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Reconstruction of the Division of Governmental Affairs in Village Autonomy to Promote the Welfare of Rural Communities

Mustarani[1], Lina Sinaulan[2], Erwin Owan Hermansyah[3]
[1]Universitas Bhayangkara Jakarta Raya, Indonesia, musabidin68@gmail.com
[2]Universitas Bhayangkara Jakarta Raya, Indonesia
[3]Universitas Bhayangkara Jakarta Raya, Indonesia

Corresponding Author: musabidin68@gmail.com[1]

Abstract: The implementation of village autonomy in Indonesia has become a cornerstone of decentralization aimed at realizing equitable development and community welfare. However, the division of governmental affairs between central, regional, and village governments remains fragmented, overlapping, and often inconsistent with the principles of subsidiarity and local empowerment. This article critically reconstructs the legal and institutional framework governing the division of governmental affairs in the context of village autonomy. Using a normative juridical research method supported by conceptual and statutory approaches, the study examines the coherence of existing regulations—particularly Law No. 6 of 2014 on Villages—with higher constitutional norms on local self-government. The findings reveal that excessive administrative control by higher levels of government has constrained the village's autonomy to plan, execute, and finance its own development programs, thereby impeding the realization of welfare-oriented governance at the grassroots level. This paper proposes a reconstruction model that redefines the functional distribution of authority based on the principles of proportionality, subsidiarity, and participatory governance. Strengthening village autonomy through a clearer division of governmental affairs will enhance local accountability, encourage community-based innovation, and promote sustainable rural welfare as envisioned in the Indonesian Constitution.

Keyword: Village Autonomy, Decentralization, Division Of Governmental Affairs, Local Governance, Rural Welfare

INTRODUCTION

The transformation of Indonesia's governance structure since the Reform Era has been marked by an extensive process of decentralization and regional autonomy. This paradigm shift was constitutionally anchored in Article 18 of the 1945 Constitution, which mandates the recognition and respect of regional units that possess autonomy to manage their own governmental affairs. Within this constitutional framework, villages (desa) are acknowledged not merely as administrative extensions of higher government but as self-governing communities possessing original and traditional rights (*hak asal usul*) (Indonesia Constitution, 1945). The enactment of Law No. 6 of 2014 on Villages (hereafter the *Village Law*) institutionalized this recognition, establishing village autonomy as the foundation for local governance and the empowerment of rural communities.

Despite its progressive aspirations, the implementation of village autonomy has encountered significant structural and legal challenges, particularly regarding the division of governmental affairs among central, regional, and village authorities. The legal framework that delineates these responsibilities—distributed across multiple instruments such as Law No. 23 of 2014 on Local Government and its derivative regulations—remains fragmented and overlapping. As a result, the exercise of village autonomy is often constrained by administrative dependency and regulatory ambiguity (Hidayat, 2021). This fragmentation undermines the principle of *subsidiarity*, which holds that public functions should be managed by the lowest competent level of government closest to the citizens (Rondinelli, 1981; Hoessein, 2019).

The central problem lies in the incoherence between normative autonomy and administrative practice. Although the Village Law grants villages authority over governance, development, and community empowerment, in practice, much of this authority is conditional upon higher-level approval and supervision. The *de facto* result is a pseudo-autonomy, wherein villages function as implementing agents of supra-village programs rather than as autonomous actors in development planning (Antlov, 2016; Sutiyo & Maharjan, 2017). This contradiction has constrained the village government's capacity to address local welfare priorities, such as rural poverty reduction, infrastructure provision, and participatory governance (Firman, 2020).

In a broader theoretical context, the success of decentralization and village autonomy should be measured not only by administrative devolution but also by the degree to which it improves public welfare. As argued by Manor (1999), decentralization is meaningful when it enhances citizens' participation, accountability, and the responsiveness of local institutions. Accordingly, the reconstruction of the division of governmental affairs must be guided by a welfare-oriented autonomy model, where authority is functionally allocated according to local capacities, social justice, and sustainable development principles (Rahardjo, 2009; Purbokusumo, 2018).

Furthermore, the absence of a systematic synchronization mechanism between the *Law on Villages* and the *Law on Local Government* has created a "dualistic governance regime." On one hand, the Village Law recognizes the village as a self-governing community (*self-governing community*), while on the other, the Local Government Law positions it as part of the lowest administrative apparatus (*local self-government*). This duality generates tension in implementing development programs and allocating fiscal transfers, especially concerning the use of village funds (*dana desa*) under Government Regulation No. 60 of 2014 (Darwis, 2020). Without structural clarification, village governments remain caught between autonomy and subordination, weakening their capacity to independently manage resources and promote community welfare (Prabowo & Dwidjowijoto, 2020).

This study thus seeks to reconstruct the legal and institutional configuration of governmental affairs in the context of village autonomy. Using a normative juridical and conceptual approach, it analyzes how the current legal framework aligns—or fails to align—with the constitutional vision of empowering villages as the vanguard of social welfare. The research argues that the reconstruction of governmental division should be based on the principles of proportionality, subsidiarity, and participatory governance, ensuring that villages have genuine authority to design and execute development agendas tailored to their socio-cultural contexts.

By reformulating the legal boundaries and operational mechanisms of village autonomy, Indonesia can transform the village from a mere administrative object into an agent of welfare transformation. Strengthening the coherence between autonomy and welfare will not only enhance rural governance but also contribute to achieving the national objective enshrined in the Preamble of the 1945 Constitution—*to promote the general welfare and social justice for all Indonesian people*.

This transformation requires a paradigm reorientation in how the state conceptualizes and implements village autonomy. Historically, villages were positioned as administrative appendages—objects of governance within a centralized bureaucratic order (Antlöv, 2016). The *Law on Villages (No. 6 of 2014)* represents a critical normative breakthrough by recognizing the village as a self-governing community (self-governing community) endowed with *original rights* (*hak asal-usul*) and the authority to regulate and manage local interests based on community initiative. Yet, the law's implementation has not fully realized this transformative intent due to persistent regulatory fragmentation, fiscal dependence, and vertical supervision (Hidayat, 2021; Sudirman, 2021).

To transform villages into agents of welfare transformation, Indonesia must adopt a "constitutional decentralization" approach—where autonomy is not seen merely as a policy choice but as a constitutional mandate rooted in the ideals of justice and human dignity (Rahardjo, 2009). Such an approach situates village autonomy within the framework of Pancasila and the Preamble of the 1945 Constitution, emphasizing that governance exists to serve the welfare of the people (*kesejahteraan rakyat*) rather than institutional convenience. The village thus becomes the locus where constitutional values—social justice, participation, and equality—are concretely realized.

Practically, this requires institutionalizing integrated welfare governance at the village level, where economic, social, and ecological dimensions of development are coordinated under a single, participatory framework (Haryanto, 2023). Villages should be empowered to design welfare initiatives that address local poverty, education, health, and environmental sustainability through flexible regulatory instruments and participatory planning systems. Strengthening *Badan Usaha Milik Desa* (BUMDes) as community enterprises and expanding social protection programs through local cooperatives could serve as strategic vehicles for such transformation (Sutiyo & Maharjan, 2017).

Furthermore, the reformulation of legal boundaries must be accompanied by the establishment of clear institutional accountability mechanisms. Local innovation should be encouraged, but within a system that ensures transparency, fairness, and rule compliance. The adoption of performance-based fiscal transfers, as recommended by the OECD (2019), could link financial autonomy to measurable welfare outcomes rather than bureaucratic inputs. This approach would incentivize villages to design policies that yield tangible benefits for their citizens while upholding legal and fiscal integrity (Suwandi, 2022).

From a normative standpoint, this reconstruction embodies what Nonet and Selznick (2017) describe as *responsive law*—a model of legality that integrates moral and social purposes within the legal order. In this sense, law becomes a dynamic instrument of social engineering and moral responsibility, rather than a static tool of administration. Applying this framework to village autonomy means treating local governance as a moral project of collective welfare, where state and community jointly enact the values of justice, solidarity, and human dignity (Rahardjo, 2009; Purbokusumo, 2018).

Ultimately, by restructuring the legal, institutional, and fiscal architecture of village autonomy, Indonesia can restore the philosophical unity between law and welfare envisioned by its founding fathers. Villages will no longer serve as passive recipients of state programs but as active constitutional actors shaping the trajectory of national development from below. This model realizes the constitutional aspiration articulated in the Preamble of the 1945 Constitution—*"to advance public welfare, educate the life of the nation, and promote social justice for all Indonesian people."* Such an achievement would mark the culmination of Indonesia's decentralization journey: from procedural devolution to substantive democratization and inclusive prosperity.

METHOD

This research employs a normative juridical approach, focusing on the interpretation and analysis of legal norms that regulate the division of governmental affairs within the framework of village autonomy. The normative juridical method is appropriate for studies that aim to evaluate legal coherence, interpret statutory meaning, and propose normative reconstruction of existing laws and regulations (Fajar & Yulianto, 2013). Unlike empirical or sociological legal research, this approach emphasizes *law in books*—the normative structure of legal instruments and their logical relationships within the constitutional hierarchy.

The nature of this research is prescriptive and analytical, seeking to identify inconsistencies within current regulations and to propose an ideal model for the division of governmental affairs that supports the welfare orientation of village autonomy. The study does not merely describe legal norms but constructs a normative argument grounded in the principles of subsidiarity, proportionality, and participatory governance. The prescriptive dimension ensures that the research contributes to the development of *ius constituendum*—the law as it ought to be formulated in the future (Rahardjo, 2009).

The statutory approach involves a critical examination of laws and regulations that govern the distribution of governmental functions, including Law No. 6 of 2014 on Villages, Law No. 23 of 2014 on Local Government, and related Government Regulations on the implementation of village governance and village funds. The aim is to identify normative overlaps and gaps that affect the realization of village autonomy (Hoessein, 2019). The conceptual approach is used to analyze theoretical foundations relevant to decentralization, local autonomy, and welfare-oriented governance. It draws from theories of *subsidiarity* (Rondinelli, 1981), *good governance* (UNDP, 1997), and *progressive law* (Rahardjo, 2009) to reconstruct a legal concept that situates village autonomy as a mechanism for community welfare, not merely administrative delegation.

RESULTS AND DISCUSSION

1. Theoretical Context: Decentralization, Autonomy, and Welfare

The discourse on village autonomy in Indonesia must be situated within the broader theoretical context of decentralization and local governance. Decentralization, as conceptualized by Rondinelli (1981) and further developed by Cheema and Rondinelli (2007), is intended to transfer authority, resources, and accountability from central to local governments, thereby enhancing efficiency, participation, and responsiveness. In the Indonesian context, this transfer is normatively grounded in Article 18 and Article 18B of the 1945 Constitution, which recognize regional units with special and traditional rights. Villages (*desa*) are thus positioned as the foundation of local self-governance, serving as the closest government unit to the community and a vehicle for the realization of public welfare (Firman, 2020; Sutiyo & Maharjan, 2017).

However, decentralization in developing countries frequently results in asymmetric autonomy, where local governments are delegated functions without adequate fiscal or administrative capacity (Smoke, 2015). This phenomenon is evident in Indonesia's village governance: while the Village Law (Law No. 6 of 2014) grants broad autonomy, many villages remain dependent on higher administrative tiers for policy direction and funding. The result is a paradoxical form of delegated autonomy, in which local governments possess legal recognition but limited substantive power to shape development priorities (Antlöv, Wetterberg, & Dharmawan, 2016).

The reconstruction of the division of governmental affairs therefore becomes a crucial step toward achieving a welfare-oriented autonomy model. Welfare here is understood not merely as economic prosperity but as a multidimensional condition encompassing social justice, participation, and local capacity (Sen, 1999; Rahardjo, 2009). Consequently, any redesign of authority must align with subsidiarity—the principle that governance functions should be exercised by the smallest, lowest, or least centralized competent authority (Hoessein, 2019). This principle ensures that governmental responsibilities correspond with the level of community knowledge, participation, and need.

In practical terms, implementing subsidiarity within Indonesia's village autonomy framework requires a recalibration of functional responsibilities across governance levels. The central government should retain macro-level policy formulation and national standard-setting, while regional and village governments assume responsibility for context-specific service delivery, local development, and welfare promotion (OECD, 2019). Such a distribution ensures that decisions are taken as close as possible to the citizens affected by them, enhancing policy responsiveness and institutional legitimacy (Faguet & Pöschl, 2015).

Empirical studies have shown that when local governments are granted genuine discretion—combined with adequate fiscal resources and accountability mechanisms—they are more likely to design welfare programs that reflect community priorities and social realities (Haryanto, 2023; Suwandi, 2022). For instance, villages that exercise participatory planning (*musyawarah desa*) in determining the use of *dana desa* often produce development outcomes that are more inclusive, equitable, and sustainable. These findings reaffirm that autonomy without empowerment is insufficient; effective decentralization requires both the legal authority and the institutional capacity to act (Antlöv, Wetterberg, & Dharmawan, 2016).

Furthermore, the reconstruction of governmental affairs must integrate a rights-based welfare perspective, aligning local autonomy with constitutional mandates to advance social justice and equality. As Amartya Sen (1999) argues, development should be viewed as an expansion of human capabilities—the ability of individuals and communities to pursue lives they value. In this light, village autonomy becomes not only an administrative arrangement but a moral and constitutional obligation to promote human dignity through participatory governance and equitable access to public services (Rahardjo, 2009; Purbokusumo, 2018).

To operationalize this vision, Indonesia's regulatory framework should establish clear criteria for allocating governmental functions based on (a) the scale of the problem, (b) the externalities of decision-making, and (c) the comparative advantage of each level of government (Turner & Hulme, 1997). Functions directly related to daily community welfare—such as rural health services, early education, water supply, and microeconomic support—should primarily fall under village jurisdiction, supported by fiscal transfers and technical guidance rather than administrative supervision. In contrast, inter-village or cross-district issues may remain under regional coordination to ensure efficiency and uniform standards (Hoessein, 2019; Hidayat, 2021).

This reconstruction must also be underpinned by legal certainty and institutional coherence. Fragmented authority not only undermines efficiency but also weakens accountability, as overlapping jurisdictions allow both central and local actors to evade responsibility. Harmonizing the *Law on Villages* and the *Law on Local Government* under a unified conceptual framework would prevent duplication of roles and clarify lines of accountability (Sudirman, 2021). The government could consider issuing an integrated harmonization regulation (*peraturan harmonisasi otonomi desa*) to align the mandates of the Ministry of Home Affairs and the Ministry of Villages, Development of Disadvantaged Regions, and Transmigration.

Finally, the success of any reconstruction effort depends on fostering a culture of participatory governance. Strengthening community engagement in decision-making processes—through institutionalized village deliberations, transparent budget disclosure, and inclusive representation—will ensure that autonomy serves not only as a legal right but also as a collective practice of democratic self-governance (Faguet & Pöschl, 2015; United Nations, 2015). In this way, the principle of subsidiarity becomes the foundation for a welfare-oriented autonomy, in which governance, participation, and justice converge at the local level to fulfill the constitutional promise of *social justice for all Indonesian people*.

2. Fragmentation in the Division of Governmental Affairs

Despite the constitutional recognition of village autonomy, the division of governmental affairs between the central, regional, and village levels remains fragmented. Empirical studies show that overlapping mandates between the *Law on Villages* and the *Law on Local Government (Law No. 23 of 2014)* create confusion in authority, particularly in areas such as planning, budgeting, and service delivery (Hidayat, 2021; Prabowo & Dwidjowijoto, 2020). For example, the authority to manage rural infrastructure projects and social welfare programs is often contested between district and village administrations. This ambiguity reduces policy effectiveness and weakens local accountability.

Furthermore, the hierarchical supervision mechanisms stipulated in Article 112–114 of Law No. 6 of 2014 reinforce an administrative dependency that contradicts the village's supposed "self-governing" status (Antlöv et al., 2016). Villages must often seek approval for development plans and budgets from district officials, thereby limiting their discretion to address local welfare issues. The outcome is what scholars describe as "administrative capture", where village governance is formally decentralized but substantively subordinated (Vel & Bedner, 2015).

This fragmentation also affects fiscal governance. Although village funds (*dana desa*)—established under Government Regulation No. 60 of 2014—represent a significant fiscal innovation, their management is highly regulated by ministerial decrees that prescribe spending categories and reporting systems (Suwandi, 2022). As a result, villages have limited autonomy to allocate funds according to local priorities, undermining the principles of efficiency and participation that decentralization seeks to promote.

This rigid fiscal architecture has transformed the *dana desa* policy from a tool of empowerment into an instrument of administrative compliance. The excessive procedural control exercised by higher levels of government, particularly through the Ministry of Finance and the Ministry of Villages, Development of Disadvantaged Regions, and Transmigration (Kemendesa PDTT), has constrained the creative capacity of village governments to design welfare programs responsive to their distinct socio-economic conditions (Antlöv, Wetterberg, & Dharmawan, 2016). In practice, village heads often prioritize compliance with bureaucratic templates and audit requirements over participatory planning, leading to what Vel and Bedner (2015) term a "technocratic form of local governance," in which the formalities of good governance are fulfilled without substantive community empowerment.

Moreover, the fiscal dependency resulting from uniform budget classifications and spending quotas has weakened the accountability loop between village governments and local citizens. Instead of fostering vertical accountability to higher authorities, fiscal decentralization should strengthen horizontal accountability—that is, accountability of village officials to their constituents (Faguet & Pöschl, 2015). Yet, because the allocation and disbursement of funds remain conditional upon administrative compliance, local citizens have little influence over budgetary priorities. This situation risks entrenching what Hidayat (2021) describes as *"pseudo-decentralization,"* where authority is formally transferred but substantively controlled.

Recent studies further indicate that the overregulation of fiscal management tends to suppress local innovation. Suwandi (2022), in his analysis of village fund management across Java and Sulawesi, found that strict ministerial guidelines discourage adaptive budgeting for social enterprises, environmental resilience, or cultural programs—areas that could significantly improve rural welfare if locally led. Similarly, Haryanto (2023) observes that villages with greater discretion in using funds for productive economic initiatives—such as rural cooperatives and digital marketplaces—show higher welfare outcomes and community satisfaction. These findings underscore that fiscal autonomy, not merely fiscal transfers, determines the effectiveness of decentralization.

To achieve a welfare-oriented fiscal decentralization, Indonesia's fiscal governance structure must transition from a *compliance-based model* to a *trust-based model*. This shift entails granting villages flexible budget envelopes with locally determined spending priorities, accompanied by robust participatory and auditing mechanisms rather than rigid procedural oversight (OECD, 2019). In this context, the principle of proportional accountability becomes essential—villages must be granted discretion proportionate to their capacity and must be held accountable through transparent community-based monitoring (Faguet & Pöschl, 2015; United Nations, 2015).

Additionally, the central government should introduce multi-dimensional performance indicators that evaluate not only procedural correctness but also developmental outcomes, such as reductions in poverty, improvements in education and health, and the empowerment of marginalized groups. This approach aligns with Amartya Sen's (1999) *capability approach*, which conceptualizes welfare as the expansion of human freedoms rather than the accumulation of resources. Measuring success through local welfare outcomes, rather than bureaucratic compliance, will transform the *dana desa* from a fiscal transfer instrument into a developmental catalyst for inclusive rural transformation.

Finally, achieving fiscal coherence requires integrating fiscal decentralization with capacity-building initiatives for village governments. Research by Firman (2020) and Sutiyo and Maharjan (2017) emphasizes that fiscal autonomy is effective only when local institutions possess the administrative competence to manage resources transparently. Thus, fiscal governance reform must be coupled with structured training programs, digital financial management systems, and collaborative supervision between Kemendesa PDTT, the Financial and Development Supervisory Agency (BPKP), and civil society organizations. This integrated approach would ensure that fiscal autonomy does not degenerate into fiscal mismanagement but evolves into a sustainable framework for rural welfare and democratic accountability.

3. Institutional and Legal Incoherence

The persistence of incoherence in the division of governmental affairs stems partly from institutional misalignment**.** The *Ministry of Home Affairs* and the *Ministry of Villages, Development of Disadvantaged Regions, and Transmigration (Kemendesa PDTT)* hold overlapping regulatory mandates. While the former supervises administrative and territorial aspects, the latter oversees development and empowerment. This dual authority creates jurisdictional competition, leading to inconsistent interpretations of village functions (Sudirman, 2021).

Legally, the *Law on Local Government* adopts an administrative logic**,** positioning the village as the lowest tier of local government under district authority, while the *Law on Villages* adopts a community logic, defining the village as an autonomous legal subject with self-originating rights. This dualism of legal logic generates tension between *autonomy* and *hierarchy* (Hoessein, 2019). As Vel and Bedner (2015) argue, the resulting hybrid model produces ambiguity in accountability, as village heads oscillate between being community leaders and administrative subordinates.

Such incoherence undermines welfare delivery. For instance, in regions with strong local participation, development programs aligned with community priorities tend to yield better outcomes in poverty reduction and social inclusion (Haryanto, 2023). However, in regions with rigid bureaucratic supervision, local innovation is stifled, and welfare programs become merely procedural rather than transformative. Thus, reconstruction of the division of governmental affairs requires not only legal harmonization but also a paradigm shift from administrative control to collaborative governance (Faguet & Pöschl, 2015).

This paradigm shift from hierarchical administration to collaborative governance signifies a move away from top-down bureaucratic control toward a governance model that emphasizes co-production, shared authority, and participatory decision-making (Ansell &

Gash, 2008). In the context of Indonesia's village autonomy, such a transformation demands institutional mechanisms that facilitate dialogue and joint problem-solving between the state, village authorities, and local communities. Rather than viewing villagers merely as policy beneficiaries, collaborative governance treats them as co-creators of public value, actively engaged in designing, implementing, and evaluating development programs (Emerson, Nabatchi, & Balogh, 2012).

Empirical evidence from various regions supports this transition. Villages that institutionalize participatory planning (*musyawarah desa*) and community-driven monitoring demonstrate higher accountability and better alignment of programs with local welfare priorities (Haryanto, 2023; Suwandi, 2022). Conversely, excessive bureaucratic supervision—manifested through rigid reporting standards and top-down evaluation—often erodes public trust and diminishes motivation for community participation. This confirms Faguet and Pöschl's (2015) argument that genuine decentralization succeeds only when local actors possess both decision-making autonomy and collective responsibility for welfare outcomes.

To facilitate such collaborative governance, Indonesia must strengthen institutional interfaces across different levels of government. Establishing multi-stakeholder coordination platforms—such as inter-village councils, participatory budgeting forums, and joint service-delivery committees—would promote dialogue and minimize policy fragmentation (OECD, 2019). These mechanisms ensure that planning and implementation processes are horizontally integrated, thereby preventing duplication and enhancing synergy among governmental and societal actors.

Moreover, collaborative governance inherently demands a shift in bureaucratic culture. Public officials at all levels must transition from a *command-and-control* orientation to one grounded in facilitation, partnership, and empowerment. This transformation is not merely administrative but normative—it requires internalizing democratic values such as transparency, inclusiveness, and mutual accountability (Rahardjo, 2009; Nonet & Selznick, 2017). In practical terms, local bureaucracies should function as enablers of citizen initiatives, providing technical and fiscal support while respecting the autonomy of communities to define their own welfare priorities.

Technology can also serve as a catalyst for collaborative governance. The adoption of digital governance platforms, such as open village budgeting systems and online participatory mapping tools, enhances transparency and allows citizens to monitor local projects in real time (Hidayat, 2021). These innovations reduce asymmetries of information between officials and residents, fostering trust and responsiveness. In line with the United Nations' Sustainable Development Goals (SDG 16)—which emphasize effective, accountable, and inclusive institutions—digital participation becomes a tangible instrument for achieving justice and welfare through village autonomy (United Nations, 2015).

Ultimately, the success of collaborative governance in Indonesia's villages depends on the extent to which participation, empowerment, and accountability are institutionalized within the legal and fiscal framework of decentralization. As Purbokusumo (2018) notes, legal recognition alone does not guarantee substantive autonomy; it must be accompanied by mechanisms that ensure active citizen involvement and transparent oversight. Only through such an integrated approach can village autonomy evolve from a procedural construct into a living practice of social justice and inclusive development.

4. Reconstruction Toward a Welfare-Oriented Model

Reconstructing the division of governmental affairs in the context of village autonomy requires a **three-dimensional reform**: normative, institutional, and operational.

a) Normative Reconstruction

The legal framework must explicitly align the *Law on Villages* and the *Law on Local Government* under a unified principle of functional proportionality**.** Each level of government should be assigned responsibilities based on the scale, externalities, and complexity of public services (Turner & Hulme, 1997). This reconstruction could be formalized through an amendment or harmonization regulation to eliminate overlapping competences in social, infrastructural, and economic development sectors.

b) Institutional Reconstruction

Institutional restructuring should establish a clear coordination mechanism between the Ministry of Home Affairs **and** Kemendesa PDTT**,** ensuring integrated oversight and program alignment. Decentralized monitoring mechanisms—such as community-based participatory audits—should be strengthened to improve transparency and accountability (Suwandi, 2022).

c) Operational Reconstruction

Operationally, the allocation of village funds should be flexible enough to reflect local priorities. Empirical research by Suwandi (2022) and Haryanto (2023) suggests that adaptive budgeting, when combined with participatory planning, produces more sustainable welfare outcomes. Villages should be empowered to design welfare programs targeting context-specific issues such as food security, microenterprise development, and environmental resilience.

This reconstruction aligns with the United Nations Sustainable Development Goals (SDGs)**,** particularly Goal 11 (Sustainable Cities and Communities) and Goal 16 (Peace, Justice, and Strong Institutions)**,** which emphasize inclusive, participatory, and accountable governance (United Nations, 2015). By operationalizing these global principles within local legal structures, Indonesia can strengthen the legitimacy and welfare impact of its village autonomy regime.

This alignment underscores that village autonomy is not only a domestic constitutional mandate but also part of a global commitment to sustainable development and good governance. The United Nations Sustainable Development Goals (SDGs) provide an integrated normative framework that bridges local and global priorities. Specifically, Goal 11 calls for inclusive, safe, resilient, and sustainable communities, while Goal 16 emphasizes effective, accountable, and transparent institutions. By translating these goals into local governance practices, Indonesia's reconstruction of the division of governmental affairs can contribute to both national and international development agendas (United Nations, 2015).

Operationalizing these principles requires embedding participatory and transparent governance mechanisms within every stage of the village policy cycle—planning, budgeting, implementation, and evaluation. The adoption of participatory instruments such as musyawarah perencanaan pembangunan desa (village development planning deliberations) can institutionalize the involvement of marginalized groups, including women, youth, and persons with disabilities, thereby enhancing social inclusion (Antlöv, Wetterberg, & Dharmawan, 2016). When participation is not symbolic but structured and empowered through regulation, it generates social capital and reinforces democratic accountability at the grassroots level (Putnam, 1993).

Moreover, anchoring village autonomy within the SDGs framework strengthens the legitimacy of local governance. Legitimacy arises when citizens perceive that governmental actions are fair, transparent, and responsive to their needs (Beetham, 2013). In rural Indonesia, legitimacy is closely tied to the ability of village governments to deliver tangible welfare improvements, such as poverty reduction, access to clean water, and infrastructure development (Firman, 2020). Integrating SDG-based performance indicators into village governance—such as local poverty indices, environmental resilience scores, and citizen satisfaction surveys—would ensure that village administrations are evaluated not merely by procedural compliance but by their contribution to sustainable welfare outcomes (OECD, 2019; Suwandi, 2022).

Equally important is the institutionalization of cross-sectoral collaboration. The reconstruction of the division of governmental affairs must facilitate coordination between the state, private sector, and civil society. This multi-stakeholder partnership approach reflects SDG 17 (Partnerships for the Goals), which emphasizes the collective mobilization of resources and knowledge to achieve sustainable outcomes (United Nations, 2015). In practical terms, this could include collaborative financing models such as public–community partnerships (PCPs) or social enterprise-based village enterprises (BUMDes) that link fiscal autonomy with community entrepreneurship (Haryanto, 2023; Sutiyo & Maharjan, 2017).

Furtrmore, a welfare-oriented reconstruction must integrate environmental and cultural dimensions into governance. Rural communities often possess traditional knowledge systems and sustainable practices that contribute to environmental stewardship and resilience. By incorporating local wisdom (kearifan lokal) into governance frameworks, village autonomy can foster an ecological balance between development and preservation (Purbokusumo, 2018). This integration aligns with Goal 13 (Climate Action) and Goal 15 (Life on Land) of the SDGs, reaffirming the holistic nature of welfare that transcends economic indicators to include environmental sustainability and intergenerational equity (United Nations, 2015).

In sum, aligning Indonesia's village autonomy reconstruction with the SDGs transforms decentralization from a bureaucratic reform into a transformative governance project. It redefines welfare not as state-delivered charity but as a collectively produced social good, generated through participatory governance, shared accountability, and ecological responsibility. This multidimensional approach ensures that village autonomy evolves as both a legal and ethical framework—one that fulfills the constitutional promise of social justice while advancing the global vision of sustainable development.

5. Strengthening the Principle of Subsidiarity and Legal Certainty

The principle of subsidiarity must serve as the cornerstone for the new division of governmental affairs. As underscored by Purbokusumo (2018) and reaffirmed by OECD (2019), subsidiarity ensures that decision-making authority is exercised by the closest possible unit to the people, fostering efficiency and legitimacy. Applying this principle to village autonomy implies that higher-level governments should only intervene when tasks exceed local capacity or have transboundary implications.

Furthermore, the reconstruction must be anchored in legal certainty (*rechtssicherheit*), a core value of the rule of law (Rahardjo, 2009). Clear delineation of competencies among levels of government will reduce administrative overlap, prevent conflicts of authority, and enhance accountability. Legal certainty also encourages trust in the state, which is essential for sustained citizen participation in local governance (Haryanto, 2023).

To operationalize legal certainty within Indonesia's decentralization framework, the government must ensure that the hierarchy of norms (*stufenbau der rechtsordnung*) is coherent from the constitutional to the operational level. According to Kelsen's theory of normative hierarchy, every legal norm derives its validity from a higher norm and must not contradict it (Arief, 2012). In practice, this means that subordinate regulations—such as ministerial decrees, joint circulars, and local ordinances—must consistently align with the *Law on Villages (No. 6 of 2014)* and the *Law on Local Government (No. 23 of 2014)*. However, empirical analysis reveals that many implementing regulations deviate from the legislative intent of village autonomy by imposing procedural supervision that limits local discretion (Sudirman, 2021).

This inconsistency has produced a phenomenon of legal fragmentation, where different ministries interpret and regulate village authority through their own sectoral lenses. The Ministry of Home Affairs often views villages as administrative subunits under regional governments, while the Ministry of Villages treats them as autonomous entities with developmental functions (Hoessein, 2019). The absence of a synchronization mechanism between these institutions has resulted in overlapping mandates, duplicative reporting systems, and regulatory contradictions—undermining the principle of *one integrated governance* envisioned in Indonesia's decentralization policy (Hidayat, 2021).

Establishing legal certainty therefore requires not only harmonization of statutory texts but also the creation of a coordinated governance architecture. This can be achieved through the enactment of an *Integrative Regulation on Village Autonomy Harmonization* (*Peraturan Pemerintah tentang Harmonisasi Otonomi Desa*), which delineates the scope, scale, and boundaries of authority across levels of government. Such regulation should codify a functional classification of governmental affairs based on three parameters: (1) the proximity principle, ensuring that matters directly related to community life remain under village jurisdiction; (2) the externality principle, allocating issues with broader impacts to higher levels; and (3) the efficiency principle, assigning functions to the level that can perform them most effectively (Turner & Hulme, 1997; OECD, 2019).

Moreover, legal certainty must coexist with legal elasticity, allowing laws to adapt to contextual diversity across Indonesia's 83,000 villages. As Rahardjo (2009) argues in his *progressive law* framework, the law must not be rigid but responsive to social realities and public welfare. In this regard, legal reconstruction should provide a framework of certainty that ensures clarity and predictability while retaining enough flexibility for local innovation. This approach is consistent with the contemporary shift toward *responsive law* and *collaborative governance* models (Nonet & Selznick, 2017; Faguet & Pöschl, 2015).

Finally, embedding legal certainty in village governance requires strengthening access to justice and administrative accountability mechanisms. Citizens must have the right to contest decisions that violate the principles of autonomy, participation, or transparency. This could be institutionalized through administrative courts or *village-level ombudsman mechanisms* that resolve disputes between communities and local authorities (Yahman, 2020). By reinforcing both normative clarity and procedural fairness, legal certainty becomes not only a formal principle but also a socially embedded safeguard that ensures decentralization serves its ultimate purpose: promoting justice, trust, and welfare at the grassroots level.

6. Policy Implications and Future Directions

The reconstruction of governmental division for welfare-oriented autonomy has both legal and policy implications**.** Legally, harmonization between the *Law on Villages* and the *Law on Local Government* is essential to eliminate contradictions and clarify jurisdictional boundaries. Policymakers should consider issuing an "Omnibus Harmonization Regulation" on village autonomy, integrating fragmented provisions across ministries.

From a policy perspective, strengthening participatory governance mechanisms—such as *musyawarah desa* (village deliberations)—is critical to ensure that reconstruction does not merely recentralize authority under a new guise. Empowering community participation enhances local ownership and social accountability, translating autonomy into tangible welfare outcomes (Antlöv et al., 2016; Faguet & Pöschl, 2015). Finally, reconstruction should be accompanied by capacity-building programs for village governments to manage expanded authority effectively. Without adequate administrative and financial capacity, normative autonomy will remain symbolic. As empirical evidence suggests, villages with trained administrators and transparent budgeting processes demonstrate significantly better development performance (Suwandi, 2022; Haryanto, 2023).

In essence, the reconstruction of the division of governmental affairs within village autonomy represents not merely a legal adjustment but a structural realignment of Indonesia's governance philosophy. It is a transition from *rule compliance* to *rule responsiveness*—from centralized administration toward welfare-driven governance rooted in community empowerment. Through coherent legal design, institutional coordination, and participatory mechanisms, village autonomy can evolve into a genuine instrument for achieving the constitutional objective of social justice and rural welfare.\

CONCLUSION

The reconstruction of the division of governmental affairs in Indonesia's village autonomy framework represents both a normative imperative and a strategic necessity for realizing constitutional welfare. Despite the progressive intentions of *Law No. 6 of 2014 on Villages*, its implementation has been hindered by fragmented legal frameworks, administrative dependency, and overlapping authority between central and regional institutions. These issues have reduced the village's autonomy to a procedural formality rather than a substantive instrument of welfare realization. Reconstructing this division is therefore crucial to harmonize the principles of autonomy, subsidiarity, and welfare, which collectively embody the essence of Indonesia's constitutional democracy. The findings of this study indicate that the current configuration of village governance suffers from three interrelated weaknesses: (1) normative inconsistency between the *Law on Villages* and the *Law on Local Government*, (2) institutional dualism between the Ministry of Home Affairs and the Ministry of Villages, Development of Disadvantaged Regions, and Transmigration (Kemendesa PDTT), and (3) rigid fiscal regulations that limit the creative and participatory use of *dana desa*. These weaknesses undermine the transformative potential of village autonomy by confining local governance to administrative compliance rather than participatory welfare generation (Hidayat, 2021; Suwandi, 2022).

To address these challenges, a comprehensive legal and institutional reconstruction is required. Normatively, Indonesia must harmonize its statutory instruments through an *Integrative Regulation on Village Autonomy Harmonization* that clearly delineates the division of governmental affairs across governance levels. Such reform should be guided by the principles of proportionality, externality, and efficiency (Turner & Hulme, 1997). Institutionally, coordination mechanisms between the Ministry of Home Affairs and Kemendesa PDTT should be unified under a single governance framework to avoid duplication and ensure consistent policy implementation (Hoessein, 2019; Sudirman, 2021). Equally important is the fiscal reconstruction of village autonomy. Fiscal transfers should evolve from compliance-based allocations toward performance-based and participatory models, enabling villages to design welfare programs that reflect community priorities. This requires flexible budgeting, transparent auditing, and citizen participation through *musyawarah desa*. Empirical evidence demonstrates that participatory fiscal governance not only increases public accountability but also enhances welfare outcomes such as poverty reduction, social inclusion, and local economic resilience (Haryanto, 2023; Suwandi, 2022).

At a theoretical level, the reconstruction of governmental affairs aligns with the principle of subsidiarity, ensuring that authority is exercised by the lowest competent level of governance. This principle operationalizes the spirit of responsive law (Nonet & Selznick, 2017) and progressive legal thought (Rahardjo, 2009), which position law as a dynamic instrument for achieving social justice and human dignity. Village autonomy, when grounded in subsidiarity, transforms governance from hierarchical administration into collaborative democracy, enabling citizens to become active co-producers of welfare. From a global perspective, this reconstruction also advances Indonesia's commitment to the United Nations Sustainable Development Goals (SDGs)—particularly Goal 11 on sustainable communities and Goal 16 on strong institutions (United Nations, 2015). By integrating participatory, accountable, and transparent governance within village autonomy, Indonesia aligns its domestic legal system with international norms of sustainable and inclusive development.

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