisdom that could support capacity building programs and support the implementation of the village government accountability system. The final stage is to analyze the data using a mix-method, namely descriptive quantitative and qualitative. Moreover, they were supported by qualitative data that were analyzed interactively to produce a theoretical model for increasing the capacity of village officials based on local wisdom.

RESULT AND DISCUSSION

Good Governance-Based Village Administration

The implementation of village governance based on good governance consists of several indicators. The respondents' answers are categorized into 5 ranking scores ranging from the highest or the very good to the very low or terrible scores. The following is a summary of the results of the respondents' answers related to the implementation of village governance based on the principles of good governance, including participation, legal certainty, transparency, responsibility, consensus-oriented, fairness, effectiveness and efficiency, accountability, responsiveness, strategic vision, and equity.

According to table 1, the average score of the implementation of the good governance principles in the Kapatihan village government is equal to 47,39 %. So that quantitatively the implementation of the principles of Good Governance in Kapatihan Village Government is in the category "fair" or "moderate". Some good governance principles that are still unsatisfactory include: transparency, easy access to information, The existence of accountability reports, Increasing public trust, Absence of abuse of power and equality in providing services where each of these principles is rated below 50%. The low assessment regarding several principles of good governance indicates the lack of competence of village officials. This indirectly shows the ineffectiveness of the previously implemented capacity building programs.

Table1. Implementation of Good Governance Principles in Village Government

Indicators	Sub Indicators	Score (%)
Participation	Freedom of expression	55,58%
	Involvement in village decision making	55,58%
Legal certainty	Legal certainty Consequently comply with laws and regulations	66,51%
	Clarity of village regulations	67,91%
Transparency	Transparency Easy access to information	43,02%
	Responsibility to provide services according to community needs	55,35%
Responsibility	Ability to carry out obligations	55,58%
	Consensus Oriented The existence of deliberation in decision making	59,53%
Fairness	Effective and Efficient Development program runs according to plan	66,05%
	Effectiveness and efficiency	
Accountability	Use of funding sources is right on target	51,86%
	Conformity implementation according to SOP	53,95%
	The existence of accountability reports for the implementation of activities in the community	46,98%
	Increasing public trust	44,19%
Responsiveness	Absence of abuse of power	46,98%
	Responsiveness Providing services according to community needs	53,95%
	Development programs in accordance with the needs and potential of the village	56,98%
Strategic Vision	Strategic Vision Existence of long-term planning	56,05%
	The existence of a clear vision and mission of the village government	59,30%
Equity	Equality in providing services	47,21%
Total Score		47,39%

The problem of village government that has not applied the principles of good governance is not only faced by Indonesia, but also in several other countries facing the same problem. The low accountability of the village government is also common in China. The research results by Shuai Wu & Tom Christensen (2020) show that corruption and accountability of village government are also still serious problems in China. Although new anti-corruption policies and laws have been implemented, corruption among village and kelurahan cadres is still widespread and difficult to eliminate in the short term.

Ineffective Village Government Capacity Building Programs: The case in Kapatihan Village

Increasing the capacity of village officials is necessary because villages are the spearhead of development. With increasingly large resources being provided to accelerate rural economic growth towards an independent village, the first layer that needs to be empowered is the village officials organising these large village resources. Various capacity building programs that have been implemented have often been ineffective in increasing the capability of village officials. This is indicated by the fact that many villages have not utilised resources, especially village funds, to increase the productive economy in their villages.

Capacity building is an effort to increase apparatus resources, positioning the apparatus as the main object through technical, theoretical, conceptual and moral efforts to increase the apparatus's capacity and be carried out according to systematic procedures (Mongilong, Singkoh, & Kairupan, 2018). Capacity building has multiple meanings, and its interpretation depends on who is using it and in what context (Maransa, 2018). In developing the capacity of village officials, of course, they do not always use the same techniques and approaches, considering that in each village and its apparatus, the conditions vary in terms

of their basic abilities.

Previous failures need attention and evaluation so that they do not repeat the ineffectiveness of the capacity building program in the future. In general, capacity building is carried out through education and training, which consists of developing insights, talents, potential, personality, capital, and work ethic in supporting village administration control. Capacity building programs as commonly carried out in other villages include training, coaching and consultation. The training includes formal leadership development, technical skills training such as financial management training, planning at the community level and various non-formal activities to build trust and social capital among villagers. The training methods used included the exchange of opinions, teaching and learning, question and answer, focus group discussions, individual work, group work, simulations, and observations.

The village government capacity building program, which is still very important to be implemented, is a program that is routinely held, including training for the preparation of medium-term village development plans (RPJMDes), leadership of the village head, management of village budgets, formulating village policies and administration or village service management. The development of the institutional capacity of the village government is increasingly important in line with the increasing authority of the village government in managing the bigger finances that come from the central government, as well as from the provincial and district governments. Many parties are concerned about the readiness of the village government in managing a large number of funds.

Capacity building programs in the context of implementing good governance-based village governance have often been implemented both in the form of education and training and technical assistance. Likewise in Kapatihan Village, District of Gresik, East Java. As stated by the new head of Kapatihan village, Mr. Dodik Suprayogi, as follows:

"Basically, capacity building for village officials here is often done, especially those held by district governments.... We always take part in training and technical guidance that is held, for example training in village service administration, technical guidance on land, on village laws, training in village accounting and finance and many more..." (interview August 2020).

Another capacity building program that is being carried out is coaching. Coaching is a process, effort, and action or activity carried out efficiently and effectively with the help of a person or group aimed at other people or groups to develop abilities as expected. Kapatihan Village officials have followed the training program as expected according to the results of an interview with Mr. Dodik Suprayogi as the Head of Kapatihan Village, revealed that:

"Several staff have participated in coaching programs, including the training program for cadres who are under the authority of social welfare related to health issues" (interview August 2020).

In addition, the Kapatihan village apparatus capacity building program that had been attended was in the form of a consultation program. Consultation can be defined as the process of assisting someone by an expert and meeting qualification standards in a certain area to know about themselves, develop potential, solve problems, make decisions, adjust themselves, and so on. Kapatihan village also has a consultation program for village officials. As Mr. Dodik Suprayogi stated:

"To be honest, early on I became head of the village, I feel that I do not have enough experience in managing village government, so I need to consult with higher levels of government to get directions and recommendations regarding village policy formulation." (interview August 2020).

The fourth form of capacity building is the provision of direct financial support. Capacity building activities in Kapatihan Village are not only in the form of training, guidance and consultation, but also receive direct financial support. Mrs. Yayuk Fatmawati as Secretary, and Mrs. Titik Wahyuni as Member of the Village Community Empowerment Institute (LPMD) stated that :

"Financial support in developing the capacity of village officials has been budgeted for in the APBDES (Village Budget) every year. These funds come from the district, provincial and central governments which are transferred directly to the village government." (interview August 2020).

However, a number of capacity building programs that Kapatihan village officials have followed have not been fully effective. This can be seen from the complaints of village communities who think that the implementation of village governance is not based on the principles of good governance. As explained in the previous section, some respondents assessed that the principles of good governance have not been implemented properly, especially the principles of transparency, accountability and participation, increasing public trust, the absence of abuse of power and equality in providing services. As one villager commented as follows:

"That's right ... the previous village government was less transparent and less accountable, especially in the management of village funds and village assets, as evidence some time ago the villagers here staged a demonstration against the village government of Kapatihan san until it was covered by the mass media" (interview August 2020).

Village capacity building programs: lessons from other countries

Craig (2007) describes capacity building strategies in several countries across continents and strongly criticises the 'deficit' model, which assumes that people lack skills and abilities. He further argues that people 'capacity building is not fundamentally a neutral technical process; it is about power and ideology and how these are mediated through structures and processes (Whittle, et al. 2011). UNDP (2006) defines

capacity as an ability to solve problems possessed by an individual, organization, institution, and society to individually or collectively carry out their functions, solve problems, set and achieve objectives (Said, 2015). UNDP emphasizes that the drivers of capacity change lie in four core issues: Institutional arrangements, Leadership, Knowledge, and Accountability. Therefore an assessment of institutional or organizational capacity should at least consider all of these issues.

The performance of village officials as the spearhead of service to the community will have an impact on the success of the Village Government, Regional Government and even the Central Government programs. Based on data from the Central Statistics Agency (BPS), there were 83,931 village-level administrative areas in Indonesia in 2018. Worldometers noted that in 2019 the number of rural residents in Indonesia was still 44.2% of Indonesia's total population of 270.6 million (<https://databoks.katadata.co.id/>) and Waldometers predict that the number of rural residents will decrease while the number of urban residents will increase every year. This is partly due to the high motivation of rural communities to move to the city. One of the driving factors is the economic factor because development is still considered biased in the city. Therefore, the government issued a village fund allocation policy that is expected to accelerate the growth rate and rural development so that it is not left behind with the city.

Several villages have succeeded in building new village economic centres or they have developed from existing businesses. However, many other villages have still not successfully utilised the allocation of village funds to build the village economy even faster. Even worse, many village governments are not trustworthy in managing village funds. Several cases of mismanagement of village funds have been found. ICW noted that Village Fund corruption continued to increase from year to year. According to ICW data, Village Fund corruption in 2015 reached 22 cases. These cases increased to 48 in 2016 and rose again to 98 and 96 in 2017 and 2018 (<https://www.cnnindonesia.com/>).

Likewise, the results of this study indicate that the accountability system in Kapatihan Gresik village has not yet been implemented properly, which means that the principles of good governance have not been implemented well in village governance. From the results of interviews with Kapatihan village officials, it was found that their understanding of the accountability system principle was still low. The Village Government is not accustomed to giving accountability directly to the community for what has been done with the village fund budget. In fact, from a number of interviews, almost all village officials did not understand the meaning of the accountability system. This indirectly implies the low ability of village officials to make decisions and carry out their main duties as implementers and managers of village budget (APBDes) in a professional and accountable

manner.

Following the provisions of Law Number 6 of 2014, the community has the right to know and receive information on financial accountability reports from the village government. With the provision of information to the public (disclosure), it is hoped that it can improve the morale of the government and village officials by realizing that every decision and action taken must meet accountable criteria, both in the form of accountability to superior officials (direct accountability) and to the community (indirect accountability).

Reformulating the government accountability system can take the success experiences (best practices) from other countries. One example is presented by Paul and Thampi (2007) regarding the implementation of a citizen report card (CRC) by the Public Affairs Center (PAC) in Bangalore, South India to obtain information on the quality of public services. These public reports are similar to the feedback reports commonly applied in the business sector. The results obtained were indeed shallow, but then the government continued to improve their performance in public services. The first report card started in 1994, reports public assessments of public services by several government agencies, including city government services, clean water, electricity, telecommunications, and transportation. Since then, PAC has developed citizen report cards to various other cities and villages covering social services such as health. The results show that almost all public service providers are rated underperformance, both in public satisfaction, corruption and responsiveness. Then the media published it and developed it into material for public discussion, followed by the movement of several community groups (NGOs) who voiced demands for continuous and consistent improvement of public services. Finally produced the results as expected. This is evident in the second Citizen Report Card held in 1999, where there has been an increase in the rating of public services (although there are still high indicators of corruption). The extraordinary results occurred during the third CRC held in 2003, where the ranking of city services showed a very significant increase in almost all agencies. Not only has public satisfaction with services improved, but the levels of corruption and problems that have arisen have been much lower. This achievement is the success of the model developed by the Public Affairs Center (PAC) in Bangalore and has been recognized internationally and has become a model for several other countries (Samuel Paul and Gopakumar Thampi, 2007).

The first lesson that we can learn from the best practices above, is the importance of the government's willingness to improve the quality of public services. This can be seen from the government's seriousness to accept public criticism on a regular and continuous basis. Then the criticism is used as input for concrete improvement of public services. Second, there is transparency on the results of public criticism. In this case there is no government effort to cover up any

negative judgments conveyed by the public. The government is even willing to accept every criticism as a capital to improve service performance. Third, systematic and consistent evaluation. The performance of public services from year to year continues to be evaluated using clear and measurable indicators and instruments. Fourth, in seeking to improve public services, continuous innovation is necessary. Innovations in designing accountability systems are not strictly linear. Many strategies overlap or even appear to contradict each other, but ultimately lead to the same goal. The number of international institutions that have developed public accountability mechanisms indicates a growing awareness of upholding the rights of the people to obtain services and accountability from state administrators and governments.

Efforts to revitalize the system of responsibility and accountability of the bureaucracy should not stop at the ideal normative level, but should also be emphasized on empirical technical aspects. So far, Indonesian reform has been more focused on the normative idealist level, where reform aims to change the centralistic order to democratic, from government to governance. The process of democratization that has been running so far is still limited to transferring power from the executive to the legislature, while society's position is more or less the same as it was before the reformation.

From the best practices above, it is known that the community's position can significantly change public services' performance through feedback reports. The application of CRC is a form of technical innovation that has proven effective in increasing the accountability of government agencies in public services. These technical innovations need to be continuously developed to find a format that suits the community's situation in each region and within a certain period. This is because accountability itself is very permeable and organic in how it manifests in a particular form that can be successfully applied for some time and then deteriorates and ultimately does not function at all. The focus of accountability is, in fact, on the reduction of power (civilizing of power), so people with power will try to avoid or destroy it (Zadek and Radovic, 2006). For this reason, efforts to build values, ideas, norms, standards and legal regulations need to be carried out to stabilize the organic process recognizing that organic mechanisms will always experience erosion from time to time, likewise, the accountability system will continue to require reinforcements to upgrade and or have to replace them with new ones adapted to shifting values covering these government institutions.

Other best practices can be found from the research results by Laonet, Vongkamjan and Panyanuwat (2013) illustrate that the most essential capacity building strategy in implementing village funds is to change knowledge, attitudes, and practical skills to achieve efficiency and effectiveness. Village governments are trained to recognize and understand the basic knowledge of village fund management. In addition,

they need to be trained in accounting management, which includes accounting principles, skills for village fund income-expense accounts, and computer applications for village fund accounts. In addition, they need support for the strength of members and are planned for a career based on the principle of economic self-sufficiency, business execution based on mixed marketing management with 4 Ps and others. In particular, villages with failed implementations should have the opportunity to learn from successful ones. However, they must use the philosophy of sufficiency economics as a basic guideline in living with the implementation of fund committee administration with the integration of system administration, accounting management, and computer literacy to keep up with globalization.

The various capacity building strategies implemented in various countries are the same as those implemented in Indonesia. However, contextual factors seem to differentiate the results, such as motivation, commitment and leadership factors that may differentiate them.

Village Government Capacity Building Model Based On Local Wisdom Values: Beyond UNDP Framework

In applying the concept of good governance, village government that prioritizes the principles of transparency, accountability, and participation, accountability is conveyed to the authorized government (regent/mayor) and must be conveyed to the community, either directly or indirectly. Accountability to the community can be conveyed directly through the village conference as a forum to discuss strategic matters attended by BPD and other community elements. In addition, accountability reports can also be disseminated through various means of communication and information: Village Information boards, official websites of district or even village governments.

In the principle of financial management, it is emphasized that there is a participatory principle, which means that there must be an open space for the active role of the village community in village financial management. To the extent stipulated in the Minister of Home Affairs Regulation Number 20 of 2018, the realization report and the accountability report for the realization/implementation of the village budget must be informed in writing to the public using media that is easily accessible to the public. The purpose of this information is so that the wider community can find out various things related to policies and the implementation of the village budget. Thus, the community can provide input, suggestions, and corrections to the village government, both concerning the village budget that has been or will be planned and implemented.

The village government is currently the smallest government unit. However, it has enormous authority in line with the strategic role of the village as an indicator of the success of national development. The central role of this village gets priority and attention

from government policy through the allocation of village funds. The village fund budget sourced from the State Expenditure Budget (APBN) is given to the related villages to facilitate village development and empowerment as an indicator of successful development and governance policies. With this large authority of the village government, many parties are concerned about their ability to manage resources they previously had no experience with. For this reason, various capacity building efforts were initiated in order to prepare and increase the capacity of the village head and village officials.

The village fund allocation program has been started since 2015 as a realization of Law Number 6 of 2014. The village funds are expected to finance the implementation of village governance, village development and community empowerment. For this reason, the village government capacity building program is important to be implemented effectively, it is not enough to be carried out once but it needs to be held periodically in order to adapt to the demands of environmental change, both changes in laws and regulations, technological developments, and so on.

In line with the results of quantitative data analysis, the effectiveness of the capacity building program has been stated in the "moderate" category; this does not mean that there are no complaints from the community. Many complaints from the people of Kapatihan village were found during the previous village head leadership period, which ended at the end of 2019. Meanwhile, positive community assessments were given to the leadership of the new village head, who has been in charge since early 2020. As stated by one of the kepatihan village officials as following:

"... To be honest, in fact, in terms of the competency of the former village head and the current one, it is different in a better sense. Sorry if the previous one was more passive and there was no renewal of anything, the others were just the same, so there was less initiative ... that's why Village business entities or Bumdes, which has actually been inaugurated since 2017, can't do anything, just leave it alone" (interview August 2020).

Based on the findings as described above, in fact the lack of capacity is not only in the individual village head but also in the organization of the village government, due to the lack of credible leadership. So the Village government capacity building program still needs to be made more effective. The ineffectiveness of the village government capacity building program was also experienced in many other villages as found by Yuhana and Pathony (2019); Asrori (2014); Sulismadi, Wahyudi, Muslimin (2017); and Fajarwati (2019). For this reason, a strategy that can make the village government capacity building program more effective is needed. According to UNDP, an effective capacity building process must encourage the participation of all parties involved. If stakeholders are involved and there is shared ownership in the development process, they will feel more responsible for the results and sustainability of development.

Engaging stakeholders allows for more effective decision making, as well as making development work more transparent.

Assessing pre-existing capacity through stakeholder engagement allows capacity builders to see what areas need additional training, what areas should be prioritized, in what ways capacity building can be incorporated into local and institutional development strategies. UNDP believes that capacity building that is not rooted in comprehensive studies and assessments of pre-existing conditions will be limited to training only, which will not facilitate sustainable outcomes.

The implementation of a capacity building program involves the inclusion of various systems at the national, local and institutional levels. This involves constant reassessment and expecting change depending on the changing situation. It includes evaluative indicators to measure the effectiveness of the program initiated. Capacity building evaluations promote accountability. Measurements are based on changes in institutional performance. Evaluation is based on changes in performance based on four main problems, namely Institutional arrangements, Leadership, Knowledge, and Accountability (Whittle, Colgan, and Rafferty, 2012).

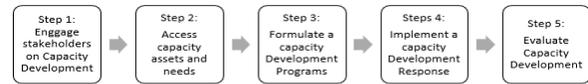
Firstly is institutional arrangements - Assessments often find that institutions are inefficient due to poor or weak policies, procedures, resource management, organization, leadership, frameworks, and communications. Secondly is leadership - UNDP believes that leadership by both individuals and organizations can be a catalyst for achieving development goals. Strong leadership allows easier adaptation to change, strong leaders can influence people too. It uses programmer coaching and mentoring to help foster the development of leadership skills such as priority setting, communication and strategic planning. Thirdly, knowledge - UNDP believes that knowledge is the foundation of capacity. He believes that greater investment should build a solid education system and continuous learning and professional skills development opportunities. It supports engagement in post-secondary education reform, continuing learning and household knowledge services. And fourthly is accountability - The adoption of accountability measures facilitates better performance and efficiency. The lack of accountability measures in institutions allows rampant corruption. In other words, the presence of corruption is caused by the failure to implement good governance such as accountability (Ulfah, et al., 2020). UNDP promotes the strengthening of an accountability framework that monitors and evaluates institutions. It also promotes independent organizations that supervise, monitor and evaluate institutions. This promotes the development of capacities such as literacy and language skills in civil society, enabling increased involvement in monitoring institutions.

UNDP is integrating this capacity-building system to achieve the Millennium Development Goals (MDGs). It focuses on capacity building at

the institutional level because it believes that "institutions are at the heart of human development, and that when they can perform better, sustain that performance over time, and manage system 'shocks', they can make a more significant contribution. Means for the achievement of national human development goals. The following figure is a visualization of a model for increasing the capacity of village officials by incorporating local wisdom values:

In its implementation, however, not all stages

Figure4. Capacity Development Process



Source: UNDP, Whittle S., Colgan A. and Rafferty M., 2012

of capacity building for village government follow the general stages explained by the UNDP above. Capacity building is usually done simply in the form of providing training, socialization and technical guidance. However, they did not explore the potential and strategic needs in each village. Implementing the capacity building program is also relatively less accountable because it is only based on budget accountability and ignores accountability for processes and results. As a result, the capacity building program has not increased the human resource capacity of village officials as expected.

This study attempt to build a proposition where the capacity building program will be more efficient if in the process it involves and accommodates local wisdom values that are inherently embedded in the daily lives of stakeholders. As the OECD (2006) points out that country ownership and leadership in CBs are essential and "Capacity Building will not be effective as long as it is not part of an endogenous change process, getting its main boost from within". The GTZ (Buss, Ilka N, 2010) also supports this proposition, which believes that another important aspect that must be considered in a CB Strategy is culture. Cultural forces are real and powerful influences, which "shape, direct and limit" the framework in which CB takes place. Cultural considerations need to be integrated as part of the strategy, to increase the chances of successful CB activities.

Utilizing local wisdom values in this program is an effort to seek strategies by utilizing local and national culture related to the sustainability of the capacity building program and its results. For example, if usually, the training method for developing insight, talent, potential, personality, capital, and work ethic in supporting village administration control uses the formal lecture method and the result is less effective. It will be more effective if the training approach or method uses the means of a forum with a distinctive communication style with the local community.

The value of local wisdom of the Gresik community, for example, was once known to be strong in its Islamic tradition because it cannot be separated from the history of Gresik which is full of Islamic

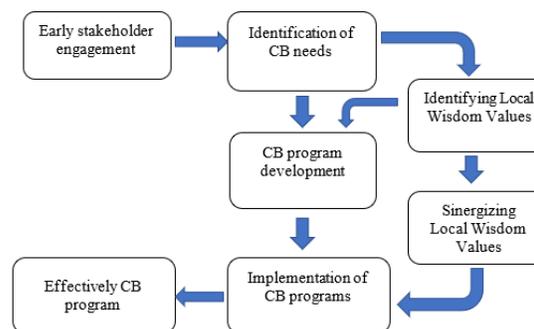
religious figures so that Gresik is often dubbed the city of 'santri'. The santri culture comes from the life of the pesantren, which is a distinctive area whose characteristics are not shared by other regions. Therefore, it is not an exaggeration to say that Abdurrahman Wahid (former president of Indonesia) once mentioned pesantren as a separate sub-culture. The elements contained in the traditional pesantren education system that make it distinctive are kiai, students, mosques, lodges and teaching classical books (Dhofier in Zuhriy, 2011).

Increasing the capacity of village officials by adopting the cultural values of the santri will certainly be more effective in bringing about changes in behaviour and work ethic in village administrative services, compared to the formal capacity-building approach as has been done so far. It is different from the local wisdom value of Banyuwangi area, known as "Blambangan" culture. The local cultural values that should be developed include the culture of punctuality, discipline, and accuracy. The culture of punctuality and discipline is seen from the "kebokeboan" tradition which is always held every 10th day of the month of Suro in Javanese calendar, and the accuracy that comes from the habit of making long batik cloth which must be done one by one, so it requires accuracy. So in this case, the training, socialization and technical guidance methods, as an effort to increase the capacity of village officials, need to pay attention to the approach method used in accordance with the local village wisdom values so that capacity building participants can truly absorb and be able to implement the new knowledge and skills that are intervened.

In terms of increasing the capacity to apply the principles of good governance, the approach used, namely communication, needs to use local concepts familiar to the community and capacity building stakeholders. In general, there are 11 principles of good governance, including openness and transparency, responsible, responsiveness, accountability, fairness, participation, free of corruption, efficient and effective, certainty and the rule of law, sustainable development, and innovation and willingness to change for the better. The training program will be more effective if the concept or term implanted is a local term with the same meaning. For example, to instil the principles of responsible, responsible and anti-corruption in the culture of "pesantren" it is sufficient to instil sincere values. By applying this sincere value in the realm of village governance and services to community members, village officials will become more responsive, responsible, and accountable and avoid acts of corruption in carrying out their duties as village officials.

Thus incorporating local wisdom values in the capacity building process for village officials in particular and for village communities, in general, is more effective. The following is a visualization of a model for increasing the capacity of village officials by incorporating local wisdom values:

Figure 5. Village government capacity building (CB) proposed model based on local wisdom values



CONCLUSION

The main objective of this research is to identify the application of the principles of good governance in village governance in Indonesia. The results showed that the implementation of the good governance principles in village governance, quantitatively, was in the moderate category especially for the principles of participation, legal certainty, responsibility, consensus oriented, fairness, effectiveness and efficiency, responsiveness, strategic vision. However, several qualitative principles had not been applied properly, particularly the dimensions of transparency, accountability and equity. This shows that the capacity building programs that are often implemented have not been effective yet. The ineffectiveness of the capacity building program occurs not only in Kepatihan village, Gresik Regency, but also in many other villages in Indonesia. This requires efforts to formulate a more effective strategy by synergizing the CB program with cultural or local wisdom values.

The typical local wisdom value of Kepatihan Village is considered to be synergized with the village government capacity building program, one of which is the culture of the "santri". Increasing the capacity of village officials by adopting the "santri" cultural values will certainly be more effective in bringing about changes in behaviour and work ethic in village government services, compared to the formal capacity-building approach that has been carried out so far.

The CB model proposed in this study extends the CB model as formulated in the UNDP report (2012) as depicted in Figure 3 above. In this model, we include the value of local wisdom to be synergized in the process of developing and implementing the CB program. The synergy between the CB program and the values of local wisdom is needed at the CB program development and implementation stages. However, at an earlier stage that needs attention, the most important thing is the mutual understanding and commitment between all the parties involved (stakeholders) regarding the goals and targets to be achieved.

The proposed CB program approach model was formulated based on a specific study in Kepatihan village, Gresik Regency, which was based on exploring ideas from village officials and several community leaders as a result of focus group discussions. Therefore, this research still needs to be followed up by carrying out action research. However, the results of this study have also gone through the data elaboration process in several other villages in Indonesia, where cultural values or local wisdom can be used to support the effectiveness of the CB program.

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