# ENSURING CASH-INTENSIVE EFFICIENCY IN THE VILLAGE: META FRONTIER ANALYSIS

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## ABSTRACT

*Inequality, poverty, and unemployment in villages are still problems that have not been adequately resolved to date. Starting to allocate village funds in 2015 and Cash For Work (CFW) in 2018, it hopes this would accelerate these problems. This study uses a meta frontier analysis. This study found three factors that significantly affected inefficiency: the variable number of villages that had not budgeted for CFW ≥30%, the number of villages that had not reported CFW, and the CFW process status ≥ 30%. This study proposes three policy recommendations, including the 30 percent minimum working day (HOK) limit that is no longer a benchmark and gives villages the freedom to use the Village Fund using the self-management method. Second, the Government should synergize data on poverty reduction programs and unemployment between ministries or institutions. Third, the Village Government must prioritize the development of village potential while still empowering marginalized communities.*

**Keywords:** *Efficiency, Cash Intensive Work*
**JEL: D72, H7**

## Introduction

This paper sets out to determine the factors that cause technical inefficiency of cash-for-work (CFW) in reducing unemployment in Kebumen, considering the unemployment rate in Kebumen continues to increase, even though village funds disbursed are growing every year. At the national level, the goal of village funds is to reduce the number of poor people in the countryside through cash-intensive programs. It expects that the CFW can absorb labour to impact the decrease in the number of poor people. However, the question is whether the implementation of technical inefficiencies that cause poverty in the countryside to slow down or even have no impact.

There have been many attempts by the Government to reduce the number of poor people in rural areas. One of them is by budgeting village funds. Referring to (Badan Pusat Statistik, 2020), from 1976 to March 2020, poor people in rural areas have always been higher

than in urban areas. It recorded that as of March 2020, the number of poor people in rural areas was 15.3 million, or 26.7% higher than the number of urban poor people of 11.2 million.

Several factors cause the number of poor people in rural areas to be more than in urban areas. Research by Ellis & Freeman (2004) reveals that low household income in rural areas is caused by common land and livestock ownership, high dependence on food crop agriculture, and low monetization of the rural economy. Meanwhile, wealthier households experience a favourable spiral of accumulation that usually involves diverse livestock holdings, involvement in non-farm entrepreneurs, and a variety of non-farm sources of income.

Under these conditions, the state requires to be able to accelerate poverty alleviation in rural areas. The form of government commitment to reduce poverty in rural areas proves by allocating budget funds for villages. No half-hearted, even this village fund budget always increases every year. In the beginning, the village funds were disbursed, namely in 2015, the budget reached 60 trillion. Five years later (2020), the village fund budget will be 70 trillion (up 14%).

The Efforts to strengthen village finances through village funds contain two definitions. First, multiplying and integrating development funds that go to the village, where village funds are the answer to the scarcity of funding sources in the town, makes it challenging to improve the village's welfare. Second, the village fund policy trusts the city to manage its financial resources more independently (Zakaria, 2016).

However, village funds have increased every year, rural areas' poverty rate is still relatively high. Under these conditions, the Government targets 30% of the disbursed village funds used for cash-intensive programs (CFW). It hopes that with CFW, the village community's income will increase to increase its welfare.

Cash for Work in the Village (CFW in Village) is program empowerment of low-income families, the unemployed, and families with malnourished children under five. The products are based on using natural resources, labour, and local technology to reduce poverty, increase income and reduce stunting rates. This program prioritizes labour absorption as much as possible by empowering the village community (General Guidelines Implementation of CFW in Villages in 2018).

In the technical guidelines for implementing the 2018 Village Cash Workforce, there is a regulation that village funds in development activities are required to allocate at least 30 percent for labour wages. The payment of 30% of labour wages calculates by calculating one person Minimum Work Day (HOK) equal to 8 Hours. Working wages are paid directly to the people involved and are strived to give daily.

Kebumen Regency has several villages, as many as 449 villages spread over twenty-six districts. Since 2015 villages in Kebumen have received a Fund budget Villages from the Central Government, the budget size increases each year. The following is shown in table 1 regarding the data on the amount of the village fund budget in Kebumen Province:

**Table 1: Village Fund & Unemployment Rate for Kebumen Regency, 2015-2020**

| Year | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|---|---|---|---|---|---|---|
| Village Fund (in billion Rupiah) | 125,8 | 282,4 | 359,9 | 350,6 | 396,5 | 409,8 |

| Year | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|---|---|---|---|---|---|---|
| Unemploy-ment Rate (%) | 4.14 | | 5.58 | 5.58 | 4.76 | 6.07 |

Source: Ministry of Finance & BPS, 2020.

Table 1 shows that the village fund budget in Kebumen always increases every year, but the unemployment percentage also shows an increasing trend every year. It means the increased funding for village funds in the Kebumen Regency does not improve the ratio of unemployment, which is still growing every year. It records that in 2014 the percentage of unemployment in Kebumen was 3.25 percent, increasing to 4.14% (2015) and 5.58% in 2017. However, it was stagnant at 5.58 percent in 2018 (Badan Pusat Statistik, 2020). Based on Bappeda Kebumen's (2018) research results, the factors that cause high unemployment in Kebumen are the low level of education, skills, experience, and a disproportionate number of job seekers with existing jobs and low minimum wage.

Kebumen succeeded in reducing 0.86% unemployment only in 2019 so that it became 4.76%. Unfortunately, in 2020, the unemployment percentage has risen sharply to 6.07%. This high disruption is the cause of Kebumen still being the poorest district in Central Java Province. Citing BPS data of Central Java Province (2021), Kebumen occupies the worst position regarding the high number of poor people. Thus, village funds allocated in the form of CFW should optimally reduce the unemployment rate, impacting the decrease in the number of poor people. The Government of Kebumen Regency must solve the high unemployment and variable supporting causes, such as the low quality of human resources, both in education and worker skills. Fito (2015) revealed that the factors that cause high unemployment in villages are low education, dropouts, lack of unique talents, and limited/minimal job opportunities.

Therefore, it hopes that the CFW program can accelerate high unemployment in the village. The number of funds disbursed from the APBN to villages must be followed by improvements in village financial management, improving the community's welfare (Nafidah & Anisa, 2017).

**Literature Review**

Two points will discuss in the literature review, such as efficiency and cash for work. This study also uses references from several previous studies that have conducted research related to money labour-intensive.

*Efficiency*

Efficiency is a related concept of productivity. The measurement of efficiency was conducted using the comparison between output that produced to input that used. This process can be efficient when a product or result achieves minimal natural and financial resources (Mahsun, 2016). According to Jones & Pendlebury (2000), efficiency can also measure using a ratio between output and input. It can develop in four ways, which are:

1. By increasing output for the same input.

2. By increasing output by a more regular proportion than the proportionate increase by input.

3. By decreasing input for the same output.

4. By decreasing input by a more significant proportion than the proportionate increase in input.

According to Darnton & Darnton (1997), an activity is relatively more efficient than other

activities of the same and similar type if it requires less input or produces more output to achieve specific goals.

Regarding efficiency in the public sector, Ben and Gauss (Assifie, 2004) said that public sector performance is measured by more welfare criteria, which are communal and open to public accountability (public scrutiny). The position of the public sector is not as a representation of individuals but rather as agents of society. Antony and Herzlinger (Assifie, 2004) stated that the demarcation line between the public sector and the private sector is that of the public sector aims to produce the best service to society by using the resources owned and the performance of the public sector seen by benchmarks of how many services provide to the community and how is the quality of the service (Ismail, 2009).

Measurement of organizational performance (public and private sectors) generally consists of two components, (1) efficiency, describing how an organization uses its resources in production. (2) effectiveness, showing the achievement of production against the goals and policies to be achieved and actual.

In essence, measuring an organization's efficiency analyzes the relationship between the output produced and the input used. For organizations with only one type of output from one input type, efficiency measurement is relatively easy. However, most organizations - public and private - produce multiple output types generated by more than one type of input. Private companies that sell their output in a competitive market (competitive market) can aggregate the various outcomes using observed prices (see Diewert, 1992). However, public sector organizations generally produce output that is not tradable in competitive markets and is non-rivalry. It will make it challenging to aggregate production so that the public sector's efficiency becomes complicated.

There are three types of efficiency: 1) technical efficiency, which reflects maximizing output with specific inputs. 2) allocative efficiency (allocative efficiency) reflects the optimal inputs that the price level has determined. These two measures are then combined to produce economic efficiency. So it can interpret that efficiency can achieve if economic actors are at their maximum (Ismail, 2009). Meanwhile, according to Farrell (1957) and Coelli et al. (1998). The efficiency classifies into three, namely technical efficiency, allocative efficiency, and economic efficiency.

In this study, the authors will analyze related technical efficiency, namely maximizing output with specific inputs. For example, in this case, study, the number of villages budgeted more than 30% for cash-intensive programs to help solve unemployment in the town. There is one sub-district A with 18 villages, with the number of villages have budgeted CFW more than 30% of 0 villages. Meanwhile, one sub-district B has 24 villages, where 21 villages have budgeted CFW more than 30%. The achievement of efficiency value for sub-district A is 0 while for sub-district B is 0.875. It can conclude that sub-district B has the best efficiency level while sub-district A does not.

### Cash For Work (CFW)

CFW provides unskilled and skilled workers wages to participate in social activities to build or repair public infrastructure. Because payment is only received after the participants have completed work, CFW has often considered a conditional cash transfer. Implementation is usually limited to the short term (for example, one to two months), and payments can make cash, vouchers, or electronic transfers. CFW is not an employment program. It aims to provide short-term wages to vulnerable groups affected by the crisis or disaster who have lost their jobs. The concept of CFW was initially designed to ease the psychological burden and bore-

dom of people displaced by emergencies or disasters and empower them to take responsibility for their or recovery. CFW is used when a program aims to improve public infrastructure or the healing of vulnerable groups affected by a disaster (Mercy Corps, 2015). It is a disaster recovery or social protection program (Disaster Waste Recovery, 2017)

Echevin et al. (2011) analyzed post-earthquake food insecurity in Haiti using quantitative and survey methods. The results show that the CFW program does not consider being on target in providing benefits to the poor. This program did not give priority to household members affected by the earthquake in the form of homelessness.

Nagamatsu (2014) conducted another study to see the effectiveness of CFW in nuclear disaster recovery in Japan, using a quantitative approach. The findings show that 40% of participants still rely on their work as their primary income source. Besides, work experience is valued in the CFW program. The participants were satisfied with the CFW program.

Chen & Démurger (2014) conducted a study focused on the CFW policy applied in mountainous areas of the Beijing municipality, using original household survey data. The results of his research show that participation rates are pretty significant among local rural households (73 per cent), consistent with the explicit redistributive policy design in most villages. Equal participation estimates show that significantly lower families participate at the household level. At the individual level, people with lower alternative opportunities (elderly, women, less educated people) are more involved in forest guard activities. These findings indicate the relatively good targeting performance of the CFW program, which is corroborated by anecdotal evidence from field surveys, with no records of complaints from households interviewed regarding household selection into the program and overall reported satisfaction with the program.

Whether CFW or Food For Work (FFW) programs have disincentive effects on agricultural labour and investment, considerable evidence supports that they do not. In rural Kenya, Bezuneh et al. (1998) show that FFW transfers allow peasants to accumulate more capital, increasing the opportunity cost of their time and encouraging a shift from FFW towards farm production. In the same area, Barrett et al. (2001) confirm that FFW significantly reduced liquidity constraints for lower recipient households, enabling them to pursue more lucrative farm and non-farm activities and increase crop income non-farm income (Chen & Démurger (2014).

A recent study was conducted by Hidayah & Mukhlis (2019) on the effectiveness of CFW on village funds for access to clean water and sanitation, using a quantitative approach. The study was conducted in 405 districts and 810 rural area observations in 2014 and 2016. The analysis results show that the CFW program has no impact on the people who work in the formal sector. However, CFW affected people working in the informal sector by 0.77 per cent for clean water projects and 5.47 per cent for sanitation projects.

Abebe (2020) conducted a study on food insecurity in Southern Ethiopia using quantitative and qualitative approaches. The aim is to explore the challenges and prospects of CFW and FFW in building household resilience to food insecurity in the Boricha District of Southern Ethiopia. Findings show that the CFW and FFW programs have little benefit in increasing food security. The analysis shows that a human rights-based approach to social protection is necessary because social protection is an inherent social right of humans rather than charity for the beneficiaries.

A study was conducted by Janen & Sivakumar (2014) to find a model for implementing the CFW program in post-emergency situations in Sri Lanka, using the focus group discussion

method. The findings show that implementing the CFW program for post-emergency situations in Sri Lanka is more appropriate using the Generalized Model. This model would provide a basic implementation framework for the implementation of the CFW program in the future. This model would facilitate the improvement of the economic and social standards of communities sustainably affected by disasters.

Following previous research, this study wants to examine the factors that cause inefficiencies in the CFW program to reduce unemployment in Kebumen. As is known, the purpose of the CFW scheme is to be able to absorb large amounts of labour by giving honorarium (wages) directly in cash to the workers involved. The given honorarium, both daily and weekly, is to strengthen the community's purchasing power and increase economic growth and the community's welfare. However, based on BPS Kebumen, the unemployment rate in Kebumen rose even though the CFW program was conducted.

## Data and Research Methods

This study's efficiency concept refers to the efficiency suggested by Farrel (1957) and Coelli et al. (1998). The efficiency classifies into three, namely technical efficiency, allocative efficiency, and economic efficiency. Technical efficiency (Technical Efficiency-TE) is the company's ability to get maximum output from using a set of inputs (bundles). Technical efficiency relates to the ability of a company to produce on the isoquant frontier curve.

Sources of technical inefficiency can be estimated simultaneously by analyzing the stochastic frontier production function using the technical inefficiency effects model, a.k.a Technical Efficiency (TE) Effects Model developed by Coelli et al. (1998) and Coelli et al. (2005).

The μi variable used to measure the effect of technical inefficiency is assumed to be independent, and its distribution is truncated typically with N ($\mu_i, \sigma 2$). To determine the impact of technical inefficiency, the value formula of the distribution parameter ($\mu_i$) for use:

$$\mu_i = \delta_0 + \delta_1 Z_1 + \delta_2 Z_2 + \delta_3 Z_3 + \delta_4 Z_4 + \delta_5 Z_5 + \omega_{it} \qquad (1)$$

$\mu_i$ = technical inefficiency effect;

$Z_1$ = Variable Number of Villages Not yet budgeting for CFW in Kebumen ≥30%;

$Z_2$ = Number of Villages Not Reporting CFW in Kebumen;

$Z_3$ = CFW Status Process in Kebumen ≥ 30%;

$Z_4$ = variable number of activities in Kebumen <30%;

$Z_5$ = CFW status not yet in Kebumen ≥ 30%.

i = 1,2, … N

t =1,2, … T

$\delta$ = vector parameter to be estimated

$\omega$ = random variable refers to a truncated normal distribution with a mean of zero and a variance of $\sigma 2$.

Expected coefficient values: $\delta_0 > 0, \delta_1 > 0. \delta_2, \delta_3 < 0$

Estimating production function parameters and inefficiency functions were carried out simultaneously with the FRONTIER 4.1c program Coelli (1996). Testing stochastic frontier parameters and technical inefficiency effects is carried out in two stages: (a) estimating the $\beta_i$ parameter using the OLS method; $\beta_i$ is the i parameter to be evaluated. (b) analysis of all parameters $\beta$ , $\beta_i$, variance μi, and vi using the Maximum Likelihood (MLE) method, at the α = 5% level. $\beta$ is a vector of unknown parameters.

The stochastic frontier analysis results produce the following estimation of variance parameters (Aigner et al., 1977; Coelli, 1996; Greene, 1993a, 1993b; Jondrow et al., 1982) by defining the disturbance term as the sum of symmetric normal and (negative. The value of γ is the contribution of technical efficiency to the total residual effect.

**Finding and Discussion**

Analysis of the Stochastic Frontier Production Function Using the MLE method. Table 1 describes the estimation results of the stochastic frontier production function model with TE Effect's choice. The model uses 6 regressor variables (Xs = 6) and 5 TE Effects Regressor (Zs = 5).

**Table 2: Stochastic Frontier Production Function with TE Effects Results**

| Parameter | Variable | Coefficient | Standard-Error | T-Ratio |
|---|---|---|---|---|
| beta 0 | constant | 0.188 | 0.101 | 0.186 |
| beta 1 | Number of villages | -0.115 | 0.674 | -0.170 |
| beta 2 | Number of Villages Have Not Budgeted CFW ≥30% | 0.223 | 0.520 | 0.429 |
| beta 3 | Number of Activities ≥ 30% | 0.784 | 0.345 | 0.227 |
| beta 4 | Male Worker | -0.493 | 0.6878 | -0.716 |
| beta 5 | Female Worker | -0.133 | 0.283 | -0.470 |
| beta 6 | CFW status ≥ 30% Completed | 0.133 | 0.934 | 0.143 |
| delta 1 | Number of Villages Have Not Budgeted CFW ≥30% | -0.858 | 0.683 | -0.126 |
| delta 2 | Number of Villages Not Yet Reporting the CFW | -0.160 | 0.565 | -0.284 |
| delta 3 | Number of Activities <30% | 0.180 | 0.230 | 0.787 |
| delta 4 | Process CFW Status ≥ 30% | -0.260 | 0.362 | -0.717 |
| delta 5 | CFW Status Not yet ≥ 30% | 0.722 | 0.541 | 0.133 |
| sigma-squared | | 0.133 | 0.673 | 0.197 |
| gamma | | 0.999 | 0.251 | 0.398 |

Source: Data Processing Results (2020)

The low sigma-squared ($\sigma 2$) value (0.132) in table 2 indicates that the error term inefficiency ($\mu_i$) is usually distributed. The gamma value ($\gamma$) is 0.999, which is the ratio between the deviation of technical inefficiency ($\mu_i$) to the divergence that may cause by a random

variable (vi). Statistically, the gamma value of .999 indicates that 99.99% of the residual variation in the model comes from inefficiency in the production process ($\mu_i$), and a random error causes the remainder (0.01%) in measurement (vi) (noise). If γ approaches zero, it interprets that all error terms come from noise (vi) (e.g., corruption or duplicate data), and the coefficient of production inefficiency becomes insignificant.

The log-likelihood function value estimated by the MLE method (45.4571) is greater than the log-likelihood function assessed by the OLS method (-12.0271). The MLE method's production function is practical and can represent field conditions (Coelli et al., 2005).

### Factors Affecting Technical Inefficiency

The interpretation of the factors affecting technical inefficiency is as follows (see Table 1). The variables of the number of villages that have not budgeted for CFW ≥30%, the number of towns that have not reported CFW, and the status of CFW ≥ 30%, have a significant effect on technical inefficiency. In comparison, the variables of the number of activities <30% and the status of CFW not yet ≥ 30% have no significant effect on the level of technical inefficiency with coefficient estimation using the MLE method, respectively -0.857, -0.160, 0.180, -0.260 and 0.722.

The coefficient of the number of villages that have not budgeted for CFW ≥30%, amounting to -0.857, is elasticity, which means that every 1% increase in the number of towns that have not budgeted for CFW ≥30% can increase technical inefficiency by the value of its elasticity, which is -0.857. The more villages that have not budgeted for CFW ≥30%, the low absorption of local labour. The target of the CFW program is for local people who are unemployed and half unemployed. So when many villages do not budget for CFW ≥30%, the purpose of establishing a CFW program to increase the income of local people is not realized correctly. Therefore, the main requirement for the objectives of the CFW program to be learned is the strong commitment of the village to budget the CFW ≥30% must be attended.

Nagamatsu (2014) showed that the CFW program conducted in the process of reconstruction after the East Japan earthquake, especially in Fukushima prefecture in 2011, made 40% of the program participants work, where the money earned from the CFW program was instead used as the primary income of households. It can analyze that the CFW program successfully carried out correctly to overcome unemployment due to earthquake disasters.

No different, the variable number of villages not reporting CFW also significantly affects technical inefficiency. A value of -0.160 can analyze that every 1% increase in the number of towns that have not reported CFW variables can increase technical inefficiency by its elasticity. It means that the more villages that do not or have not informed the use of at least 30% of the village budget, the cash-intensive program will not run efficiently to achieve its goals. With such conditions, the Government and the public will not know the CFW program's reduction of local communities' unemployment. Herdiyana (2019) revealed that to maintain the implementation of CFW transparent. On target, there needs to be monitoring, evaluation, and supervision from the local community and the local District Inspectorate so that the implementation of CFW program activities harms no society.

It is also in line with the CFW Status Process variable ≥ of 30%, significantly affecting technical inefficiency. Each increase of 1% of the CFW Status Process variable ≥ 30% can increase technical inefficiency 0.180. It can be understood because many villages have difficulty fulfilling the 30% minimum working day (HOK). After all, the chosen activity type does not require much labour and only requires many materials and heavy equipment to work on it.

It is in line with the results of Sofi (2020), which showed the status of CFW fulfilment≥ 30% challenging to do, given the geographical conditions of each different village. For example, Kalirejo village does not have its material resources, so it needs to bring in from a relatively far away place. With such conditions, of course, the status of the fulfilment of CFW ≥ 30% becomes a significant consideration. The village fund CFW program aims to increase the income of local people, especially the unemployed. The consequence of such actions is a lack of absorption of labour.

Therefore, there needs to be a transfer of the CFW program that focuses on developing village facilities and infrastructure into village community empowerment programs. With the village community empowerment program, the community will be equipped and trained with various skills to increase its capacity/ability. They can later open their own business and even unlock new jobs for other communities so that unemployment in the village can reduce and the villagers have a sustainable livelihood. It is in line with Dian & Ma'ruf (2019) findings, which showed that the Plandaan Village community's empowerment through the Cash Work Intensive Program was running well. Still, the wages were not by the rules' morality implementation.

Furthermore, Ruhmaniyati (2018) revealed the problems faced in implementing CFW, including budget inefficiency due to the provision of 30%, the quality of work, and target group data. It is worrying that problems with the target group data will trigger social jealousy among the villagers.

While the variable number of activities whose CFW budget is less than 30% has no significant effect on technical inefficiency. With an elasticity value of 0.180, then if there is a decrease in the number of activities whose CFW budget is less than 30% does not affect technical inefficiencies. Although the number of existing activities has not met 30%, it does not mean that the implementation of CFW is inefficient. Sofi (2020) shows that many villages have difficulty meeting 30 per cent HOK. The type of activity chosen does not require much labour and requires many materials and heavy equipment. Thus, the village should be able to refocus activities that can absorb work to reduce unemployment.

In line with Sofi's research, Herdiyana (2019) study confirms that the 30% Working People Day provisions are inappropriate for areas with relatively good infrastructure, water characteristics, or builders' particular expertise and heavy equipment.

Furthermore, for the CFW status variable not yet ≥ 30%, it also does not significantly affect the level of technical inefficiency. Given each village's different geographic conditions, the provisions written in the PKT technical instructions (Juknis) to budget at least 30% of the Village Fund to pay labour wages are considered too "coercive." Ruhmaniyati (2018) states that with the CFW technical guidelines "forcing" villages to comply with the requirement, at least 30% of DD-Development Activities are used to pay labour wages. Consequently, the town had to "work together" to reach the 30% figure, which caused budget inefficiency.

For this reason, Budiasa et al. (2019) recommend that if the CFW policy in the village is to be carried out better, it must carry out priority activities, self-management, payment of wages, and community involvement.

Poverty and unemployment reduction policies It is hoped that it can have an independent impact on the group community target community. One approach can only solve unemployment and poverty problems because the CCP's nature only provides temporary effects. Therefore, the development policy is needed synergy between several parties and between several aspects continuously. Thus, it expects to accelerate the achievement of public welfare,

as in the implementation of CFW in the village accompanied by training for target groups and models empowerment, others can provide jobs, especially for marginal groups.

The success of CFW is determined mainly by the village's commitment to budgeting at least 30% of village funds for labour-intensive activities. This finding aligns with Mikulak (2018) study that CFW can generate cost efficiency benefits in the humanitarian system. With CFW to the poor will be able to provide more fantastic choices and dignity. Research conducted by UNHCR (2019) also found strong evidence of the positive impacts of CFW on food security, livelihoods, and nutrition.

## Conclusion

Based on the data processing results, it can conclude that there are still many inefficiencies in the implementation of CFW. The village has not met the HOK average of 30 per cent. Variable CFW  Village Has Not Budgeted ≥30%, CFW Village Has Not Reported, and CFW Status ≥ 30% Process. For this reason, the authors recommend several things that the Government can do:

First, the 30 percent HOK limit is no longer a benchmark and gives villages the freedom to use the Village Fund using the self-management method. Village Funds for cash for work is sufficiently direct to be managed in a self-managed manner while still involving marginalized residents and utilizing local village materials. The Village Fund is more focused on developing village potential based on community empowerment to achieve village independence.

The inefficiency in CFW has not been reported. CFW status ≥ 30% process shows that the Government should synergize data on poverty reduction programs and unemployment between ministries or institutions. So that they will facilitate monitoring and reporting of villages that have not been reported their budgets and budget fulfilment status is more than 30% in one big data. Such conditions will facilitate monitoring and monitoring administratively and minimize the potential of double and chaotic data.

Third, the Village Government must prioritize potential village development while still empowering marginalized communities to increase Village Income to realize village independence.

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