

Formulation of Government Assistance According to The Local Wisdom: Case Study of The Indonesian Baduy Tribe

Joko Sumantri¹, Rido Parulian Panjaitan², Muhammad Syahrul Fuady³, and Achmad Zunaidi⁴

{jokosumantri@pknstan.ac.id, rido.panjaitan@pknstan.ac.id; syahrulfuady@pknstan.ac.id; zunaidi@kemenkeu.go.id}

Polytechnic of State Finance STAN, Indonesia Ministry of Finance, Indonesia¹²³, Budget And Treasury Education and Training Center, Indonesia Ministry of Finance⁴

Abstract. Qualitative fieldwork is applied to understand the suitability of the budgeting system with local wisdom. We aim to reveal how The Kanekes village government, home to the Indonesian Baduy Tribe, wants to administer the public budget, especially the Village Funds. This study found that the needs of the Baduy community differ from those of other rural communities in Indonesia. The Baduy people do not need modern infrastructure development in their area and prefer that the budgeting accountability system for them can be made easier. The decision to grant Village Funds to the Baduy using general management rules is likely to be a decision deemed inappropriate by the Baduy community. Policy formulation in providing Village Funds for the Baduy community needs to be adjusted in terms of the objectives, priorities, options, costs and benefits.

Keywords: budgeting system, local wisdom, Indonesian Baduy Tribe, Village Funds

1. Introduction

The theory of government budgets, especially in the budgeting process and how it is implemented in local government practices, is still interesting to discuss, [1], [2]. Goode argue that budgeting techniques require alternatives to increase and improve profitability, [3]. In line with the theory proposed by Lindblom, we believe that developing countries need new alternatives in budget management, [4]. Furthermore, there may still be challenges in adopting local content when discussing the evolution of incrementalism in budgeting for indigenous communities, [4], [5], [6], [7], [8].

However, it should be noted that the challenges and prospects in developing a state financial system at the regional level primarily involve the misuse of budget funds, [9]. Alternative budgets, in the form of financial assistance allocations or fund transfers from the central government to regional governments, still require financial accountability, integrity in non-financial reporting, and adequate oversight mechanisms, [2]. Budget management should be controlled through a systematic strategy to manage income and expenses using a set of interrelated elements that form a single unit.

A standardized budgeting system could simplify budget control and reporting. However, in the context of providing budget funds for highly diverse regions, it raises the risk of discrepancies and inequities in allocation. Similarly, in the budget execution system, if standardization is carried out solely to facilitate a control and reporting system, it may cause various problems in its implementation and hinder the effectiveness of achieving its objectives for the budget users [9].

'Indigenous people' is a term used as a general reference to traditional tribes. A similar term is 'tribal' (or 'tribe'). However, following the general trend, the World Bank has replaced the term 'tribal peoples' with 'indigenous peoples', [10]. The term 'indigenous people' or 'indigenous ethnic minorities', 'tribal groups', and 'scheduled tribes' refers to "*social groups with a social and cultural identity distinct from the dominant society that makes them vulnerable to being disadvantaged in the development process*", [11].

Research on government budget allocations for indigenous people and village funds has been conducted by Permatasari et al., Jayasinghe et al., Amir & Rauf, Hampamma & Vijaya, Otim et al., Boonperm et al., [12], [13], [14], [15], [16], [17]. These studies concluded that developing countries can formulate strategies according to their national targets for rural development by prioritizing the most relevant issues. Furthermore, planning and budgeting strategies for urgent budget allocations need to be redesigned.

Autonomous regional governments often experience difficulties in interpreting the intentions of the central government when receiving budget allocations and meeting all the requirements. Issues such as the budgeting cycle, synchronizing performance plans, prohibiting moral hazard, and other priorities set by the central government in sharing budgets with local governments often do not align with expectations, [18], [19], [20], [21], [22].

2. Literature Review

2.1. Indonesians Village Fund Policy

In the concept of regional autonomy in Indonesia, the local governments manage their finances independently. Smaller-scale local governments in Indonesia include village governments. Even within a single village government in Indonesia that can contain many tribes, a tribe or community can have cultural differences from other tribes or communities. The Village Government and Traditional Village Government including those belonging to community groups in the criteria of indigenous people in Indonesia receive equal treatment in terms of authority and responsibility for managing public finances. The management of public finances which is under the authority of the village government is referred to as village financial management.

Based on 2020 data, around 50-70 million indigenous Indonesians consist of 1,128 ethnicities and live in ordinary villages and indigenous villages, [23]. In the village government system in Indonesia, there can be felt differences in authority, organization and institutions, as well as the origins of the formation between ordinary villages and customary villages. However, in terms of public financial management, the difference cannot be felt.

In Indonesia, village financial management is represented by a document called APB Desa (Village Revenue and Expenditure Budget). In Article 29 Minister of Home Affairs Regulation (Permendagri) Number 20 of 2018 concerning Village Financial Management it is known that the APB Desa cycle consists of 5 stages: (1) Planning, (2) Implementation, (3) Administration, (4) Reporting, (5) Accountability. The cycle is limited to a period of 1 (one) fiscal year, from 1 January to 31 December. The definition of Village Finance according to Law Number 6 of 2014 concerning Villages is all village rights and obligations that can be valued in money and everything in the form of money and goods related to the implementation of Village rights and obligations. Recognition of the authority of the village government has consequences for the policy of granting funds to villages. Funds transferred from the central government budget are referred to as Village Fund.

Each village in Indonesia is estimated to manage a budget of approximately IDR 1.2 billion or the equivalent of 78,504 US Dollars per year. The funds come from the village's original source of income, central government transfers Village Fund, local government transfers Village Fund Allocations, sharing of government taxes on it and regional levies, as well as other financial assistance, [24]. These sources of village revenue will form the composition of village income.

The funding program, including the provision of Village Fund, has a multidimensional development philosophy. The program must provide an equality principle for the people who receive it and preferably have a wider impact, [25]. Funding programs should have an impact on people with different backgrounds in society, including disadvantaged people and areas.

Village fund assistance also has a function of income distribution aimed at the welfare of the community in the region. The concept of welfare itself needs to be defined according to the local wisdom of each region, [26], [27], [28]. Government assistance to villages can be carried out in a manner similar to general assistance, the designation and use of which can be fully delegated to the recipient village, [25].

The Village Fund is a strategic instrument to encourage the development and empowerment of village communities. In using the Village Fund, the central government determines priority programs/activities for the use of Village Funds by the village government. The calculation process in allocating village funds is carried out based on the number of villages and is allocated by taking into account the population, poverty rate, area size, and level of geographical difficulty.

Priorities for using Village Fund follow the priorities set in the village SDGs (Sustainable Development Goals) derived from the National SDGs Goals. The SDGs were adopted by all Member States of the United Nations in 2015, providing a common blueprint for ending poverty that must go hand-in-hand with strategies to improve health, education, reduce inequality, and spur economic growth, anticipate climate change, and conserve nature, [29], [30].

The contents of priority programs/activities for the use of Village Fund must include assignments from the Central Government and contained in village development planning which is a process of stages of activities organized by the village government by involving the Village Consultative Body and elements of the community in a participatory manner for the utilization and allocation of village resources in order to achieve sustainable village development goals. Furthermore, priority programs/activities in the management of Village Fund as assignments from the Central Government are also outlined in the Village Medium-

Term Development Plan, Village Development Work Plan, and List of Village Government Work Plan Proposal.

2.2. The Baduy and Local Wisdom

Local wisdom shows cultural identity. Local wisdom is knowledge about constructive ideas of local community groups and is used to defend the group's position. Utilization of local wisdom in state development can be used to ensure that national development becomes more efficient because the way to achieve prosperity is adjusted to local needs, [31]. Mungmachon defines local wisdom as basic knowledge obtained from a way of life that has a balance with the surrounding nature and respect for elders, [32].

This way of life becomes a culture for the community in question and is accumulated and passed down from generation to generation. The form of this way of life can be in the form of abstract and concrete behaviour. The characteristic of all of these is a way of life that comes from experience or truths that are obtained from life and are integrated into the body, soul, and environment. Nakornthap et. al., as cited in Mungmachon said, that in this way of life, moral values are more valuable than material things, [32]

The Baduy Tribe (hereinafter referred to as Baduy) is an indigenous and unique of Indonesian known for its culture of isolating itself and refusing formal education (i.e., literacy), use of technology, and exploitation of their forest. Baduy lives in Kanekes Village area. Geographically, it is located on coordinates: -6.645906,106.213933 in Java Island. This location is actually open and relatively easy to visit by tourists who are permitted by the Baduy.

Kanekes and its territory as a whole are recognized by the government as a special customary village for Baduy. Baduy leaders have established a rule that people who are not Baduy are not allowed to live permanently in Kanekes. Kanekes is divided into two areas, the interior area for the Inner Baduy and the outer area adjacent to non- Baduy for the Outer Baduy. The Outer Baduy is meant especially to protect the Inner Baduy culture from being influenced by non-Baduy culture.

Kanekes has a dual government system. Kanekes is essentially governed collegial collectively by three traditional leaders, namely Pu'un. They are the ones who actually run the governance system in Kanekes. Meanwhile, the Head of Kanekes is only the executor of the decisions of the Puuns. They, the Pu'un, live in three hamlet Inner Baduy areas (Cikeusik, Cibeo, and Cikertawana). They highly isolate themselves from outsiders. Currently, the Puun who are considered to have the greatest influence on the Baduy people are those from the Cikeusik hamlet.

To run a formal government system including in terms of managing village finances in which there is a budgeting cycle process and bridge formal communication with higher levels of government or other external parties, Pu'un has appointed a Baduy to be Head of Kanekes (see Figure 1).

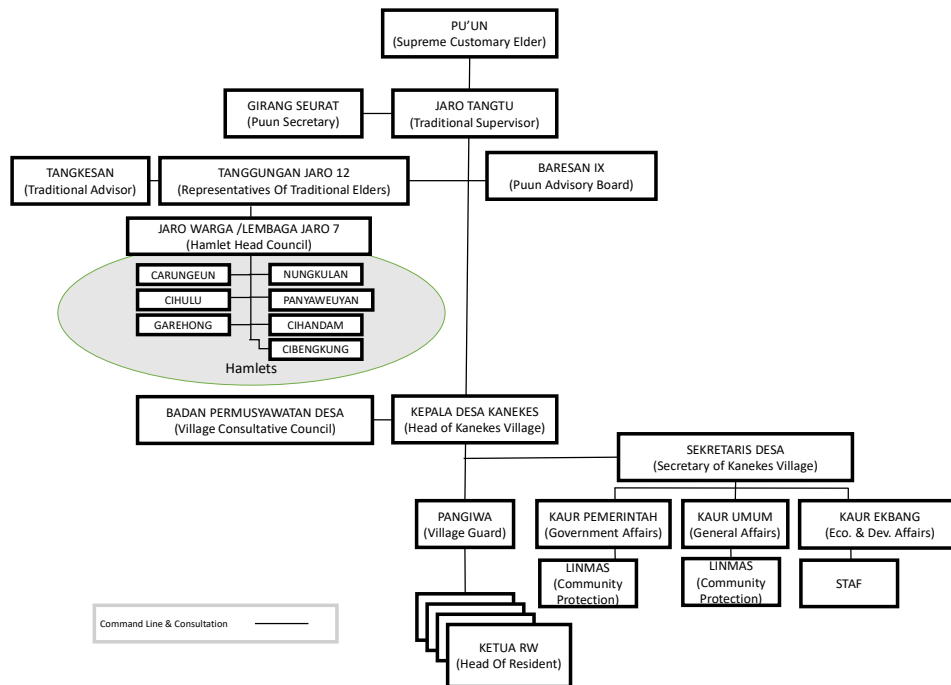


Fig. 1. Kanekes Village Government Structure

Basically village financial management is an integral part of the Indonesian state financial management system which must comply with general provisions that apply. In terms of village financial management, the Kanekes government apparatus has the same authority and obligations as other village apparatus in Indonesia. In Kanekes, village financial management and budgeting are carried out by government officials consisting of Baduy and Non-Baduy members as representatives of the traditional government and formal government officials.

Even though the Kanekes financial managers claim to be able to manage budget funds for their villages using universality principles and modern budget management concepts, Puun in 2019 has made a decision and ordered the Head of Kanekes to stop receiving the Village Fund (*Dana Desa*) as a source of village income obtained from the central government. According to Puun, the Indonesian government's budget management policy, especially in terms of allocation and administration of the use of Village Funds, is not in line with local Baduy wisdom. These problems caused the provision of government assistance to the Baduy was not carried out properly.

This Village Fund was received and used by the Baduy through the Head of Kanekes from 2015 to 2018. However, they considered it inconsistent with their values so in 2019 until now they decided to reject it. Of all 74,961 villages in Indonesia, Kanekes is the only one that has rejected the Village Fund. In 2020, the Baduy also refused the Covid-19 Social Assistance Fund because it cannot be distributed equally to their communities, [33].

Government policy to empower local governments to be autonomous in making and implementing their development agenda has been carried out by Indonesia since 2001 until now. Then for a smaller regional government scale, from 2015 until now, the Central Government has begun to transfer funds to villages as the smallest government agency to manage their economic development programs, [16]. Providing the Village Fund for villages in Indonesia, as has been done by the governments of Thailand and China for villages in their countries, is expected to increase the income and expenses of rural communities which will ultimately improve the welfare of rural communities and equitable development for villages, [12], [16], [17].

This research is important considering that development in accordance with local wisdom is the essence of community development, [34]. Regardless of the degree of significance of the amount of Village Funds given to the Baduy, understanding "how to assist the Baduy community in managing village fund budgeting from the perspective of the values they believe in?" important to study in depth. This is to ensure that the value of Baduy can be maintained and they get equal rights like other village communities. Since Kanekes rejected the Village Fund, until this article was written there has been no concrete follow-up from a higher government to resolve it.

The Baduy issue is a good academic case for understanding the wishes of the indigenous people's government in managing the budget, which is unique in not applying written culture and modern technology. Thus, in the end a budgeting system that is in accordance with their wishes and can be accepted by the higher government levels can be found.

Foreigner scholars rarely conduct studies on Baduy because of obstacles from Baduy. So that very little research is found related to the budgeting system in terms of providing government assistance to the Baduy who are included in the criteria of indigenous people. This research adds references and input for researchers, decision makers, and other government communities in the field of policy making and management of government budgets for indigenous peoples. The originality of this research is in the form of an important development view for the better concept of public budget management that will be applied to the indigenous people, in this case The Indonesian Baduy Ethnic Group who believe in an illiterate life and reject technology.

The Governor of Banten in Indonesia has accommodated elements of local wisdom for the Baduy community although it is limited to aspects of traditional village administration. It is indicated by the issuance of Banten Provincial Regulation Number 2 of 2022 to accommodate the governance of the traditional village. The regulation also acknowledges the leadership system in Baduy. There are two government systems, namely the national government system and the traditional government system which have been acculturated by combining them without any clashes.

Baduy have a sense of cooperation and there is no compulsion to follow and maintain tradition. The Baduy people produce their own food, clothing and housing. They use torches, walk, and resist modernization. Baduy respects their parents very much. Baduy parents passed on the tradition of "*Pikukuh Baduy*", [35]. The essence of the message of the "*Pikukuh Baduy*" is that Baduy land cannot be damaged and must be cared for so that it does not cause damage that will harm humans. However, they also respect and tolerate modern life carried out by non-Baduy.

3. Methodology

Qualitative fieldwork approach used to explore the situation while providing further information on the phenomenon of refusal of village funds by the Baduy by describing it according to its characteristics. From 2019 to 2022, we try to observe, collect, and analyze data to study the concept of budget management from the perspective of the local wisdom of the Baduy people. Observation, interview, and analysis techniques are considered the main activities in this study, [36], [37], [38]. Observation activities are to be carried out in order to identify behaviour that appears in a recurring event so that a pattern can be found.

Researchers used data sources of primary data and secondary data. Secondary data was obtained from relevant documents. Meanwhile, primary data was obtained through in-depth interviews regarding the management of public budgets and their administrative processes with the financial managers of the Kanekes Government and non-Baduy. For the purposes of research data triangulation, interviews were also conducted with related government officials. To strengthen the research evidence, we also observed the regional conditions of the research locations and conducted an analysis study of regulatory documents related to Village Fund budgeting.

Data processing must be carried out manually due to the limitations of the language used by the main informants. They used a mixture of Indonesian and Baduy languages. The spoken Baduy language is slightly different from Sundanese in general, so translation is needed. The results of data processing were carried out twice to minimize errors and lack of information obtained.

Each informant who was used as a source had been asked to confirm the willingness of the data and information to be used for publication purposes and to sign a consent letter. Data collection and observations were carried out in the Outer Baduy and Inner Baduy and outside Baduy areas. The number of people we interviewed is detailed in Table 1 with a total of 14 informants. The variety of informants that we compiled according to Table 1 attempted to represent the opinion of the population and at the same time, a triangulation process occurred to reduce information bias.

Table 1. Summary of informant

Informant	No. of informant
1. Chief Official of Kanekes Village	1
2. Secretary of Kanekes Village	1
3. Kanekes Village Financial Management	4
4. Officials of the Lebak Regency Village Community Empowerment Office	2
5. Head of KPPN Rangkasbitung of the Ministry of Finance	1
6. Academician of the Polytechnic of State Finance STAN	2
7. Officials of the Directorate General of Fiscal Balance of the Ministry of Finance	1
8. Non Badui Villagers	2

4. Results And Discussion

4.1. Existing Village Fund Budgeting System for Baduy

Law Number 6 of 2014 provides consequences for a number of recognitions authority village governance, including origin rights, authority rights according to customs, and traditional rights. The rights of origin and customs of the village where the Baduy live are still there, maintained, and are still carried out in daily life and are still considered in accordance with the principles of community life and the principles of the Unitary State. Accordance with Article 1 point 1 of Law Number 6 of 2014, Baduy is given the right to regulate and manage the interests of their community based on their origin rights, customs and local socio-cultural values. In Article 72 Paragraph 2 of Law Number 6 of 2014 it is stated that the central government is obliged to allocate Village Funds in the State Budget (APBN) which are then distributed to all villages in Indonesia to be managed as part of village financial management.

Village financial management including budgeting is controlled in a systematic strategy to regulate income and expenses. Village Fund budgeting system which was once managed by the Baduy through the Kanekes government, follows the general rules of Village Fund budgeting. The government sets policies to determine directions and policies in building ordinary villages and traditional villages. This is in accordance with the belief that centralized public policy planning is to improve public services that are just for all people.

The Village Fund is a strategic instrument to encourage the development and empowerment of village communities. Village Funds are allocated by the government to each village equitably and equally. Since 2020, the allocation of Village Funds has been carried out through four components, namely Basic Allocation, Formula Allocation, Affirmation Allocation, and Performance Allocation. The village fund allocation formula from year to year continues to be improved. All allocations become one unit, as a formula for the allocation of Village Funds

Table 2. Village Fund Allocation for Kanekes Village 2015-2024

FISCAL YEAR	ALLOCATION (Rp)	USED? (Y/N)
2015	n.a.	n.a
2016	726.263.000	Y
2017	926.532.000	Y
2018	1.984.842.000	Y
2019	2.278.347.000	N
2020	2.424.883.000	N
2021	2.249.783.000	N
2022	2.243.726.000	N
2023	n.a.	n.a
2024	n.a.	n.a

Village Funds from 2016 to 2018 have been used by Kanekes for activities to repair walkways, bridges, empowerment, and repairs/village office needs (Table 2). Village Deliberation Forum (Musyawarah Desa) is also held in the process of preparing the Village Government Annual Work Plan, which will become the basis for determining the APB Desa. Budgeting initiatives can come from the Baduy community, but more dominant decisions are made by the Baduy

leaders. On its way, the Inner Baduy and Outer Baduy leaders views imbalance due the use of Village Fund during 2016-2018. Their main concerns are related to the impact of the development made through the Village Fund caused detriment for the nature and disharmony among the Baduy.

4.2. Village Fund Budgeting Based on the Philosophy of Local Wisdom of the Baduy

In the perception of the Baduy, several government policies are considered to have harmed their discretion in managing their territory. Government policy, including from the government kingdom until the Dutch era and the current government, one of which is considered to have harmed them is reducing the area where they live.

The government must recognize the value of assets in the form of Baduy customs. The government needs to strengthen and invest more in developing Baduy culture. One of the main basic principles in Baduy is "mountains cannot be melted down, forests cannot be destroyed, locations cannot be moved". The meaning of this philosophy is that the Baduy want the natural state of their territory to be preserved naturally without any development using concrete and iron and even stone structures made by humans. The general rules for using the Village Fund are considered by the customary elders to violate this principle.

According to the village head, apart from what Puun has determined violates custom, actually the needs of the Baduy are very great. One of the most important things is related to the availability of bengkok land which is getting narrower due to the increasing number of Baduy who also have rights to cultivate customary land. Bengkok land is owned by villages in Java, Indonesia for village heads. The ruling village head generally receives bengkok land use rights and uses the proceeds as an additional salary, [39].

Naturally, the population of Kanekes where the Baduy lives has experienced an increase in population. Thus, it was discovered that the top priority for the current needs of the Baduy is to increase the area of agricultural land for the continuation of their customary law. Currently, for the Inner Baduys, the customary land in the three villages (Cikeusik, Cibeo, and Cikertawana) is no longer sufficient to become profitable agricultural land. The agricultural land extension system proposed by the Head of Kanekes is by purchasing land controlled by the Outer Baduy. The Outer Baduy will later receive reimbursement of money to buy land belonging to non Baduy.

For the Baduy, agricultural land is very important. Because in their view, the most important worship in their religion is farming to produce rice. After farming obligations can be completed, each Baduy household head is allowed to then carry out other socio-economic activities, such as traditional ceremonies and trading.

Therefore, in the Village Fund budget planning priority guidelines specifically for Kanekes, the government may need to prepare special priorities, namely regarding the use of Village Funds for the purposes of expanding agricultural land. The expansion of agricultural land is only permitted in areas currently controlled by the Outer Baduy and Inner Baduy as Baduy customary land. Other things that the Baduy need include the availability of plant seeds, bamboo slats, production raw materials that are beneficial to the poor, and installing bridges and houses for traditional institutions.

The management of Village Fund accountability for the Baduy community which is carried out in accordance with the applicable general provisions is felt to be in conflict with customary law. The general rules for using Village Funds are not inline with the traditional rule of the Baduy and all of the leader worried about the law of karma. The Baduy people hopes that there will be special rules for using the Village Fund for their village. The rules should be accordance with Baduy traditions.

In managing the Village Funds, in the perspective of Baduy the main problem is related to administration. Customary rules are considered contrary to village fund rules. The hope is that all government assistance that goes to Kanekes, including the Village Fund, can be adjusted to Baduy customary law. On the other hand, the policy for this that is set must not violate the basic law, there must be a legal umbrella.

The concept of budget planning that adapts to the needs of the Baduy will be important for better governance of the Baduy Traditional Village. The system that forms the basis of the strategy uses a set of basic elements in the community that are interrelated and form a goal-oriented unit by taking into account the interaction with the environment in which they live. System management standardized finance in the context of providing budgetary funds for a very diverse region will pose a risk of discrepancies and injustice in their allocation and the emergence of various problems in their implementation. In addition, there will also be a bias in the effectiveness of achieving its goals for the budget user.

The rejecting of the Village Fund by Baduy in accordance with their local wisdom has been understood by the Lebak Regency Government and central government of Indonesia. The Baduy have so far been known as an indigenous people who adhere to customs, including refusing things that are modern in nature. If they are forced to accept this fund, the Lebak Regency Government also understood that it will eliminate the customs and traditions of the Baduy.

The government may need to establish separate rules for the management of the Village Fund for customary villages in Indonesia. This reminds us that the provision of Village Funds is a form of acknowledging the authority of the central government to the village government. Acknowledgment of authority which has consequences for the existence of a policy of granting funds to villages.

Village Funds for Kanekes must be prioritized for improving the welfare of the Baduy. Although currently there is flexibility for villages in setting priorities for the use of Village Funds according to the needs of each village, it is necessary to understand that modern infrastructure development in Kanekes cannot be implemented. In the context of providing Village Funds to the Baduy, the Central government, Provincial Government, District Government, and the Kanekes Government need to define models of distribution to help the implications of implementation and accountability in accordance with the customs of the Baduy.

Furthermore, in the Village Financial Management System, especially with regard to the use of Village Funds, the Baduy also wants flexibility/convenience without violating statutory provisions in terms of accountability. The Baduy elders do not allow the process documentation in the form of letters, signatures and photographs. According to them, accountability arrangements like this require a legal umbrella in the form of relevant ministerial regulations,

regulations from the Governor of Banten Province, regulations from Lebak Regency, and regulations from the Head of Kanekes Village.

4.3. New Alternatives in the Formulation of Village Funds for Traditional Villages

Keynesians have tried to study budgets from various disciplines such as economics, politics, accounting, management and administrative, [40]. Shaw, [41], in his writings describes, Mabel Walker's theory, published in 1930, provides solutions and alternatives for allocating government spending based on economic thinking about aspects of budget user satisfaction (marginal utility) that have overlapped with other basic ideas such as science of government, types of government services, theory of economic marginal utility, allocation, and aspects of leader idealism (government values and ideals), [41].

Efforts to find a budget theory that is in accordance with theoretical principles were also put forward by V.O. Key in 1940, [42], who tried to develop the theory of allocation and government spending, [43]. Budgeting problem to answer "What is the basis for the decision to allocate X dollars to activity A or activity B?" Until now, we have not been able to move on from what Key has been asking since 83 years [44]. It seems that the search for budget theory will still revolve around the discussion of budget allocation mechanisms as the existing theories, namely Traditional Budgeting System, Performance Budgeting System, Planning, Programming, Budgeting System, Participatory Budgeting, New Public Management, and even Beyond Budgeting, [40], [45], [46]. However, in terms of budgeting for the Indigenous there seems to be a glimmer of hope in the Beyond Budgeting system.

Traditional budgeting was seen as no longer meeting the needs of managers and was criticized as a "fixed performance contract" system, [47]. Robin Fraser, cited in Ouassini, [48], argue that the incremental budgeting process takes time, adds little value, and prevents managers from responding quickly to changes and performance incentives often lead to dysfunctional management behaviour, even unethical.

An alternative in budgeting techniques to make it better and more profitable may need to be developed for providing Village Funds for the Baduy. As in the concept of a budgeting system using the Beyond Philosophy, [3]. Budgeting may be necessary to come up with ideas for removing some of the traditional budgeting processes for indigenous peoples according to conditional considerations of the behaviour of their people's lives.

The needs of the Baduy people are different from other villages. The Baduy people do not recognize the word "build" let alone the word "infrastructure". So that assistance for them would be more appropriate if it was provided in the form of Direct Cash Assistance (namely BLT-Bantuan Langsung Tunai) which could be distributed equally to all members. In addition to cash assistance, they can also be given assistance in the form of plant seeds and other assistance that does not require documentation.

The current budgeting process for the allocation of Village Funds for the Baduy may need to be abandoned and the government needs to start building a series of more adaptive financial management processes. The government may need to rethink a budgeting model that can free budget users from bureaucratic burdens and control systems that are not in accordance with the customs of a traditional village but still create accountability rules that are acceptable to laws

and derivative regulations.

This of course will have implications for the implementation and accountability process that adapts to the customs of the Baduy. Such a financial management system, especially in terms of accountability for the use of Village Funds, requires a legal umbrella in the form of relevant ministerial regulations, regulations from the Governor of Banten Province, regulations from Lebak Regency, and regulations from the Head of Kanekes Village.

The Village Fund is intended for Traditional Villages, especially Kanekes, but it seems that it requires additional formulations. The formulation of policies in granting Village Funds to the Baduy needs to be adjusted to suit the customer needs of the Baduy. However, formulation it can also be applied to other traditional villages in order to maintain the principle of distribution of village funds that are equitable and fair. Calculation of Village Funds developed to date contains calculation formulas for Basic Allocation, Formula Allocation, Affirmation Allocation and Performance Allocation. Even though the Village Fund allocation formula has been and will continue to be improved from year to year, it may still require a special formulation for traditional villages according to the local wisdom they have.

The main priority for the Baduy is currently trying to propose a special regional regulation from the regional or central government regarding the management of Village Funds specifically for the Baduy. They hope that there will be special rules that can provide an exception for the Baduy to be able to use part or even all of the Village Funds for their traditional ceremonies and other needs according to Baduy rules.

They understands that if the regulation is published it will cause other villages to want the same thing. Obstacles in the implementation of the Customary Regional Regulation concerning the management of Village Funds for the Baduy were apparently caused by the efforts of public policy managers to prevent other villages from also wanting to manage Village Funds like the Baduy. Other villages are welcome to submit requests like the Baduys provided they are willing to live the same life as the Baduys.

5. Conclusion

The government may need to establish separate rules for the management of Village Funds for Baduy and set specific priorities for them in utilizing Village Funds in the future. Baduy do not recognize infrastructure development in their area and hope that the Village Fund they spend can be accountability without documentation. The Village Financial Management System related to the use of Village Funds by Kanekes Village requires flexibility/ease of accountability.

Fulfilling the concept of development that is in accordance with the local wisdom of the Baduy people is expected to encourage the development of the Baduy community and create linkages and partnerships between the Baduy people and the Government at various levels of government. Establish a budgeting system that adapts to the needs of the Baduy is urgently needed by Kanekes so that they can return to enjoying government assistance in the form of Village Funds. It is necessary to change the paradigm of a new public policy in the field of a budgeting system that prioritizes the interests of preserving Baduy village customs.

Acknowledgements

We would like to express our deepest gratitude to: Mandala Manurung, Doctor of Archaeology, Faculty of Cultural Sciences, University of Indonesia as our research supervisor and Gusti Ayu Indah Ratnasari, PhD in Management, The University of York, United Kingdom as a member of the research monitoring team. We would also like to thank Budi Waluyo, Ph.D in Management, University of Leicester, United Kingdom as our research supervisor at the field research location.

References

- [1] M. R. I. Talukdar, "Examining the implications of classical budget theories in the local government budgeting process: Union councils in Bangladesh," *Journal of Local Government Research and Innovation*, vol. 1, Dec. 2020, doi: 10.4102/jolgr.v1i0.22.
- [2] M. Schaeffer and S. Yilmaz, "Strengthening Local Government Budgeting and Accountability The World Bank Sustainable Development Network Social Development Department," 2008. [Online]. Available: <http://econ.worldbank.org>.
- [3] M. Goode, A. Malik, and P. Tutor, "Beyond Budgeting: The Way Forward?," 2011.
- [4] C. E. Lindblom, "Still Muddling, Not Yet Through," *Public Adm Rev*, vol. 39, no. 6, pp. 517–526, 1979, doi: 10.2307/976178.
- [5] N. Moodie and S. Maddison, "Introduction: Public Policy and Indigenous Futures," in *Public Policy and Indigenous Futures*, N. Moodie and S. Maddison, Eds., Singapore: Springer Nature Singapore, 2023, pp. 1–11. doi: 10.1007/978-981-19-9319-0_1.
- [6] B. W. Head and J. Alford, "Wicked Problems: Implications for Public Policy and Management," *Adm Soc*, vol. 47, no. 6, pp. 711–739, 2015, doi: 10.1177/0095399713481601.
- [7] L. T. LeLoup, "Budget Theory for a New Century Lance T. LeLoup," *Budget Theory in the Public sector*, 2002.
- [8] C. E. Lindblom, "THE SCIENCE OF MUDDLING THROUGH," *Emergence: Complexity and Organization*, vol. 19, pp. 79–88, 1959.
- [9] Y. Bitoleuova, D. Aibossynova, G. Kabdullina, M. Baimukhasheva, and R. Tazhibaeva, "Modern trends in management of the budget system," *Serbian Journal of Management*, vol. 15, no. 1, pp. 55–68, 2020.
- [10] G. Persoon, "Isolated Groups or Indigenous Peoples: Indonesia and the International Discourse," 1998.
- [11] S. H. Davis, "The World Bank and Indigenous Peoples," in *Social Development in the World Bank*, Springer International Publishing, 2021, pp. 191–204. doi: 10.1007/978-3-030-57426-0_13.
- [12] J. Boonperm, J. Haughton, and S. R. Khandker, "Does the village fund matter in Thailand?," *World Bank Policy Research Working Paper*, no. 5011, 2009.
- [13] M. Hampamma and R. Vijaya Krishna Naidu, "Budget allocations for Tribal Welfare (A Critical Assessment on Achievements, Gaps and Challenges)," 2017. [Online]. Available: <http://www.irjmst.com>
- [14] K. Jayasinghe, P. Adhikari, S. Carmel, and A. Sopianah, "Multiple rationalities of participatory budgeting in indigenous communities: evidence from Indonesia,"

- Accounting, Auditing & Accountability Journal*, vol. 33, pp. 2139–2166, 2020.
- [15] M. E. Otim, A. D. Asante, M. Kelaher, I. P. Anderson, and S. Jan, “Acceptability of programme budgeting and marginal analysis as a tool for routine priority setting in Indigenous health,” *Int J Health Plann Manage*, vol. 31, no. 3, pp. 277–295, 2016.
- [16] P. Permatasari *et al.*, “The village fund program in indonesia: Measuring the effectiveness and alignment to sustainable development goals,” *Sustainability (Switzerland)*, vol. 13, no. 21, Nov. 2021, doi: 10.3390/su132112294.
- [17] A. M. Amir and H. Rauf, “Does Village Fund Transfer Address the Issue of Inequality and Poverty? A Lesson from Indonesia,” *The Journal of Asian Finance, Economics and Business*, vol. 7, no. 10, pp. 433–442, Oct. 2020, doi: 10.13106/JAFEB.2020.VOL7.NO10.433.
- [18] A. T. Atmadja, K. A. K. Saputra, and M. K. Koswara, “The influence of village conflict, village apparatus ability, village facilitator competency and commitment of local government on the success of budget management,” *Academy of Accounting and Financial Studies Journal*, vol. 22, no. 1, pp. 1–11, 2018.
- [19] E. A. Scorsone and C. Plerhopes, “Fiscal Stress and Cutback Management Amongst State and Local Governments,” *State and Local Government Review*, vol. 42, no. 2, pp. 176–187, Aug. 2010, doi: 10.1177/0160323x10378826.
- [20] A. Shah, *Fiscal decentralization in developing and transition economies: progress, problems, and the promise*, vol. 3282. World Bank Publications, 2004.
- [21] J. S. Wunsch, “Decentralization, local governance and ‘recentralization’ in Africa,” *Public Administration and Development: The International Journal of Management Research and Practice*, vol. 21, no. 4, pp. 277–288, 2001.
- [22] D. E. O’Toole and B. Stipak, “Budgeting and Productivity Revisited: The Local Government Picture,” *Public Productivity Review*, vol. 12, no. 1, pp. 1–12, 1988, doi: 10.2307/3380435.
- [23] J. , & Siringoringo and V. Mambor, “Indigenous World 2020: Indonesia - Indigenous peoples in Indonesia,” Indigenous World 2020: Indonesia - Indigenous peoples in Indonesia. Accessed: Mar. 09, 2023. [Online]. Available: <https://www.iwgia.org/en/indonesia/3602-iw-2020-indonesia.html>
- [24] C. Soleh and H. Rohmansjah, *Pengelolaan keuangan desa*. Fokusmedia, 2014.
- [25] S. A. Imawan and E. A. Purwanto, “Governing Village Fund in Indonesia: Is It Eradicating Poverty?,” *Policy & Governance Review*, vol. 4, no. 1, pp. 14–27, 2020.
- [26] A. J. Dettlaff, K. Weber, M. Pendleton, R. Boyd, B. Bettencourt, and L. Burton, “It is not a broken system, it is a system that needs to be broken: the upEND movement to abolish the child welfare system,” *J Public Child Welf*, vol. 14, no. 5, pp. 500–517, Oct. 2020, doi: 10.1080/15548732.2020.1814542.
- [27] D. M. Broom, “Assessment of Welfare and Needs,” in *Encyclopedia of Animal Behavior (Second Edition)*, J. C. Choe, Ed., Oxford: Academic Press, 2019, pp. 423–428. doi: <https://doi.org/10.1016/B978-0-12-809633-8.90164-X>.
- [28] D. M. Smith, “On the Concept of Welfare,” *Area*, vol. 7, no. 1, pp. 33–36, 1975, [Online]. Available: <http://www.jstor.org/stable/20000927>
- [29] C. Allen, G. Metternicht, and T. Wiedmann, “Initial progress in implementing the Sustainable Development Goals (SDGs): a review of evidence from countries,” *Sustain Sci*, vol. 13, no. 5, pp. 1453–1467, 2018, doi: 10.1007/s11625-018-0572-3.
- [30] D. F. Frey and G. MacNaughton, “A human rights lens on full employment and

- decent work in the 2030 sustainable development agenda,” *Sage Open*, vol. 6, no. 2, p. 2158244016649580, 2016.
- [31] C. Pornpimon, A. Wallapha, and C. Prayuth, “Strategy Challenges the Local Wisdom Applications Sustainability in Schools,” *Procedia Soc Behav Sci*, vol. 112, pp. 626–634, 2014, doi: <https://doi.org/10.1016/j.sbspro.2014.01.1210>.
- [32] M. R. Mungmachon, “Knowledge and Local Wisdom: Community Treasure,” 2012. [Online]. Available: www.ijhssnet.com
- [33] Christiyaningsih, “Warga Badui Tolak Bantuan Sosial Covid-19,” *Antara*. Accessed: Mar. 09, 2023. [Online]. Available: <https://news.republika.co.id/berita/qcu5dg459/warga-badui-tolak-bantuan-sosial-covid-19>
- [34] A. G. Blackwell and R. Colmenar, “Community-Building: From Local Wisdom to Public Policy,” *Public Health Reports (1974-)*, vol. 115, no. 2/3, pp. 161–166, 2000, [Online]. Available: <http://www.jstor.org/stable/4598507>
- [35] R. C. E. Permana, “Kearifan lokal Masyarakat Baduy menghadapi perubahan sosial,” in *Makalah disampaikan dalam forum Seminar Antarabangsa Bersama Universiti Kebangsaan Malaysia dan Universitas Indonesia (SEBUMI 3)*, 2010, pp. 16–18.
- [36] J. U. Blesia, K. Dixon, and B. R. Lord, “Indigenous experiences and perspectives on a mining corporation’s community relations and development activities,” *Resources Policy*, vol. 80, p. 103202, 2023, doi: <https://doi.org/10.1016/j.resourpol.2022.103202>.
- [37] H. Lune and B. L. Berg, *Qualitative research methods for the social sciences*. Pearson, 2017.
- [38] S. B. Merriam and E. J. Tisdell, *Qualitative Research: A Guide to Design and Implementation*. in Jossey-Bass higher and adult education series. Wiley, 2015. [Online]. Available: https://books.google.co.id/books?id=JFN_BwAAQBAJ
- [39] T. Kurosaki, S. Paul, and F. Witoelar, “Access to land and tenancy practices on tanah bengkok: Evidence from Java, Indonesia,” 2020.
- [40] M. Bagdigen, “Budgeting Systems and Their Applicability in Public Sector,” *EU IIBF Dergisi*, vol. 17, pp. 17–36, 2001.
- [41] R. Shawe, “Public budgetary process,” *American journal of industrial and business management*, vol. 13, no. 5, pp. 371–379, 2023.
- [42] V. O. Key, “The lack of a budgetary theory,” *American Political Science Review*, vol. 34, no. 6, pp. 1137–1144, 1940.
- [43] J. Beckett, “Early Budget Theory: The Progressive Theory of Public Expenditures Julia Beckett,” *Budget theory in the public sector*, p. 22, 2002.
- [44] E. Aleksandrov and S. G. Mauro, “Searching for dialogue in public sector budgeting research: the case study of the JPBAFM,” *Journal of Public Budgeting, Accounting & Financial Management*, vol. 35, no. 2, pp. 141–171, Jan. 2023, doi: [10.1108/JPBAFM-12-2021-0175](https://doi.org/10.1108/JPBAFM-12-2021-0175).
- [45] S. Tolofari, “New public management and education,” *Policy futures in education*, vol. 3, no. 1, pp. 75–89, 2005.
- [46] K. Østergren and I. Stensaker, “Management Control without Budgets: A Field Study of ‘Beyond Budgeting’ in Practice,” *European Accounting Review*, vol. 20, no. 1, pp. 149–181, May 2011, doi: [10.1080/09638180903487842](https://doi.org/10.1080/09638180903487842).
- [47] N. M. Alsharari, “Accounting changes and beyond budgeting principles (BBP) in

the public sector: institutional isomorphism,” *International journal of public sector management*, vol. 33, no. 2/3, pp. 165–189, 2020.

- [48] I. Ouassini, “An introduction to the concept of incremental budgeting and beyond budgeting,” *Available at SSRN 3140059*, 2018.