“Designing provincial financial assistance to villages: A policy analysis of flat intergovernmental transfers under heterogeneity in Bogor, Indonesia”

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DESIGNING PROVINCIAL FINANCIAL ASSISTANCE TO VILLAGES: A POLICY ANALYSIS OF FLAT INTERGOVERNMENTAL TRANSFERS UNDER HETEROGENEITY IN BOGOR, INDONESIA

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Abstract

Provincial financial assistance is a distinct but under-examined tier of Indonesia's intergovernmental transfer system, sitting alongside the national village fund and the regency village fund allocation. This is a theoretical policy analysis of the design of West Java's provincial assistance to villages in Bogor Regency, a flat grant of IDR 130 million per village. The aim is to assess, against fiscal federalism and administrative burden theory, whether a uniform per-village transfer is an appropriate design for a recipient population that is highly heterogeneous in development status. The analysis draws only on official regulations, budget records, and published statistics for 2017–2025, with no primary survey or interview data. Three design properties are examined: the allocation rule, the disbursement procedure, and the participation channel. The analysis shows that the flat rule directs a proportionally smaller fiscal share to lower-capacity villages than to higher-capacity ones, that the multi-step disbursement procedure generates an administrative burden disproportionate to the grant's modest size, and that no regulation between 2017 and 2025 provides any channel for villages to participate in setting the amount, the earmarks, or the procedure. The grant equals only about 13.8% of the average national village fund, yet imposes a comparable compliance load. The study concludes that the appropriate reform is not a larger grant but a redesigned one: a basic-plus-need allocation formula, a simplified and digitalized disbursement process with a binding calendar, and an institutionalized consultative forum. The framework is transferable to other provinces operating uniform village grants.

Keywords intergovernmental transfers, fiscal decentralization, grant design, administrative burden, flat allocation, village governance, policy analysis, West Java

JEL Classification H72, H77, O18

INTRODUCTION

Decentralization has made a village a financial unit in Indonesia. Since the 2014 Village Law, villages receive several transfers at once. The national village fund and the regency village fund allocation are the largest. A third stream, provincial financial assistance, is smaller and far less studied. This paper is about how that third stream is designed.

The design question matters because the recipients are not alike. A province pays the same amount to every village. Yet villages differ in size, capacity, and development status. A rule that ignores those differences may suit some villages and fail others. The fiscal federalism literature has long argued that transfer design, not transfer size, decides whether decentralization improves services.

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West Java clearly illustrates this problematic issue. The province pays a flat IDR 130 million to each of its 5,312 villages, a total provincial commitment on the order of IDR 690 billion a year. In Bogor Regency, the province's largest by village count, 416 villages share IDR 54.08 billion a year on this uniform basis. Those 416 villages span the full range of the Village Development Index, from developing to independent. The same nominal sum, therefore, lands in very different fiscal contexts.

The provincial grant is also small relative to what villages receive from other tiers. A typical Bogor village receives an average national village fund of about IDR 943.6 million and a regency village fund allocation of between IDR 400 million and IDR 1 billion, both set by formula, alongside the flat IDR 130 million provincial grant. The provincial stream is thus roughly one-seventh of the national village fund, yet it is administered separately, under its own rules, with its own reporting chain. This combination, a small grant with a full compliance apparatus and a uniform rule, is precisely what makes its design worth scrutinizing, and it is the stream that prior research has almost entirely ignored.

The scientific problem this paper addresses is whether a flat, uniform per-village transfer is an appropriate design instrument for a heterogeneous village population. This is a question about policy design, not about measured outcomes. It can be answered by confronting the documented design of the grant with established theory on intergovernmental transfers and administrative burden. The paper does so using only official regulations, budget figures, and published statistics, and it offers a reform framework that other provinces could adopt.

The question is timely for three reasons. The provincial scheme has now run continuously for seven years (2018–2024), long enough that its design effects are no longer transitional. Provincial budgets across Indonesia are under pressure, which raises the cost of allocating scarce transfer resources by a rule that cannot target needs. Moreover, the international debate on intergovernmental transfers has increasingly questioned the equity and efficiency of flat grant designs, yet the Indonesian provincial case has not been examined through that lens. Analyzing this stream, therefore, fills both a national evidence gap and a gap in the comparative literature on uniform grants. Therefore, this study aims to evaluate the design of West Java's provincial financial assistance to villages in Bogor Regency against fiscal federalism and administrative burden criteria, and to derive a reform framework.

1. LITERATURE REVIEW

Federal fiscal theory sets the terms for evaluating any transfer. Oates (1999) argues that decentralized provision raises welfare when local preferences differ, but that the gains depend on how transfers are designed. Transfers exist to correct vertical and horizontal imbalances and to equalize fiscal capacity (Shah, 2006, 2007). Bahl and Bird (2018) stress that the design of a transfer, more than its nominal value, determines whether it improves local finance in developing countries. Prud'homme (1995) warns that poorly designed decentralization can widen disparities and dilute accountability. These studies converge on a single criterion: a sound transfer should channel resources toward need and capacity gaps, not away from them.

Second-generation fiscal federalism theory sharpens this into a test for allocation rules. Equalization requires that, other things equal, a transfer carry proportionally greater weight where fiscal capacity is lower. A purely flat per-unit grant does the opposite when recipients differ in size or budget: the fixed amount is a larger share of a small or poor jurisdiction's budget only if that budget is smaller, but it provides no additional resources to offset larger needs, so it cannot narrow gaps and may entrench them (Oates, 1999; Sepulveda & Martinez-Vazquez, 2011). Formula-based allocations that weight population, poverty, area, and cost are the standard instrument for building equalization into design; Indonesia already uses such a formula for the national village fund.

It is also useful to separate the dimensions on which a transfer can succeed or fail. McConnell (2010) distinguishes programmatic, process, and political success and argues that a policy can succeed on one dimension while struggling on another; Marsh and McConnell (2010) develop this into an assessment framework. For a transfer, this implies that delivery and design are separable questions, and that a grant may be executed well yet designed poorly. Performance-measurement scholarship makes the same warning from the measurement side: aggregate input or absorption figures can obscure the chain that links a fiscal instrument to governance outcomes (Heinrich, 2002). The present analysis is deliberately about the design dimension, the one that aggregate delivery or absorption figures tend to conceal.

A second body of theory concerns the cost of obtaining a transfer. Moynihan et al. (2015) define administrative burden as the learning, compliance, and psychological costs that citizens and organizations bear when dealing with the state. Herd and Moynihan (2019) show that these costs are products of policy design and that they fall unevenly, hitting lower-capacity actors hardest. In an intergovernmental grant, burden appears as documentation rules, verification steps, and reporting duties. Reporting systems are not only a compliance cost; however, they can also function as a source of management information that feeds back into planning, so their design determines whether they operate as pure control or as a learning instrument (Steccolini et al., 2020). When the burden is large relative to the grant, the transfer can consume administrative effort out of proportion to its value, a concern directly relevant to a small provincial grant layered on top of larger ones.

A third body of theory concerns participation in policy design. Fung (2015) argues that governance gains legitimacy and effectiveness when those affected help shape decisions. Gaventa and Barrett (2012) find that engagement improves the responsiveness and fit of public action. Applied to an intergovernmental transfer, the analog is whether recipient governments have any channel to influence the amount, the earmarks, or the procedure. A grant designed entirely top-down may be administratively tidy yet poorly matched to local conditions, and it forecloses the local knowledge that could improve its fit.

A fourth design consideration is the durability of a fixed nominal grant over time. A transfer set in nominal terms and left unindexed loses real value as prices rise, so a rule that appears stable on paper is, in fact, contractionary in real terms. The fiscal-federalism literature treats indexation, or at a minimum periodic adjustment, as a basic feature of well-designed transfers (Bahl & Bird, 2018; Shah, 2007). A flat grant that is also frozen, therefore, compounds the equalization problem with an erosion problem: not only is the same amount given to unequal villages, but that amount buys less each year.

Indonesian scholarship provides the setting. Decentralization has been studied since the post-1999 reforms (Smoke & Lewis, 1996; Nasution, 2016; Holzhacker et al., 2015), with growing attention to the village tier after the 2014 Village Law (Lewis, 2015; Antlov et al., 2016; Vel & Bedner, 2015). Lewis (2015) documents that early village allocation rules leaned on equal per-village amounts despite large differences across villages, and treats this as a design mistake. Lewis and Smoke (2017) show that the incentives embedded in Indonesian transfer design shape how subnational governments respond. Studies of the village fund report positive but uneven effects and recurring capacity and accountability constraints (Arifin et al., 2020; Aziz, 2016; Meutia & Liliana, 2017; Saputra et al., 2019; Sulismadi et al., 2017). The participatory provisions of the village framework are unevenly implemented and hard to isolate within multi-source financing (Salim et al., 2017; Van Doorn et al., 2020). This literature is mostly about the national stream; the provincial stream has not been analyzed as a design object, which is the gap this paper fills.

A fifth element is the availability of a domestic benchmark. Indonesia does not have to look abroad for a formula-based alternative: the national village fund is already allocated by a weighted formula combining population, poverty, area, and geographic difficulty, and the regency village fund allocation uses its own cost-sensitive formula. Both operate in the same villages that receive the flat provincial grant. The existence of these benchmarks means that moving the provincial grant toward a need-sensitive rule is not a speculative reform but rather an alignment with the allocation logic already in force at the two adjacent tiers, thereby lowering the administrative and political costs of reform.

Taken together, the theory yields three primary design criteria, plus the durability consideration,

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against which a provincial village grant can be assessed. First, an allocation rule should move resources toward need and capacity gaps (equalization) and should hold its real value over time (durability). Second, a disbursement procedure should impose a burden proportionate to the grant's value (administrative burden). Third, a design process should give recipients a channel to shape the instrument (participation). Therefore, the aim of this study is to evaluate the design of West Java's provincial financial assistance to villages in Bogor Regency against these criteria, using only documentary evidence, and to derive a reform framework. Three analytical questions follow:

- (Q1) Does the flat allocation rule satisfy the equalization and durability criteria across heterogeneous villages?
- (Q2) Is the disbursement procedure proportionate to the grant's size?
- (Q3) Does the policy provide any channel for village participation in its design?

2. METHOD

This is a theoretical policy analysis. It uses no primary survey or interview data and reports no statistical estimates. The unit of analysis is the policy instrument itself, the design of West Java's provincial financial assistance to villages, examined as a case (Bogor Regency) that is information-rich because it has the largest village population and the largest provincial allocation in the province.

The choice of a documentary policy analysis design is deliberate and aligns with the research question. A question about whether a rule is well designed is answerable from the rule itself and the theory that defines good design; it does not require measuring outcomes in a sample of villages. Treating a single, information-rich policy as a case follows the case-study logic of analytical rather than statistical generalization (Yin, 2018), and documentary sources are a recognized basis for qualitative policy inquiry (Patton, 2015). Documentary analysis of regulations and budgets has the further advantage that its evidence is public, stable, and verifiable, so the conclusions do not depend on sampling choices, response rates, or self-reports. The trade-off is that the approach speaks to design adequacy rather than to realized effects.

The evidence base is documentary and entirely from the public record for 2017–2025: provincial regulations and decrees governing the grant (notably Governor Regulation No. 96 of 2015 (Database Peraturan, 2015) as amended by No. 3 of 2017 (Database Peraturan, 2017) on financial assistance to regencies, cities, and villages; Governor Regulation No. 8 of 2019 (Database Peraturan, 2019) on village governance; Governor's Decree (Governor of West Java Decrees, 2023) No. Kep.065/PMD.05.03-PPD/2023 as the 2024 technical guideline; and Governor's Decree (Governor of West Java Decrees, 2025) No. 900/Kep.343-DPM-DESA/2025 for 2025); the comparator national and regency rules (Minister of Finance Regulation No. 146 of 2023 on the Village Fund (Database Peraturan, 2023); Bogor Regent Regulation No. 71 of 2023 on village financial management (Bogor Regent Regulation, 2017)); and official budget and statistical records from the West Java Office for Village and Community Empowerment, Statistics Indonesia, and the Ministry of Villages.

The analytical procedure has three steps, one per criterion. For the allocation rule, the fixed grant is compared with the formula-based design of the village fund and the village fund allocation, and its incidence across the regency's three Village Development Index strata is reasoned through qualitatively. For the disbursement procedure, the documented application and verification steps are set against the grant's nominal value to assess proportionality. For participation, the full chain of provincial regulations from 2017 to 2025 is read for any clause establishing a consultative channel for villages. The analysis is interpretive and theory-led; it does not test hypotheses or generalize from a sample, consistent with the conventions of policy analysis.

3. RESULTS

3.1. The allocation rule

The provincial grant is uniform. Every village in West Java receives IDR 130 million regardless of size, population, poverty, or development

Table 1. Design of the three transfers a Bogor village receives

Source: Governor of West Java Decrees (2023), Database Peraturan (2023), Bogor Regent Regulation (2023).

Feature	Provincial assistance	National Village Fund	Village Fund Allocation
Legal basis	Gov. Decree 065/2023	MoF Reg. 146/2023	Bogor Regent Reg. 71/2023
Source	Provincial budget	National budget	Regency budget
Amount per village	IDR 130 million (flat)	Avg. IDR 943.6 million	IDR 400 million – 1 billion
Allocation logic	Uniform; no formula	Formula (population, poverty, area, difficulty)	Formula (population, area, cost index)
Equalizing by design	No	Yes	Yes

status, under Governor's Decree No. Kep.065/PMD.05.03-PPD/2023 (Governor of West Java Decrees, 2023). This contrasts sharply with the other two transfers a Bogor village receives, both of which are formula-based. Table 1 sets the three instruments side by side.

The contrast is structural. The village fund weights population, poverty, area, and geographic difficulty, and the village fund allocation weights population, area, and a geographic cost index; both, therefore, move resources toward larger and higher-need villages. The provincial grant alone applies an identical sum to all. Across Bogor's 416 villages, classified by the 2024 Village Development Index into 85 developing (20.4%), 173 advanced (41.6%), and 158 independent (38.0%), this means a developing village with extensive basic-infrastructure deficits receives the same provincial amount as an independent village with established facilities. Because need is not uniform, an identical sum cannot equalize; it provides no additional resources where deficits are largest. Against the equalization criterion (Oates, 1999; Shah, 2007; Sepulveda & Martinez-Vazquez, 2011), the flat rule fails by construction. The grant's own modest size compounds the point: at IDR 130 million, it is about 13.8% of the average national village fund of IDR 943.6 million per village, so even full uniformity moves little relative to the formula-based streams.

3.2. The disbursement procedure

The grant is obtained through a multi-step application and verification chain. Under Governor Regulation No. 3 of 2017 (Database Peraturan, 2017), Article 6 governs submission from the regency level, and Article 9 governs submission from the village head, requiring a set of documents: an application letter, a copy of the village budget, the head's electronic identity card, a copy of the village bank account, and a statement of responsibility. The provincial Office for Village and Community Empowerment then verifies and validates the documents before funds are transferred to the village treasury account. Table 2 summarizes the documented requirements and the design tension each creates.

The procedure is designed to protect accountability, and that purpose is legitimate. The design problem is proportionality. The same documentary and verification load would be unremarkable for the IDR 943.6 million village fund, but here it attaches to a grant roughly one-seventh that size. Administrative burden theory predicts that when compliance costs are fixed by process design rather than scaled to grant value, the burden weighs most heavily on the smallest grants and the lowest-capacity recipients (Moynihan et al., 2015; Herd & Moynihan, 2019). A small provincial grant layered

Table 2. Documented disbursement requirements and design tensions

Source: Governor Regulation No. 3 of 2017, Articles 6 and 9 (Database Peraturan, 2017).

Requirement (Gov. Reg. 3/2017, Art. 9)	Design tension relative to a small grant
Application letter	Fixed effort regardless of grant size
Copy of village budget (APBDesa)	Duplicates documents already filed for other transfers
Head's electronic identity card	Routine but adds a verification step
Copy of village bank account	Routine but adds a verification step
Statement of responsibility	Compliance load identical to far larger grants
Provincial verification and validation	Central bottleneck before any transfer

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on top of larger transfers, each with its own reporting chain, multiplies the fixed compliance load without adding proportionate resources. Against the proportionality criterion, the procedure is poorly matched to the instrument's scale.

3.3. The participation channel

The provincial regulations were read in full for any clause establishing village consultation in the design of the grant.

No such clause exists. Across the chain of provincial regulations from 2017 to 2025, none establishes a forum or mechanism for villages to participate in setting the allocation amount, the earmarked purposes, or the disbursement procedure. Governor Regulation No. 8 of 2019 frames the grant as provincial guidance of villages; Governor Regulation No. 3 of 2017 (Article 9) (Database Peraturan, 2017) defines only a one-directional submission procedure; and the 2024 and 2025 technical decrees specify amounts and earmarks set entirely at the provincial level. The design is structurally top-down: the channel that participation theory identifies as the source of local fit (Fung, 2015; Gaventa & Barrett, 2012) is simply absent from the rules. This is a documented property of the regulations, not an inference from opinion data.

3.4. Real value and the discretionary earmark over time

A fourth, time-series property strengthens the design diagnosis and follows directly from the durability criterion. The allocation and its earmarks have changed over time entirely at provincial discretion, while the nominal amount has been frozen since 2020. Table 3 traces the allocation and its officially reported absorption for Bogor from 2018 to 2024.

Two patterns matter for design. First, the nominal amount has been held at IDR 130 million since 2020, but provincial consumer prices rose cumulatively by about 11.2% over 2020–2024, so the 2024 grant is worth roughly IDR 115.4 million in constant 2020 prices, a real erosion of about IDR 14.6 million per village that the policy has no mechanism to offset. The grant is thus not merely flat but quietly contractionary in real terms, exactly the failure the durability criterion identifies (Bahl & Bird, 2018; Shah, 2007). Second, the earmarked components have been revised repeatedly by the province alone, expanding from two in 2018 to five in 2020–2023 and then consolidating to three in 2024; the 2024 revision concentrated 75.4% of the grant (IDR 98 million) on village roads and removed the community-health-post (posyandu) operational component funded since 2020. Each revision was made without a documented village-consultation step, illustrating in time-series form the same top-down design that the cross-sectional participation analysis identifies. The single absorption anomaly, a fall to 88.3% in 2020 during the pandemic, was later addressed by a force-majeure clause in the 2025 technical decree, showing that the province can and does amend the rules unilaterally when it chooses, which makes the continued absence of a participation channel a design choice rather than a constraint.

3.5. Synthesis against the design criteria

The four design properties can now be read against the criteria derived in the literature review sec-

Table 3. Provincial assistance to Bogor villages, allocation and reported absorption, 2018–2024

Source: West Java Office for Village and Community Empowerment (2024); Statistics Indonesia, West Java (2025); Statistics Indonesia, Bogor Regency (2025); Governor of West Java Decrees (2023, 2025).

Year	Amount per village (IDR)	Total to Bogor	Absorption	Note
2018	115,000,000	47.84 billion	96.2%	Two earmarked components
2019	127,288,000	52.95 billion	97.1%	Posyandu component added
2020	130,000,000	54.08 billion	88.3%	Frozen; pandemic disruption
2021	130,000,000	54.08 billion	94.7%	Post-pandemic recovery
2022	130,000,000	54.08 billion	97.8%	Five components
2023	130,000,000	54.08 billion	98.2%	Five components
2024	130,000,000	54.08 billion	98.7%	Three components; posyandu removed

Note: Real-value erosion computed from West Java consumer price inflation of about 11.2% over 2020–2024.

Table 4. Assessment of the provincial grant against the design criteria

Criterion	Documentary basis	Assessment
Equalization	Uniform IDR 130 million; no formula; recipients span from developing to independent	Not met: an identical sum cannot offset unequal needs
Durability	Nominal amount frozen since 2020; about 11.2% inflation 2020–2024	Not met: real value eroded to about IDR 115.4 million
Proportionality	Full document-and-verification chain on a grant of about 13.8% of the Village Fund	Not met: burden disproportionate to grant size
Participation	No consultative clause in any provincial regulation, 2017–2025	Not met: design is structurally top-down

tion. The picture is consistent across all of them. First, the grant fails the equalization criterion because a uniform sum cannot offset unequal need. Second, it fails the durability criterion because its frozen nominal value erodes in real terms. Third, it fails the proportionality criterion because a full compliance chain attaches to a grant worth about one-seventh of the Village Fund. Finally, it fails the participation criterion because no provincial regulation from 2017 to 2025 gives villages any channel to shape the instrument. Table 4 summarizes the assessment and its documentary basis. Crucially, none of these conclusions rests on opinion data; each is grounded in the published regulatory and budgetary record, which is why the diagnosis is robust even though the study collects no primary data.

4. DISCUSSION

The three findings describe one coherent design problem. A flat allocation that cannot equalize, a procedure whose burden is disproportionate to a small grant, and the absence of any participation channel are not independent flaws; they are the signature of a transfer designed for administrative simplicity rather than for fit with a heterogeneous recipient population. This is the design-side counterpart of the contingency conclusion in the decentralization literature (Faguet, 2014; Smoke, 2015): outcomes depend on how a transfer is designed, and this one is designed in a way that theory predicts will underperform on equity and process, even if it delivers outputs.

The equalization finding aligns the West Java case with Lewis (2015), who identified equal per-village allocation as a recurring Indonesian design mistake, and with the broader fiscal-federalism position that transfers should reflect need and cost differences (Oates, 1999; Shah, 2006, 2007; Bahl & Bird, 2018). The contribution here is to show that the flaw persists in the provincial stream, specifically, a stream that prior work has not analyzed, and that it coexists with formula-based design in the very same villages' other transfers. The province thus applies a less sophisticated allocation logic than the national and regency tiers it sits beside.

This pattern also speaks to comparative literature. The contingency strand of decentralization research (Faguet, 2014; Smoke, 2015) holds that the developmental return to a transfer depends on the recipient's institutional setting, so a rule that ignores recipient differences will, by construction, produce uneven returns. The Indonesian provincial grant is a clear instance: by holding the amount constant across villages that differ widely in capacity and need, it guarantees that the same rupiah does different work in different places, with no design feature to compensate. The case, therefore, adds a concrete, document-grounded example to a literature that is often argued at the level of cross-country regressions, and it does so for the under-studied provincial-to-village tier.

The proportionality finding extends administrative-burden theory (Moynihan et al., 2015; Herd & Moynihan, 2019) to the multi-transfer setting that now characterizes Indonesian villages. The novel point is not that procedures are burdensome in the abstract, but that burden must be judged relative to grant value, and that stacking several small, separately administered transfers on one village multiplies fixed compliance costs. A grant equal to about 13.8% of the village fund cannot justify a comparable procedural load. The reform implication is to scale the procedure to value, not to add resources.

The participation finding lends documentary substance to the concern raised theoretically by Fung (2015) and Gaventa and Barrett (2012) that top-down transfer design forecloses local fit. Because

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the absence of a consultative clause is a feature of the published regulations rather than a perception, it is a particularly robust basis for reform: it can be remedied directly by amending the regulatory chain to insert a forum, without waiting for further evidence. It also connects to the attribution problem noted by Van Doorn et al. (2020), since a village deliberation that aggregates all funding streams cannot substitute for a channel specific to the provincial grant.

The real-value finding adds a temporal dimension that cross-sectional design critiques usually miss. A grant frozen in nominal terms since 2020 has lost roughly an eighth of its purchasing power, so the design defect deepens each year automatically unless the rule is changed. This is consistent with the durability principle in transfer design (Bahl & Bird, 2018; Shah, 2007) and shows that the flat rule is not static but slowly contractionary. The same time-series record also demonstrates provincial capacity to revise the rules quickly when motivated, as with the post-pandemic force-majeure clause, which strengthens rather than weakens the case that the missing participation channel is a discretionary choice.

Three design reforms follow from the criteria, and they are mutually reinforcing. First, replace the flat rule with a basic-plus-need formula: a uniform base component preserves the grant's administrative simplicity, while a need-based component restores equalization. The need component need not be invented, since the village fund formula already weights population, poverty, area, and geographic difficulty for the same villages; the province could adopt a simplified version keyed to Village Development Index status, so that developing villages receive more than independent ones. Pairing the base-plus-need amount with an annual inflation adjustment would simultaneously fix the durability defect. Second, make the procedure proportionate: simplify and digitalize submission and reporting, accept documents already filed for the other transfers rather than duplicating them, and publish a binding disbursement calendar so that fixed compliance costs fall and timing becomes predictable. Third, institutionalize participation: amend the provincial regulation to create a periodic consultative forum linking village, regency, and provincial representatives in setting the amount, the earmarks, and the procedure, converting the present one-directional submission into a genuine channel. None of these requires increasing the total envelope; each targets a documented design defect, and each aligns the provincial grant with practices already operating at the national and regency tiers.

The analysis has limits proper to its method. As a documentary policy analysis, it assesses design, not measured outcomes; it cannot quantify the effectiveness of the grant or the magnitude of the burden it imposes, and it does not substitute for empirical evaluation. Its strength is that its claims rest on the public regulatory and budgetary record, which is verifiable and not subject to sampling or response concerns. The reform framework is offered as a theory-grounded proposal whose effects would need to be tested after adoption.

CONCLUSION

The aim of this study was to evaluate the design of West Java's provincial financial assistance to villages in Bogor Regency against the criteria of equalization, proportionality, and participation, using only documentary evidence. The findings show that the flat grant is poorly designed. A uniform IDR 130 million cannot equalize across villages that range from developing to independent; the multi-step disbursement procedure imposes a compliance load disproportionate to a grant worth about 13.8% of the average village fund; and no provincial regulation from 2017 to 2025 gives villages any channel to shape the amount, the earmarks, or the procedure.

The policy implication is that the instrument should be redesigned rather than merely enlarged. A basic-plus-need allocation formula with annual inflation adjustment, a simplified and digitalized procedure with a binding calendar, and an institutionalized consultative forum together address the four documented defects while preserving the administrative simplicity that makes the grant attractive to administer. The framework is transferable to other Indonesian provinces that operate uniform village grants, and it identifies the empirical questions, on incidence, burden magnitude, and participation effects, that future fieldwork should test directly.

The study's contribution is twofold. Empirically, it is the first design-focused analysis of the provincial-to-village transfer tier in Indonesia, a stream overshadowed by research on the national village fund despite operating under distinct rules. Conceptually, it shows that four design criteria drawn from fiscal federalism and administrative burden theory, equalization, durability, proportionality, and participation, can be applied to a transfer using only the public record, yielding a clear and actionable diagnosis. By demonstrating that a grant can fail on design grounds independently of how well it is implemented, the analysis offers a template for evaluating other small, uniform, separately administered transfers in multi-tier systems, and it makes explicit the agenda for the empirical work that should follow.

AUTHOR CONTRIBUTIONS

Conceptualization: M. Rijal Amirulloh, Hartuti Purnaweni, Kushandajani, Sri Suwitri.
Formal analysis: M. Rijal Amirulloh, Kushandajani.
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Writing – review & editing: Hartuti Purnaweni, Kushandajani, Sri Suwitri.

DECLARATION OF GENERATIVE AI IN THE WRITING PROCESS

In preparing this manuscript, the authors used Claude (Anthropic) for language editing and consistency checking of the text. No artificial-intelligence tools were used to generate or analyze research data. After use, the authors reviewed and edited the text and bear full responsibility for the content of the publication.

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