

ENHANCING THE EFFECTIVENESS OF VILLAGE AUTONOMY: A SOFT SYSTEMS METHODOLOGY (SSM) APPROACH TO IDENTIFYING CHALLENGES AND POLICY REFORM IN RURAL DEVELOPMENT IN INDONESIA

Robert SAPUTRA, Tomáš HAVLÍČEK

Charles University, Faculty of Science, Department of Social Geography and Regional Development, Prague, Czechia, E-mails: saputrar@natur.cuni.cz, tomas.havlicek@natur.cuni.cz

Corresponding author: saputrar@natur.cuni.cz

Abstract

Village autonomy aims to improve community welfare through independent and participatory governance. However, its implementation still faces challenges. This study analyzes the dynamics of village autonomy implementation, identifies gaps between ideal conceptual models and practices on the ground, and proposes systematic and culturally feasible changes. Using Soft Systems Methodology (SSM), this study collected data through observation, interviews, and focus group discussions (FGDs). Results show that village planning lacks participation, implementation is constrained by bureaucracy, and monitoring and accountability are weak. Key recommendations include increasing community participation, digitizing reporting, strengthening the capacity of village officials, and diversifying funding sources for more effective and transparent governance.

Key words: village autonomy, governance, Soft Systems Methodology, transparency, participation

INTRODUCTION

Since the 1980s, strategies for rural development have evolved to encompass not only enhancements in productivity and income but also improvements in quality of life factors such as health, education, gender issues, environmental concerns, and physical infrastructure (Sutiyo & Maharjan, 2017) [68]. Subsequently, these methods began to emphasize the involvement of marginalized groups by integrating political aspects into rural development efforts (Fernando, 2008) [18]. Among the various strategies, decentralization—shifting authority from central governments to local governments or NGOs (Rondinelli and Cheema, 1983) [59].—has become increasingly favored in developing nations.

Decentralization in village level, often referred to as village autonomy, is a notable phenomenon across Asia and Africa, including Indonesia. The Panchayati Raj system in India empowers local councils with significant administrative and financial responsibilities (Das, 2022; Bukhari, 2019) [12, 7]. In China, village autonomy has been explored through

the "Village Committee" system (Shen et al., 2019; Zhong, 2015) [62, 74]. The governance structure in the Philippines involves Barangay systems, where elected officials operate at the village level (Flores, 2019; Floranza, 2021) [20, 19]. Similarly, Thailand's Village Fund program offers financial resources and decision-making authority to villages (Boonperm et al., 2013; Menkhoff & Rungruxsirivorn, 2011) [6, 40]. Other countries, such as South Korea, Japan, Tanzania, Uganda, and Kenya, also exhibit comparable local governance structures that empower villages (Hwang et al., 2018; Song et al., 2018; Denpaiboon & Amatasawatdee, 2012; Onitsuka & Hoshino, 2018; Mercer & Green, 2013; Mketo et al., 2022; Okello & Mwesigwa, 2022; Singh et al., 2014; Hussein & Wanyoike, 2015; Mogoi et al., 2012) [30, 67, 13, 50, 41, 43, 49, 64, 29, 44].

In Indonesia, the process of decentralization, initiated in 2001, has granted local governments increased autonomy. In 2014, President Jokowi enacted Village Law 6/2014 [37], which further enhanced village autonomy by transitioning from top-down initiatives to a model of community-driven development.

This law classifies villages as autonomous micro-regional governments within regencies, empowering them with greater control over budgets and decision-making processes to effectively address local needs and conditions. The objective of this autonomy is to tackle economic disparities, particularly as rural areas faced higher poverty rates (12.36%) compared to urban areas (7.53%) in 2022, according to the National Statistics Bureau of Indonesia.

While there is a substantial body of research on village autonomy in Indonesian governance (Phahlevy, 2016; Indartuti et al., 2020; Pratolo et al., 2020; Zuliyah, 2020; Kadir & Idris, 2021) [53, 31, 56, 76, 32], limited attention has been given to the extent to which village autonomy impacts development in rural areas. This research aims to fill that gap by investigating the effectiveness of village autonomy in addressing rural underdevelopment. It seeks to enhance our understanding of the relationship between grassroots autonomy and rural development in Indonesia. Ultimately, this study holds the potential to inform policies that improve the quality of life for individuals in rural areas and promote more equitable and just outcomes.

The novelty of this research lies in the application of Soft System Methodology (SSM) to analyze the village autonomy phenomena. SSM, which was developed by Peter Checkland, is a powerful method for addressing complex and unclear problems by integrating various perspectives and encouraging teamwork in problem-solving. Its emphasis on understanding and improving real-life situations through ongoing learning and the involvement of stakeholders makes it particularly suitable for examining and enhancing rural governance (Checkland & Poulter, 2006) [10]. However, there is a significant lack of application of SSM in studies related to rural contexts. While it has been effectively used in multiple fields, its potential to tackle the complexities of rural governance and contexts has not been thoroughly explored (Bell et al., 2016) [4].

Through this endeavor, the research is expected to answer the following research questions:

(1) What are the dynamics influencing the implementation of village autonomy in Indonesia, particularly regarding the challenges encountered by rural key stakeholders?

(2) In what ways do the current practices of village autonomy implementation in Indonesia diverge from the ideal conceptual frameworks established, and what specific gaps can be identified?

(3) What changes are both desirable and feasible to enhance the effectiveness of village autonomy implementation in Indonesia, and how might these changes be operationalized?

Theoretical Framework

Decentralization

Decentralization generally refers to transferring power from a central government to lower levels of government or organizations. Rondinelli and Cheema (1983) [59] define it as transferring planning, decision-making, or administrative authority to local administrative units, semi-autonomous organizations, local government, or NGOs. The enactment of Village Law 6/2014 [37] in Indonesia marks a critical stage for rural development by implementing decentralization, known as village autonomy (Sutoro et al., 2014; Widjaja, 2003; Ndraha, 1991) [69, 72, 46].

Decentralization includes three main types: political, administrative, and fiscal (Sutiyo and Maharjan, 2017) [68]. Political decentralization involves transferring political power to lower government levels, enabling local decision-making. Administrative decentralization redistributes authority and resources for public services across government levels. Fiscal decentralization transfers fiscal authority for revenue generation, transfers, and expenditure decisions. Successful decentralization requires coordinated implementation of these dimensions (Falleti, 2004; Goel et al., 2017; Martinez-Vazquez et al., 2017; Sutiyo & Maharjan, 2017) [17, 22, 39, 68]. This paper analyzes village autonomy using these typologies.

Decentralization enhances rural development by bringing governance closer to communities, increasing participation, and addressing disparities. It improves service delivery,

reduces poverty, and promotes rural development (Drobnjaković, 2024; Khisa, 2020; Somanje et al., 2020) [15, 34, 66]. It boosts financial capacity, investment attractiveness, and living conditions in rural areas (Sokolova, 2023) [65]. Decentralization fosters community participation, accountability, and resource mobilization, essential for sustainable development (Somanje et al., 2020; Kakumba, 2010) [66, 33].

However, the impact of decentralization varies based on context and strategies. While some argue it can lead to regional economic disparities (Rodríguez-Pose & Ezcurra, 2009) [58], others highlight its potential to reduce poverty and enhance rural vitality (Wang et al., 2019) [70]. Effective decentralization requires mechanisms for marginalized households to engage with government and participate in decision-making (Agrawal & Gupta, 2005) [1]. Balancing decentralization efforts is crucial to prevent misallocation and ensure balanced urban-rural development (Zhou & Fan, 2023) [75].

Village Autonomy

Village autonomy refers to villages' ability to self-govern, often rooted in local customs, allowing unique local identities and reducing dependence on higher government levels (Goldsmith, 1995; Pratkett, 2004; Sutoro al., 2014) [23, 55, 69]. It emphasizes community participation, involving residents in decision-making to maximize village potential (Saragi, 2004; Silubun et al., 2020) [61, 63]. In Indonesia, the Village Law (Law Number 6/2014) [37] enhances village autonomy through a community-driven development approach, empowering villages with broader authority over budgets and decision-making for social, economic, and administrative development (Wong & Guggenheim, 2018; Dongier et al., 2003) [73, 14]. Village governments, led by village heads and councils, receive significant budget transfers, 'Dana Desa,' for locally determined programs (Salim et al., 2017; Arifin et al., 2020; Hartojo et al., 2022) [60, 3, 27].

Village autonomy is assessed through five dimensions: resource allocation, access to essential services, participation and inclusion,

social cohesion, and economic opportunities. Resource allocation evaluates the fairness and transparency of distributing resources. Access to essential services examines the availability of education, healthcare, and connectivity (Ho, 2022; Wei & Zhou, 2022) [28, 71]. Participation and inclusion assess residents' involvement in decision-making. Social cohesion measures unity and cooperation, while economic opportunities evaluate employment and market access.

Effective village autonomy relies on responsive, transparent leadership fostering community participation and democratic governance (Chromý et al., 2011; Giddens, 1995; Nye, 1990; Mansuri & Rao, 2004) [11, 21, 48, 38]. Strong social capital in rural life helps overcome poverty and improve social standing, although strong ties can hinder information dissemination, highlighting the importance of both strong and weak ties (Berki et al., 2020; Granovetter, 1973; Elvy, 2019) [5, 24, 16]. Transparency and accountability in managing village budgets (APBDes) are crucial. Strong social ties can create informal power structures, posing challenges to transparency and accountability. Effective regional financial management upholds these principles to enhance village autonomy (Khotimah et al., 2018; Niswah et al., 2018; Pane, 2019) [35, 47, 51].

MATERIALS AND METHODS

Research Methodology

This study takes a qualitative approach using Soft System Methodology (SSM), which is great for tackling complex and poorly defined problems. Rural governance includes complex problems that require a holistic or systemic way of thinking, we noticed the need for a system thinking perspective (Checkland, 1985; Mingers & White, 2010; Pollack, 2006; Muhammaditya et al., 2021; Akhyar et al. 2023) [8, 42, 54, 45, 2]. SSM shines when it comes to bringing together different viewpoints and creating solutions that involve all stakeholders. Since the focus of the research is on understanding village autonomy, it's crucial to grasp the various processes, relationships, and context at play—something

that qualitative methods do best. SSM fits perfectly here, as it provides a structured way to identify and solve broader issues within the system, helping to develop practical solutions that are specifically tailored to the rural context.

Soft System Methodology (SSM)

SSM is a qualitative approach rooted in systems thinking that seeks to comprehend

issues and create a conceptual framework to address complex and poorly defined challenges. It consists of seven stages, depicted in Figure 1 (Checkland, 2000; Checkland & Poulter, 2006) [9, 10], which are categorized into two types of reasoning: thinking about the real world and thinking systemically about that real world.

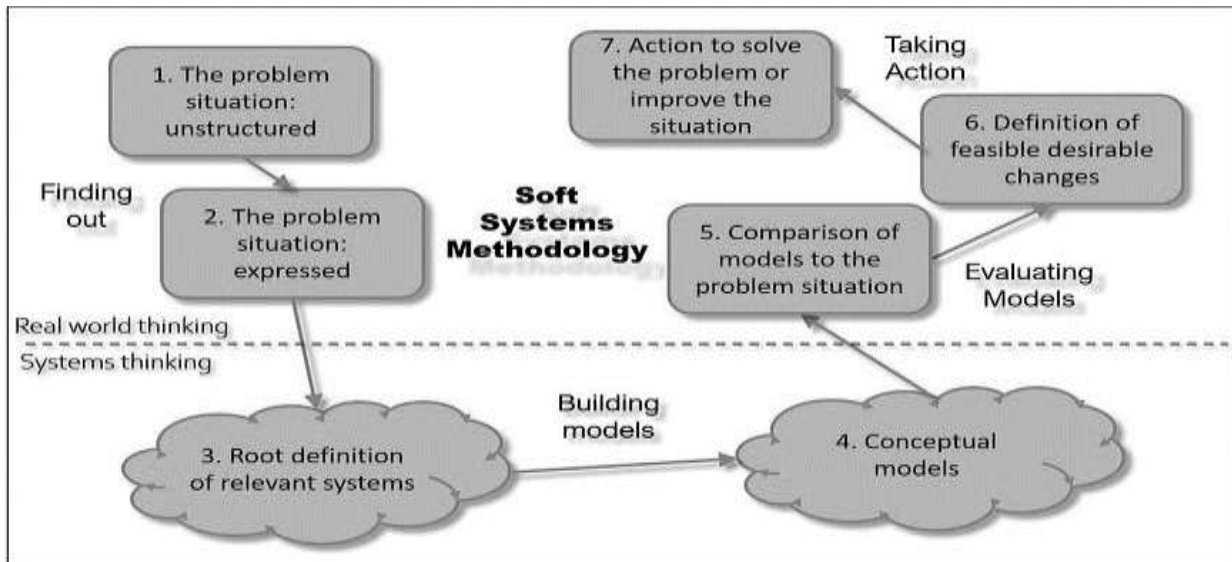


Fig. 1. Checkland's seven-stage Soft Systems
Source: Checkland, 2000; Checkland & Poulter, 2006 [9, 10].

First, we identified problematic situations on the implementation of village autonomy by conducting in-depth interviews with five village heads, three village facilitators, two regional government officers and some village communities. To achieve research aims optimally, the selection of five villages heads for interview is based on the status of Village Development Index (VDI) which comprising all five categories: Very under-developed, under-developed, developing, advanced, and independent village. Each village head will represent each VDI. VDI is an indicator of village development progress that is determined based on Law Number 6 of 2014 [37] concerning Villages and Minister of Villages, Development of Disadvantaged Regions and Transmigration Regulation Number 2 of 2016 concerning Village Development Index [57].

In the second stage, the information collected in the first stage of Soft Systems Methodology (SSM) was depicted in a rich picture. The third

stage focused on crafting a root definition using the CATWOE framework, which includes Customer, Actors, Transformation, Weltanschauung (Worldview), Owners, and Environmental Constraints. This was followed by the fourth stage, where a conceptual model was developed and assessed based on criteria of efficacy, efficiency, and effectiveness. In the fifth stage, the model was compared to real-world scenarios to validate and refine it, highlighting any discrepancies and insights. The sixth stage consisted of formulating recommendations for changes, while the seventh stage was dedicated to implementing these recommendations to address the problems or enhance the situations.

RESULTS AND DISCUSSIONS

Identifying unstructured problems

Before identifying unstructured problems, it is essential to establish the Client, Practitioner, and Owner (CPO) associated with the issue (Table 1).

Table 1. CPO Components

Client/s	Department of Social Geography and Regional Development, Charles University, Village Community
Practitioner/s	Robert Saputra (Researcher and SSM Practitioner) Tomas Havlicek (Supervisor)
Owner	Village Community, Village Government, Regional Government, and Central Government

Source: Own presentation.

Observations and interviews with various parties revealed that the implementation of village autonomy involves many actors with diverse roles and interests, often creating complex dynamics. Village governments as the main implementers often face pressure from local and central governments regarding policies and reporting, while village communities, who should be the main beneficiaries, often feel inadequately involved in the decision-making process. In addition, external stakeholders such as NGOs and the private sector often bring their own agendas that are not always aligned with local needs. The lack of effective coordination between these actors often leads to overlapping authority, conflicts of interest, and inefficiencies in the management of village authority. Observations also noted that communication between parties tends to be one-way, with the central or local government dominating, while the role of the community as a watchdog and partner in village development has not been well accommodated.

Interviews and field observations also revealed significant capacity gaps at the village apparatus level in managing the authority granted by village autonomy. Many village heads and their officials admitted that they have difficulty understanding the various regulations that often change, so that the implementation process often runs not in accordance with the applicable rules. Interviews with village facilitators also revealed that the technical training and mentoring provided is insufficient to build the necessary competencies, particularly in terms of data-driven planning, budget management, and accountability reporting. These limitations are exacerbated by village officials' low access to supporting resources such as information technology and adequate monitoring tools. As a result, many decisions are made intuitively or

based on old habits, which are often inconsistent with good governance principles. The results of observations and interviews also showed that the level of community participation in the management of village authority is still not optimal. Village deliberations, which should be the main forum for designing development programs based on local needs, are often only attended by a handful of specific groups, such as traditional leaders, village officials, and pre-determined representatives. The general public, especially women, youth, and marginalized groups, feel uninvited or have no meaningful voice in the process. Several interviewees attributed this lack of participation to a lack of transparent information regarding the schedule and agenda of village meetings, as well as a strong hierarchical culture, where decisions tend to be dominated by those deemed to have authority. In addition, observations also noted the apathy of some communities, who felt that their opinions would not affect the final outcome, so they chose not to get involved.

The implementation of village autonomy in Kepulauan Meranti has faced challenges, particularly in transparency and accountability of village governments. While autonomy grants villages significant authority and resources, the lack of robust accountability mechanisms risks corruption and unfair practices. Since the policy's inception in 2015, at least eight village heads and officials have been detained for misappropriating village funds, resulting in state losses exceeding 2 billion Rupiah (134,000 USD). This undermines rural development efforts despite the potential benefits of village autonomy. Several villagers interviewed revealed that information on the use of village authority and budgets is often not published openly, leading to suspicion among the community of potential abuse of authority. In addition, oversight

mechanisms, both by the Village Consultative Body (BPD) and the community, have not been effective due to a lack of understanding of the role of oversight and limited access to relevant data

Developing a Rich Picture

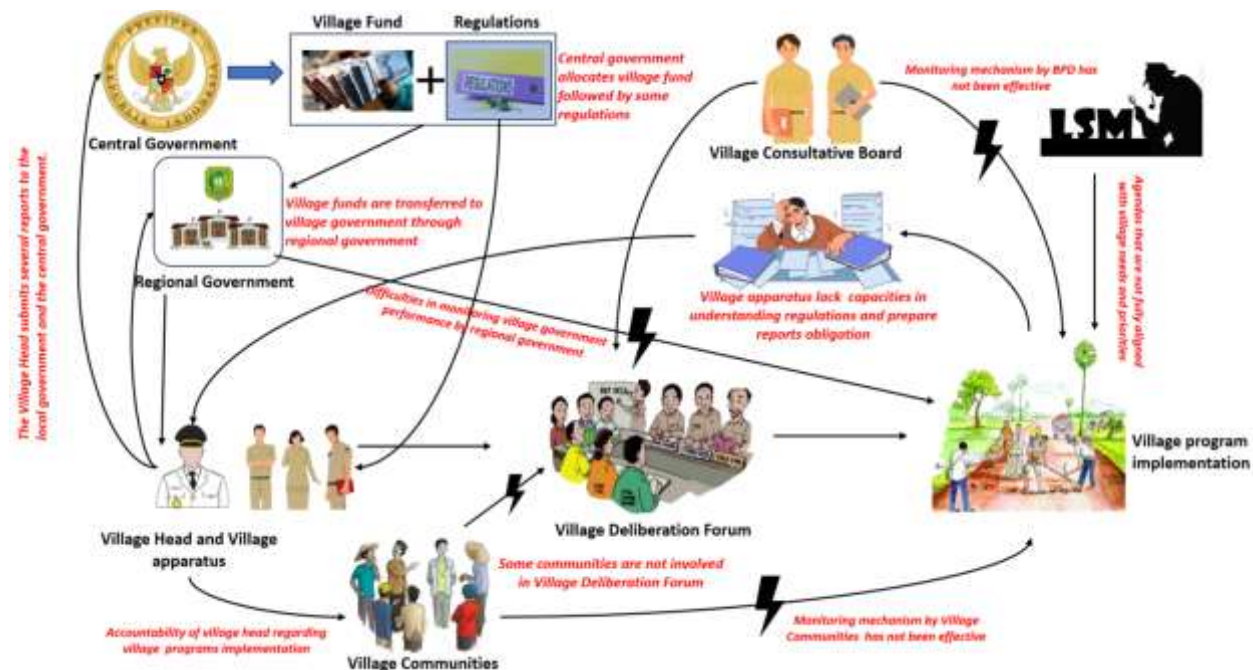


Fig. 2. Rich Picture from the Problematic Situations

Source: The visualization of the unstructured problems (Step 1 of SSM) by the author (2024).

The rich picture that has been developed illustrates the complexity of village autonomy implementation in Indonesia by mapping key actors, processes and challenges in several important aspects: planning, implementation, evaluation and accountability. In planning, village officials face the challenge of understanding and adjusting to frequently changing policies from central and regional governments. Village meetings, which are supposed to be participatory forums, are often dominated by certain groups, so the needs of the wider community are not always accommodated. The limited capacity of village officials to use data and modern planning tools also affects the quality of development plans produced.

On implementation, the complexity of the multi-actor system creates obstacles to coordination between village governments, communities, and external parties such as NGOs and the private sector. There are often overlapping authorities or conflicts of interest

Based on the information gathered from the first stage of SSM, we transformed them into a rich picture (Figure 2) from which it helps authors to visually communicate the problem situation.

that hamper program implementation. In evaluation, oversight by the community and BPD has not been optimal due to the lack of access to transparent information and the lack of skills to critically evaluate the program. This has a direct impact on accountability, where reports on the management of village authority are not always open and in accordance with the principles of good governance, leading to community distrust.

Root Definition

The third stage is to determine the root definition (RD). The technique applied is to answer the questions about what is done (P), how to do it (Q), and why it is done as an objective (R) (Checkland & Poulter, 2006) [10]. The root definition for this study are as follows:

(P) A system for managing village authorities within the framework of village autonomy, (Q) implemented through participatory, transparent, and accountable processes involving the community, village officials,

local government, and external stakeholders, (R) to support needs-based local development and enhance the welfare of village communities.

The Root Definition (RD) is created through direct observations, discussions with stakeholders, and the conceptual frameworks used in this research. To verify the choice and designation of the Human Activity System, the

CATWOE analysis method was employed, evaluating the components of Customers, Actors, Transformation, Weltanschauung (Worldview), Owners, and Environment (Hardjosoekarto 2012; Hardjosoekarto et al. 2013; Permatasari et al. 2019; Muhammaditya et al., 2021; Akhyar et al., 2023) [25, 26, 52, 45, 2]. Detailed information on the CATWOE components can be found in Table 2.

Table 2. CATWOE analysis

Customers	-The village community is the main beneficiary of the implementation of village autonomy - Regional and central government as parties who want to ensure the success of the program.
Actors	- Village government (village head, village officials). - Village Consultative Board (BPD). - Village community groups (farmers, youth, women, traditional leaders) - Regional government and external parties (NGOs, private sector).
Transformation	Village authority is transformed into local needs-based development programs through village consultative meetings, with participatory implementation, monitoring, and evaluation.
Weltanschauung (Worldview)	Village autonomy is the key to improving community welfare through participation, transparency, and accountability in village development management.
Owners	- The central and regional governments provide direction and supervision. - Village communities as beneficial owners and supervisors.
Environment	- Changing government regulations. - Limited capacity of village apparatus. - Suboptimal community participation. - Conflict of interest and corruption.

Source: Author's analysis.

Formulating Conceptual Model (CM)

The fourth stage of SSM is to formulate a conceptual model (CM) to identify required activities for the optimization of village autonomy implementation (Figures 7). This adaptive process involves executor activities and feedback. The model must align with five criteria: efficacy, efficiency, effectiveness, elegance, and ethicality (Hardjosoekarto 2012; Hardjosoekarto et al. 2013; Permatasari et al. 2019) [25, 26, 52]. This study focuses on three: efficacy (benefits of changes), efficiency (minimal resource use), and effectiveness (optimal time use). Ethicality and elegance are not explicitly addressed, focusing instead on functional aspects within a morally sound organization (Kotiadis et al. 2013, Muhammaditya et al., 2021; Akhyar et al. 2023) [36, 45, 2]. Testing criteria is detailed in Table 3. The root definition of each component serves as the foundation for developing a

crucial conceptual model (Figure 3) aimed at fulfilling an ideal objective. This model outlines the human activities system, reflecting the results of the problem situation. It functions as an adaptive process, allowing for feedback between the modeling activities and the representation of the problem situation. The conceptual model includes all elements used in CATWOE.

The planning stage in the implementation of village autonomy begins with a needs assessment of the village society, where various data and information are collected to identify and analyze development issues and opportunities. The results of this assessment form the basis of the village deliberation, which serves as a deliberative forum for the community and stakeholders to set development priorities that are appropriate to local conditions.

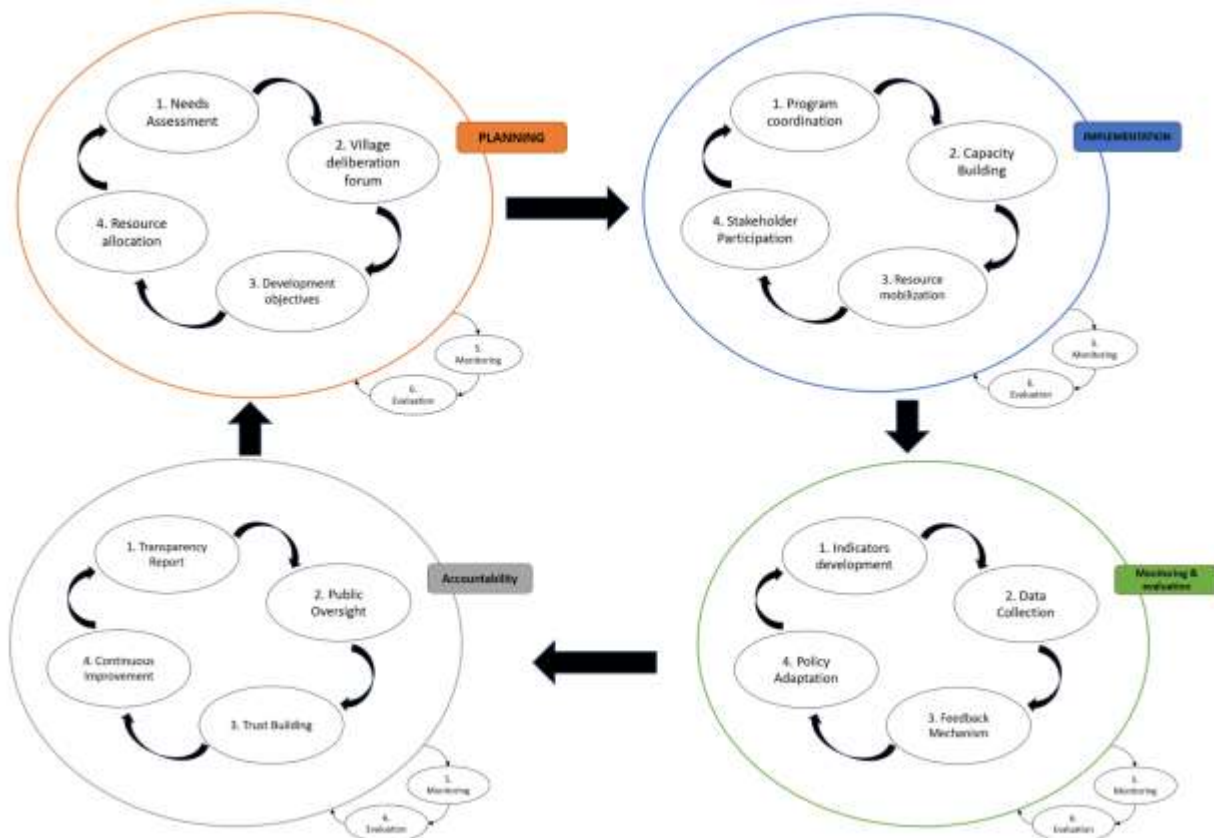


Fig. 3. Conceptual Model of Relevant System
 Source: Own conception.

Furthermore, the results of the deliberation are formulated into the *RKPDes* (Village Government Work Plan), which contains strategic programs, indicators of success, and a systematic implementation mechanism. Finally, to ensure the effectiveness of planning, needs-based resource allocation is carried out, which includes the distribution of budget, manpower, and infrastructure so that development programs can run optimally in accordance with the priorities that have been set.

The implementation stage emphasizes implementing the policies and programs in the *RKPDes*. The initial step is coordination of program implementation, where the village officials works closely with relevant institutions to ensure synergy in policy execution. To improve the effectiveness of implementation, capacity building of village officials is carried out, including administrative, technical, and managerial training to ensure the readiness of human resources. Furthermore, resource mobilization and distribution are important element in

ensuring smooth program implementation, both in terms of funding, logistics, and manpower.

In addition, community involvement and participation are highly emphasized so that the program truly responds to the needs of the community, creates a sense of ownership, and increases the sustainability of development at the village level.

To make sure the village program works effectively, we carry out the Monitoring & Evaluation (M&E) stage in a structured way through several key steps. It begins with creating performance indicators that act as benchmarks to gauge the program's success against set targets.

After that, we gather and analyze data from different sources, including reports from the field, direct observations, and community feedback.

The insights we gain from the analysis feed into our reporting and feedback systems, promoting transparency in our evaluations and laying the groundwork for future policy improvements.

To foster continuous improvement, we adapt our policies based on these evaluations, enabling the village to refine its strategies and programs to better meet the changing needs of the community.

Accountability in the implementation of village autonomy is a crucial aspect to ensure public trust and transparency in the management of village authority. One of the main elements in this stage is transparency in reporting the use of authority, where the village government is obliged to submit information related to programs, budget use, and development achievements to the community. To ensure effective oversight, a monitoring mechanism is implemented by the community

and the BPD (Village Consultative Body), which serves as a social control over the operation of the village government. In addition, increasing public trust through the publication of results is an important strategy in building the legitimacy of the village government and encouraging active participation of citizens.

Finally, the accountability process also includes continuous learning and improvement, where evaluation results are used to identify best practices and correct weaknesses in the next village development cycle.

Table 3. Testing Criteria 3E

3E Criteria	Explanation
Efficacy (1E)	This conceptual model ensures that village policies are more participatory, data-driven, and responsive to community needs. Continuous monitoring and evaluation allow ineffective policies to be corrected immediately.
Efficiency (2E)	Efficiency is achieved through needs-based resource allocation, good coordination, and strengthening the capacity of village officials. Transparency and oversight mechanisms prevent budget misuse and increase productivity.
Effectiveness (3E)	Clear strategic planning and regular monitoring ensure that each stage of development is on target. Transparent accountability accelerates decision-making and village responsiveness to change.

Source: Author's analysis.

The comparison of model and real world

The conceptual model helps in achieving the epistemological model (Hardjosoekarto, 2012; Hardjosoekarto et al. 2013; Permatasari et al. 2019; Muhammaditya et al. 2021) [25, 26, 52, 45].

Aligning the model's structure with one's worldview improves comprehension of reality. Checkland (2000) [9] outlines four comparative methods, which are created using a matrix based on the conceptual model (Table 4).

The comparison of a conceptual model (human activity system) with the reality produces several recommendation formulas that are utilized to prevent the problems that have been happening recently. Recommendations are grouped into four parts, namely planning, implementation, monitoring and evaluation, and accountability.

Recommendations for Further Actions

In the Soft Systems Methodology (SSM), stages 6 and 7 focus on proposing changes and taking actions to tackle issues identified

through comparisons and discussions. As noted by Checkland (2000) and Checkland and Poulter (2006) [9, 10], Stage 6 involves validating the conceptual model to confirm that it is both systematically desirable and culturally acceptable. In this stage, the researcher engaged with rural stakeholders and problem owners through consultations. These consultations employed a participatory approach, utilizing Focused Group Discussions (FGDs) and in-depth interviews to ensure the model's systematic desirability and cultural feasibility. Detailed notes and audio recordings were made with participants' consent to capture all pertinent insights. The qualitative data collected was analyzed to extract key themes, and the results were formally documented. Based on the feedback received, the conceptual model was modified as necessary to better reflect the local cultural context, ensuring its practical applicability and alignment with SSM principles. After discussions with various rural stakeholders regarding the study results, it was concluded

that the developed system meets the standards of systematic desirability and cultural feasibility, with several key factors to consider. Village planning should involve all elements of the community to ensure that the policies adopted truly reflect local needs. Village deliberations (*musdes*) need to be strengthened with an inclusive approach, ensuring that women, youth, and vulnerable groups

participate in decision-making. Focus group discussions (FGDs) can be conducted before the *musdes* to dig deeper into the aspirations of the community, so that every decision is data-based and not just dominated by a few parties. In this way, community participation increases, transparency is maintained, and village development policies become more relevant and sustainable.

Table 4. The comparison of model and reality

Activity	Real Condition	Recommendation
Planning	Village planning often lacks comprehensive community participation, with dominant influence from village elites and local political interests. Needs assessments are sometimes superficial, and <i>RKPD</i> s preparation may not align well with real community needs. Resource allocation can be inefficient due to bureaucratic constraints and misalignment with long-term goals.	Strengthen participatory planning by ensuring all community groups are involved in needs assessments and village meetings. Implement data-driven decision-making for <i>RKPD</i> s and improve transparency in budget allocation. Capacity building for village officials should be prioritized to enhance strategic planning skills.
Implementation	Execution of programs often faces delays due to administrative inefficiencies, lack of coordination, and resource mismanagement. Village apparatus may lack technical knowledge, and community involvement in implementation is often minimal. Some projects suffer from poor execution quality due to inadequate supervision	Improve coordination mechanisms among stakeholders, including government, private sector, and local communities. Provide continuous training for village officials on project management and technical aspects. Enhance community engagement by promoting local ownership and volunteerism in project execution.
Monitoring & Evaluation	Monitoring is often weak due to a lack of clear performance indicators and structured evaluation mechanisms. Data collection is inconsistent, and feedback from the community is rarely integrated into policy improvements. Evaluation tends to be reactive rather than proactive, leading to repeated issues in project implementation.	Develop standardized key performance indicators (KPIs) and ensure systematic data collection for continuous evaluation. Establish independent monitoring teams involving civil society organizations (CSOs), community representatives coordinated by Village Consultative Body or <i>BPD</i> . Institutionalize feedback loops where community input is actively considered for policy revisions.
Accountability	Transparency in financial and program accountability remains a major issue, with limited public access to financial reports. Community oversight mechanisms such as <i>BPD</i> (Village Consultative Body) exist but are often ineffective due to lack of authority or political influence. Corruption and misuse of village funds still occur in some areas due to weak governance structures.	Enhance transparency by mandating regular public financial reporting through accessible platforms. Strengthen the role and authority of <i>BPD</i> and other oversight bodies to conduct independent audits. Implement digital governance tools to track fund allocations and project progress in real-time.

Source: Comparison of developed Conceptual Model (CM) with real world by using secondary data, FGD and interview with rural stakeholders.

In addition to involving the community in planning, transparency in village financial management is also an important factor in improving accountability. One of the main challenges in village governance is the

transparency of the use of village funds, which is often still managed manually and less open to the community. Digitalization of financial recording and reporting can be a solution by utilizing simple technology, such as mobile-

based applications or village social media. With this mechanism, village financial reports can be accessed by the public on a regular basis, reducing the risk of misuse of funds and increasing public trust in the village government. This approach is also in line with the increasing penetration of technology in rural areas, enabling digitization to be implemented effectively without creating cultural barriers.

However, transparency alone is not enough without improving the capacity of village officials and oversight institutions. Village officials often face obstacles in carrying out administrative and technical tasks due to limited capacity and resources. To overcome this, regular training is needed for village officials in governance, project management, and evaluation and monitoring of development programs. This training can be conducted in collaboration with universities, NGOs, or relevant government agencies. In addition, the Village Consultative Body (BPD) as a supervisory institution must also be strengthened so that it can optimally perform its functions, without creating tension with the village government. With this capacity building, villages will be better able to carry out professional and accountable governance. In addition, a responsive complaints mechanism is also needed so that the community can directly provide input or submit complaints related to village policies. To improve accountability in village governance, a complaint mechanism that is easily accessible and can be followed up immediately is required. Effective communication channels, such as suggestion boxes at the village hall, weekly citizen forums, or village WhatsApp groups, can be a suitable solution for rural communities. These mechanisms ensure that residents have a means to submit complaints or suggestions related to village programs, so that the village government can respond and make improvements in real-time. This approach also reflects the principles of transparency and openness in village governance, while strengthening the relationship between the government and the community.

Furthermore, to ensure the effectiveness of village policies and programs, village officials who perform well should be rewarded, while those who perform less optimally should receive further evaluation and mentoring. Providing merit-based incentives, such as additional bonuses or public recognition in village events, can motivate village officials to perform better. In addition, the community also needs to be given access to information related to village government performance so that they can participate in assessing the effectiveness of the policies implemented. With this incentive system, the quality of village government services can improve and be more in line with community expectations.

In addition to the internal aspects of village governance, the sustainability of village development also depends on more diverse funding sources. The village's dependence on funds from the central government is often an obstacle to sustainable village development. Therefore, villages need to develop partnerships with the private sector, cooperatives, and social organizations to obtain alternative funding sources.

This cooperation pattern can be adapted by considering local norms and traditions, for example through Village-owned Enterprises (*BUMDes*) or cooperation with religious social institutions that have great influence in the community.

With more diverse funding sources, villages can be more flexible in implementing development programs that suit the needs of the community.

Finally, for village development to be more effective and sustainable, community empowerment programs must be based on local potential and wisdom.

Village development programs must be structured by considering local potential in order to provide sustainable benefits to the community.

This approach can be done by developing businesses based on agriculture, fisheries, and creative industries typical of the village that are in accordance with the traditions of the local community. In addition, traditional and religious leaders can be involved in policy

socialization to ensure wider acceptance by the community.

By tailoring empowerment programs to the values and customs of village communities, development can be more effective, while maintaining local identity and culture.

CONCLUSIONS

This research aims to analyze the effectiveness of Village Autonomy policy by using Soft System Methodology (SSM). Furthermore, this paper is also intended to address the following research questions:

(1) What are the dynamics influencing the implementation of village autonomy in Indonesia, particularly regarding the challenges encountered by rural key stakeholders?

(2) In what ways do the current practices of village autonomy implementation in Indonesia diverge from the ideal conceptual frameworks established, and what specific gaps can be identified?

(3) What changes are both desirable and feasible to enhance the effectiveness of village autonomy implementation in Indonesia, and how might these changes be operationalized?

For the first research question, it was found that the main dynamics and challenges in village autonomy include governance complexity, elite dominance in decision-making, limited community participation, and transparency issues.

Although village autonomy aims to empower local governance, its implementation still faces obstacles in bureaucracy, unequal distribution of resources, and weak institutional capacity.

Answering the second research question, there is a gap between the ideal conceptual model and the practice in the field. In the planning aspect, participatory mechanisms have not been effective, while in implementation, there are many bureaucratic obstacles and inefficiencies in resource management. In addition, monitoring and accountability mechanisms remain underdeveloped, with minimal public oversight and weak enforcement of village governance standards. These gaps suggest that while the regulations and structures for village autonomy are in

place, their implementation on the ground still requires improvements in coordination, oversight, and community engagement.

For the last research question, several systematically desirable and culturally feasible changes are recommended to improve the effectiveness of village autonomy. These changes include strengthening participatory governance through more inclusive planning, increasing financial transparency through digital reporting, and building the capacity of village officials through structured training. In addition, there is a need to establish responsive feedback mechanisms, incentivize good governance practices, and diversify funding sources through partnerships with external parties.

By ensuring that these recommendations are systematically desired and culturally applicable, village autonomy in Indonesia can be optimized to achieve more transparent, efficient, and community participation-based governance.

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