ISSN 2613-9995 (Cetak)
ISSN 2614-0179 (Online)
AJUDIKASI
Jurnal Ilmu Hukum
ajudikasi.unsera@gmail.com
e-jurnal.lppmunsera.org/index.php/ajudikasi

DISPARITIES IN FUNDING FOR PUBLIC SERVICES BETWEEN RURAL AND URBAN VILLAGES

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Article Info

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History:
Submitted: February 25, 2026
Last Revised: June 17, 2026
Accepted: June 25, 2026

Keyword:
Funding Inequality; Village Fund; Sub-district; Public Service; Kendal Regent Regulation.

Ajudikasi: Jurnal Ilmu Hukum
Volume 10 Issue 1, June 2026
https://doi.org/10.30656/ajudikasi.v10i1.12374

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Abstract

Funding gaps between Indonesia's desa and kelurahan have become a systemic barrier to the delivery of optimal public services. Villages are guaranteed Village Funds from the central state budget, while sub-districts rely entirely on constrained local budgets. This study analyzes the impact of this imbalance on public services in sub-districts and evaluates the legal effectiveness and fairness of Article 41 of Kendal Regent Regulation Number 60 of 2023 concerning Sub-district Community Institutions. Using a qualitative approach, this normative-empirical legal study gathered data through literature reviews and field observations in several sub-districts across Kendal Regency. The results show that the funding gap between villages and sub-districts is significant: villages receive billions of rupiah per year, whereas sub-district community institutions receive minimal or no allocations. This directly contributes to the stagnation of community institutions' activities, such as Posyandu, PKK, Karang Taruna, and Satlinmas, and to the deterioration of public facilities. Article 41 of the Kendal Regent Regulation is considered ineffective and does not meet the principles of justice because it is facultative ("can be sourced") and contains the phrase "not binding," thus failing to guarantee adequate and fair funding for sub-districts. This study recommends revising the regulation to include a mandatory, binding clause and a more equitable funding formula between villages and sub-districts.

A. INTRODUCTION

As a state based on law, Indonesia has a constitutional obligation to provide fair and equal public services to all citizens. Article 28H paragraph (1) of the 1945 Constitution of the Republic of Indonesia stipulates that every person is entitled to physical and spiritual welfare, adequate housing, a healthy living environment, and access to health services. Furthermore, Article 28D paragraph (1) guarantees the right to recognition, protection, and fair legal certainty, as well as equal treatment before the law. This principle of equality before the law requires the absence of discrimination in the provision of public services, including discrimination based on the administrative status of a region (villages and urban villages), regencies, and cities.[1]

Under the regional autonomy framework, Law Number 23 of 2014 concerning Regional Government vests regional governments with the responsibility for public service delivery. However, its implementation reveals a significant structural inequality between villages (*desa*) and urban villages (*kelurahan*) in terms of funding.[2] Under Law Number 6 of 2014 concerning Villages, villages are guaranteed mandatory Village Funds *(Dana Desa)* drawn from the State Budget (APBN), with each village receiving an annual allocation of 1.5 billion rupiah disbursed through a transparent and clearly regulated mechanism.[3] In contrast, *kelurahan* (urban villages) do not have an equivalent special fund allocation. *Kelurahan* and *LKK* funding is derived exclusively from the Regency/City *APBD,* a financial resource that is inherently limited and must be allocated across a multitude of competing sectoral priorities.[4]

This issue likewise affects Kendal Regency, a regency situated in Central Java Province. Based on data from the Kendal Regency Regional Budget (*APBD*) for 2023–2025, the total fund allocation for LKK (Urban Village Community Institutions) ranges only from 0.5% to 1% of the total regional expenditure, while the Village Funds received by dozens of villages reach 1.2 billion rupiah each year. On average, each village in Kendal Regency receives between 1 and 2 billion rupiah per year, whereas each *kelurahan* (urban village) on average receives only around 220 million rupiah per year for its LKK, and some receive no allocation at all.[5] This inequality is very sharp and disproportionate when compared to the burden of

[1] Sekretariat Jenderal Republik Indonesia, "UNDANG-UNDANG DASAR NEGARA REPUBLIK INDONESIA TAHUN 1945," 2020. Pasal 28d Ayat (1) Dan Pasal 28h Ayat (1).

[2] Dewan Perwakilan Rakyat Indonesia, "UNDANG-UNDANG REPUBLIK INDONESIA NOMOR 23 TAHUN 2014 TENTANG PEMERINTAHAN DAERAH" (2014).

[3] Khaidir Saleh Nirmala Sari, "PELAKSANAAN FUNGSI EVALUASI DALAM PENGELOLAAN BANTUAN DANA DESA BERSUMBER DARI APBN 2019 DI DUSUN PURWASORI KECAMATAN PELEPAT ILIR KABUPATEN BUNGO," *DATIN LAW JURNAL*, 2021, 71–83, https://doi.org/http://dx.doi.org/10.36355/dlj.v1i1.

[4] Indonesia, Undang-Undang Republik Indonesia Nomor 23 Tahun 2014 Tentang Pemerintahan Daerah. Hlm. 5-6

[5] Pemerintah Daerah Kabupaten Kendal Kendal, "Catatan Atas Laporan Keuangan Pemerintah Daerah Kabupaten Kendal Tahun 2023," N.D. Hlm. 12

E-ISSN: 2614-0179 | P-ISSN: 2613-9995
https://doi.org/10.30656/ajudikasi.v10i1.12374

public services that must be borne by *kelurahan* (urban villages), especially those in urban areas with high population density, rapid mobility, and greater complexity of social problems.

Kendal Regent Regulation Number 60 of 2023 concerning Urban Village Community Institutions (*Lembaga Kemasyarakatan Kelurahan* or LKK) was issued to provide legal certainty regarding the establishment, structure, duties, functions, and funding of LKK. LKK, which includes Neighbourhood Associations (RT), Community Associations (RW), Family Welfare and Empowerment (PKK), Youth Organizations *(Karang Taruna*), Posyandu Working Groups, Urban Village Community Empowerment Institutions (LPMK), and Community Protection Units (Satlinmas), are the front line of public service at the urban village level. However, Article 41 of the Regent Regulation states that: 'The funding for LKK may come from:

a) the regional revenue and expenditure budget (*APBD*);
b) other lawful and non-binding sources in accordance with the provisions of laws and regulations.'

The word 'may' (dapat) and the phrase 'non-binding' (tidak mengikat) in this article are facultative in nature; they do not create a binding obligation for the local government to allocate funds for LKK. Consequently, many urban villages (kelurahan) receive no operational funds at all or only receive a very minimal amount.[6] This funding limitation directly affects the quality of public services in urban villages (*kelurahan*). Posyandu (integrated health posts) often lack weighing scales and snacks for toddlers; PKK (Family Welfare and Empowerment) cannot hold regular training sessions*; Karang Taruna* (youth organizations) are stagnant due to a lack of activity funds; Satlinmas (Community Protection Units) lack basic equipment; and public facilities such as meeting halls, neighborhood security posts (poskamling), parks, and drainage systems are left unmaintained. The administrators of LKK (Urban Village Community Institutions), most of whom are volunteers, lose motivation, while younger generations are reluctant to take over because the workload is not commensurate with any rewards. Ironically, urban village residents generally pay Land and Building Tax (PBB), market retribution, waste retribution, and various other regional levies, yet the services they receive are not proportional to their fiscal contributions.[7]

This research examines the disparity between village funds and urban village (kelurahan) funds in Kendal Regency and assesses perceived justice among urban village communities compared with their village counterparts. It uses a comparative approach to

[6] Bupati Kendal, "Peraturan Bupati Kendal Nomor 60 Tahun 2023 Tentang Lembaga Kemasyarakatan Kelurahan" (2023). Pasal 41 Hlm. 14

[7] Musa Ari Pratama, "Upaya Kader Posyandu Sakura Dalam Pemberdayaan Kesehatan Masyarakat Di Kelurahan Gunung Sulah Way Halim Bandar Lampung" (2023).

identify the structural and perceptual gaps in the current fund allocation mechanism. This study examines the consequences of this disparity and evaluates the fairness and efficacy of the current financial framework for LKK. The imperative for this research arises from both the scarcity of holistic legal studies that address the village-kelurahan divide specifically within Kendal Regency and the concurrent lack of policy recommendations to amend Article 41 of the Regent Regulation toward a more binding and equitable legal framework.

B. RESEARCH METHODS

The study utilizes empirical (non-doctrinal) legal research with a qualitative methodology. Empirical legal research investigates the functioning of law within society, rather than focusing solely on written legal norms (law in action versus law in books). The research applies a statutory approach to analyze Article 41 of Kendal Regent Regulation No. 60/2023 and related regulations, a conceptual approach to examine theories of justice, legal effectiveness, and good governance, and a sociological approach to observe implementation in the field.[8]

The research was conducted in Kendal Regency, Central Java Province. One urban village (kelurahan), Langenharjo in Kendal District, was selected as the research model based on variations in characteristics, including location in the city center, location on the periphery, and differing levels of activity among Urban Village Community Institutions (LKK). Both primary and secondary data sources were utilized. Primary data were collected through semi-structured in-depth interviews with informants such as the Lurah (urban village head), LKK administrators (Heads of *RT, RW, PKK, Karang Taruna, LPMK, Posyandu, Satlinmas*), the *Camat* (district head), officials from Bappeda and DPMD of Kendal Regency, community leaders, and residents. Additionally, participant and non-participant observations were conducted regarding LKK activities and the condition of public facilities. Secondary data comprised legislation, Kendal Regency APBD documents for 2023–2025, LKK financial reports, and relevant books, journals, and legal articles.[9] Further data collection was conducted in Tunggulsari Village, Brangsong District, which was selected due to the active functioning of its Village Community Institutions and adequate infrastructure.

The data analysis relied on the Miles and Huberman model, which comprises three core stages: data reduction, data display, and conclusion drawing with subsequent verification. Data validity was maintained through source triangulation (comparing

[8] Zainudin Hasan Aldi Wiratama, Ajie Haikal, "Pendekatan Sosiologi Hukum Dalam Memahami Konflik Peraturan Perundang-Undangan Di Indonesia," *Jurnal Ilmiah Wahana Pendidikan* 9, no. 14 (2023): 50–63.

[9] Nurul Melani Haifa et al., "Identifikasi Variabel Penelitian, Jenis Sumber Data Dalam Penelitian Pendidikan," *Jurnal Pendidikan Dan Bahasa* 2, no. 2 (2025): 257–69, https://doi.org/https://doi.org/10.62383/dilan.v2i2.1563.

E-ISSN: 2614-0179 | P-ISSN: 2613-9995
https://doi.org/10.30656/ajudikasi.v10i1.12374

information from multiple informants), method triangulation (comparing results from interviews, observations, and documentation), and theory triangulation (applying John Rawls' theory of justice, Soerjono Soekanto's theory of legal effectiveness, and good governance theory in a complementary manner).

C. RESULT AND DISCUSSION

1. Impact of Funding Disparities on Public Services in Rural and Urban Villages in Kendal Regency

A village is a legal community unit with defined territorial boundaries, vested with the authority to govern local affairs and address community interests grounded in grassroots initiatives, rights of origin, and/or traditional rights that are recognized and honored within the framework of the Unitary State of the Republic of Indonesia. The main characteristic of a village is that it possesses genuine autonomy, not a grant from the government. The juridical consequence of this status is that villages are entitled to receive Village Funds sourced from the State Budget (APBN). These Village Funds are mandatory, allocated in large amounts (approximately 1.5 billion rupiah per village per year), and the disbursement mechanism is regulated in detail by laws and regulations. Village Funds come from the Village Fund Allocation (ADD), Village Original Revenue (PADes), Central Government Village Fund Assistance, Provincial Government Village Fund Assistance, and Regency Government Village Fund Assistance.[10]

Meanwhile, the concept of *kelurahan* (urban village) is defined in Government Regulation Number 73 of 2005 concerning Kelurahan. A kelurahan is defined as the working area of the *lurah* (urban village head) as a regional apparatus of the regency/city within the district. Unlike a village *(desa),* a *kelurahan* does not possess genuine autonomy. The lurah is a state civil apparatus appointed by and responsible to the camat (district head), not elected by the community. The implication of this status is that kelurahan do not receive Village Funds. Funding for kelurahan and Urban Village Community Institutions *(LKK)* is sourced solely from the very limited regency/city Regional Revenue and Expenditure Budget *(APBD),* is not mandatory, and must compete with other sectors. Sources of kelurahan funds include the General Allocation Fund *(DAU),* Regional Original Revenue *(PAD),* and the *APBD*. This fundamental difference is identified by the proposal as the root of the structural inequality between villages and kelurahan in Kendal Regency, which in turn impacts the unequal quality of public services.[11]

[10] Kiki Endah, "Penyelenggaraan Pemerintahan Desa Menurut Undang-Undang Nomor 6 Tahun 2014 Tentang Desa," No. 150 (2014): 76–82.

[11] Ramlin Ahmad, "Implementasi Pengalokasian Dana Alokasi (DAU) Tambahan Perbantuan Pendanaan Kelurahan Dalam Peraturan Daerah Kota Tangerang Selatan No. 20 Tahun 2019 Tentang APBD Tangerang Selatan Tahun

Based on the results of interviews and observations in Langenharjo Urban Village, it was explained that the funding disparity between villages (*desa*) and urban villages (*kelurahan*) is very significant and has a direct impact on the quality of public services. Mr. Darmo Sulistiyono, S.E., MM, *Lurah* of *Langenharjo* Urban Village, stated: *"Policymakers, especially the regent, must seriously review the funding gap between villages and urban villages. Data from the central government shows that villages receive Village Funds up to billions of rupiah. However, at the urban village level, the budget relies only on the regency APBD; for example, the allocation for LKK in one urban village is only Rp200 million per year, which must be divided among seven types of LKK. Compare that to a neighboring village that has Rp1.5 billion, enabling it to build infrastructure, provide incentives for village officials, and run large-scale community empowerment programs. Ironically, what should come from the center does not align with the reality experienced by urban villages. If the regent is serious about implementing fair policies, such a gap should not be allowed to persist."*

According to the 2024 Kendal Regency *APBD*, the Village Fund allocation for 20 villages in Kendal District totaled Rp28.7 billion, averaging Rp1.2 billion per village. In stark contrast, the total allocation for LKK across the same 20 urban villages amounted to only Rp1.4 billion, with an average of just Rp200 million per urban village. The comparison ratio reaches 1:19, meaning that for every 1 rupiah for an urban village, a village receives 19 rupiah. This disparity cannot be explained solely by differences in administrative status, because urban villages in metropolitan areas have a population density 2–3 times higher than villages, as well as higher levels of social vulnerability and more complex basic service needs.[12]

1. *Data on Langenharjo Urban Village Funds, Kendal District, Year 2025*

No	Description	DAU	PAD	Realization
1	Guidance for Community Protection Units (Linmas)	13.650.000	7.305.000	20.955.000
2	Increasing Participation of Women's Groups in Community Empowerment	6.000.000	1.800.000	7.800.000
3	Provision of Support for Posyandu (Integrated Health Post) Services	2.850.000	37.010.000	39.860.000

Anggaran 2020 (Studi Kasus: Kecamatan Pondok Aren)," *Bulletin Of Law Research (BLEACH)* 2025, no. 35 (2025): 1–6, https://doi.org/10.65344/bleach.v2i2.130.

[12] Bupati Kendal, "PERATURAN BUPATI KENDAL NOMOR 40 TAHUN 2020 TENTANG DANA ALOKASI UMUM TAMBAHAN BANTUAN PENDANAAN KELURAHAN SETIAP KELURAHAN DI KABUPATEN KENDAL TAHUN ANGGARAN 2020" (2020).

E-ISSN: 2614-0179 | P-ISSN: 2613-9995
https://doi.org/10.30656/ajudikasi.v10i1.12374

4	Job Training	-	-	-
5	Guidance for Karang Taruna (Youth Organization)	4.259.000	4.520.000	8.779.900
6	Provision of Support for RT (Neighborhood Associations), RW (Community Associations), and LPMK (Urban Village Community Empowerment Institutions)	30.270.000	49.365.000	79.635.000

2. *Data on Tunggulsari Village Funds, Brangsong District, Year 2025*

No	Description	Original Budget	Revised Budget	Increase/ Decrease
1	Sub Sector of Peace, Public Order, and Community Protection	4.005.000	4.005.000	0-,
2	Sub Sector of Youth and Sports	530.459.0000	530.459.000	0-,
3	Sub Sector of Community Institutions	9.983.136	9.938.127.000	9.00

3. *The following figure shows all the data:*



In addition to the impact on LKK (Urban Village Community Institutions), the funding disparity also affects public infrastructure development. Many neighborhood roads, drainage systems, street lighting, and parks in urban villages are damaged and neglected due to insufficient maintenance budgets. Meanwhile, according to a Bappeda official interviewed, tax contributions from urban village residents (Land and Building Tax, Street Lighting Tax, waste retribution, market retribution) account for approximately 65% of the

total Regional Original Revenue (PAD) of Kendal Regency.[13] This imbalance between large fiscal contributions and poor public services creates a deep sense of injustice among urban village communities.

From the perspective of Law Number 25 of 2009 concerning Public Services, this disparity violates the principles of public services, particularly the principles of equal rights, non-discrimination, and justice. Article 4 letters c and d state that public services must be based on 'equal rights' and 'balance between rights and obligations.' Urban village residents who have paid taxes and levies are entitled to receive services equivalent to those received by village residents. However, the reality shows the opposite. Thus, the village-urban village funding disparity in Kendal Regency has created an unfair condition and undermines the constitutional rights of urban village residents to quality public services.

2. An Examination of the Justice and Effectiveness of Article 41 in Kendal Regent Regulation Number 60 of 2023

Kendal Regent Regulation Number 60 of 2023 serves as a strategic legal instrument for regulating financial governance and development at both the village and urban village levels, wherein Article 41 plays a central role by governing the mechanisms for the allocation, disbursement, and accountability of funds that directly impact community welfare. However, the implementation of any article within a regional head regulation invariably confronts two interrelated fundamental questions: whether its construction and application reflect proportional justice for all segments of society, and whether its outcomes meet the measures of effectiveness in addressing actual field needs. Departing from these normative and empirical gaps, this research is directed toward an in-depth examination of two main issues, namely the analysis of the justice dimension embedded in the implementation of Article 41, both from its legal-formal aspects and from beneficiary perceptions, alongside the evaluation of the effectiveness level of the said article based on indicators of physical achievements and budget absorption in the Kendal Regency area. In order to comprehensively answer these two strategic issues, this research divides them into sub-discussions that serve as the author's analytical pillars, as follows:

a) Normative Weaknesses of Article 41: The Word "May" and the Phrase "Non-Binding"

Article 41 of Kendal Regent Regulation Number 60 of 2023 states: *"The funding for LKK may come from: a. the regional revenue and expenditure budget; other lawful and non-binding sources in accordance with the provisions of laws and regulations."* Normatively, this article contains two fundamental weaknesses. First, the use of the word "may" (in legal terms, facultative) does not create an imperative obligation (a

[13] Kendal, "Catatan Atas Laporan Keuangan Pemerintah Daerah Kabupaten Kendal Tahun 2023."

E-ISSN: 2614-0179 | P-ISSN: 2613-9995
https://doi.org/10.30656/ajudikasi.v10i1.12374

"shall") for the local government to allocate funds for LKK. The local government has full discretion to determine whether to allocate funds and, if so, the amount. Consequently, in practice, many urban villages receive no LKK funds at all, or only a very small, symbolic amount. Second, the phrase "other lawful and non-binding sources" further weakens LKK's position. Other sources could mean community contributions, sponsorships, or grants, but the word "non-binding" indicates that the local government has no responsibility to guarantee the availability of such funds.[14]

Such normative deficiency stands in marked contrast to the Village Fund framework established by Law Number 6 of 2014, under which Article 1, point 2 stipulates that Village Funds derived from the *APBN* and transferred via the regency/city *APBD* are expressly earmarked to finance governance, development implementation, community development, and community empowerment. The use of the word "intended" (or "allocated") is imperative and binding. There is no word "may" or "non-binding." Consequently, every village in Indonesia is obligated to receive Village Funds each year under a clear allocation formula. This imbalance between the Village Law (imperative) and the Kendal Regent Regulation (facultative) reflects a structural discrimination legitimized by the legal system itself.

b) Analysis Using John Rawls' Theory of Justice (The Difference Principle)

John Rawls' theory of justice, particularly the difference principle, posits that social and economic inequalities are permissible only when they benefit the least advantaged members of society. In this context, the urban village *(kelurahan)* community constitutes the least advantaged group, given its structurally constrained access to funding despite shouldering comparatively greater public service burdens and confronting more complex urban challenges. In other words, the difference principle mandates that inequality is justifiable solely to the extent that it serves the most disadvantaged. This principle rejects any form of inequality that only benefits groups that are already advantaged, while the most vulnerable groups suffer even more.[15]

Based on field findings, the village-urban village funding disparity in Kendal Regency actually worsens the condition of urban village communities rather than benefiting them. Urban villages, which should receive greater attention due to their population density and social vulnerability, instead receive lower-quality public services than villages. Rawls' difference principle requires that if a policy creates

[14] Dewan Perwakilan Rakyat Indonesia, "Undang-Undang (UU) Nomor 6 Tahun 2014 Desa" (2014).

[15] Khairani alawiyah M. Raihan Noer, M. Deni Damara, Rachel Meylani Situmorang Matondang, "KETIMPANGAN SOSIAL DITENGAH KEMAJUAN EKONOMI DI INDONESIA MELALUI PRINSIP EKONOMI," *Jurnal EKBIS (Ekonomi & Bisnis) Politeknik Piksi Ganesha* 13 (2025): 184–93, https://doi.org/2722-4082.

inequality (in this case, villages receiving far more funding), then such inequality must benefit the least advantaged group. However, in reality, the urban village group (which is less advantaged in terms of access to funding) does not benefit from this inequality; instead, they are increasingly left behind. Thus, the village-urban village funding disparity in Kendal Regency does not satisfy Rawls' principle of justice and can be categorized as structural injustice

c) Analysis Using Soerjono Soekanto's Theory of Legal Effectiveness

According to Soerjono Soekanto, the success of a legal system depends on five closely connected elements: [16]

1) The regulation itself (the written law);
2) The enforcing authorities those responsible for creating and implementing the law;
3) The available facilities and infrastructure that support legal enforcement;
4) The community, meaning the social environment where the law operates; and
5) The cultural dimension, which reflects human creativity, values, and emotions shaped by social intentions.

Using this theory as an analytical tool for Article 41 of Kendal Regent Regulation Number 60 of 2023, it is found that Article 41 is ineffective because at least the first factor (the legal factor itself) has been weak from the outset. The substance of Article 41 contains a fundamental weakness:[17] There is no binding obligation (imperative) because the word "may" is used, which is facultative, so the local government is not bound to allocate funds for LKK. There is no minimum standard for allocation that the local government must meet, so LKK fund allocations vary widely and are often minimal. There is no sanction mechanism for the local government if it fails to allocate LKK funds, so there are no legal consequences for non-compliance. The phrase "non-binding" regarding alternative funding sources further weakens LKK's position, as it explicitly states that the local government is not responsible for ensuring the availability of funds.

This weakness in the legal substance (the first factor) is the root cause that prevents the other four factors from functioning optimally. The law enforcement factor (local government officials) cannot be compelled because there is no binding obligation. The facility and infrastructure factor is unavailable because funds are not allocated. The community factor (urban village residents) becomes apathetic due to a lack of certainty or transparency. The bureaucratic cultural factor, which is

[16] Mohd Yusuf Dm et al., "Faktor-Faktor Yang Mempengaruhi Penegakan Hukum Dalam Masyarakat," *(JIHHP) Jurnal Ilmu Hukum, Humaniora Dan Politik* 5, no. 4 (2025): 2866–71, https://doi.org/https://doi.org/10.38035/jihhp.v5i4.

[17] Soerjono Soekanto., "Faktor-Faktor Yang Mempengaruhi Penegakan Hukum. Jakarta," *Rajawali Pers.*, 2014.

E-ISSN: 2614-0179 | P-ISSN: 2613-9995
https://doi.org/10.30656/ajudikasi.v10i1.12374

paternalistic, further strengthens the status quo.[18] Thus, theoretically, it can be concluded that Article 41 of the Kendal Regent Regulation is ineffective in guaranteeing LKK funding and public services in the urban villages of Kendal Regency. This ineffectiveness is primarily caused by the weakness of the legal substance (the first factor), which is then exacerbated by the other four factors

d) Analysis Using Good Governance Theory

The principles of good governance developed by UNDP and the World Bank emphasize rule of law, transparency, accountability, participation, and equality.[19] In the context of managing LKK funding, Article 41 and its implementation violate several key principles Supremacy of law. The supremacy of law constitutes a foundational tenet of every constitutional state (rechtsstaat), mandating that the law occupies the highest position within state and governmental administration. Consequently, no official action, policy, or conduct of state apparatus may deviate from or contradict the legal order. This principle was famously encapsulated by the eminent English legal scholar A.V. Dicey, who formulated its three main pillars as follows: [20]

1) supremacy of law, which means that everything must be resolved by law as the supreme principle;
2) equality before the law, which means that every person without exception is subject to the same law; and
3) due process of law, which guarantees that individual rights cannot be diminished except through lawful legal procedures.

Further explanation according to Lon L. Fuller in his book The Morality of Law (1964): He proposed eight principles that must be fulfilled for a legal system to be considered legitimate, namely:

1) the legal system must consist of rules (not ad hoc decisions);
2) those rules must be publicly announced;
3) they must not be retroactive;
4) they must be formulated in language understandable to the public;
5) there must be no contradictory rules;
6) they must not demand conduct that is impossible to perform;

[18] Eko Budi Sulistio, "Faktor-Faktor Penghambat Pengembangan Sumberdaya Aparatur Pemerintah Daerah," *Sosialita*, 2010.

[19] Hilarius Wandan Abul Haris Suryo Negoro, Restu Widyo Sasongko, Cataryn V. Adam Desna Aromatica, Haerana, Frederikus Antonius Mana, and Daelami Ahmad. Sri Juni Woro Astuti, Marini Sari Dewi Seger, *Pengantar Ilmu Administrasi Publik*, 2025. Hlm. 112

[20] Resti, "Harmonisasi Pembaharuan Pencatatan Perkawinan Beda Agama Di Indonesia Perspektif Fiqih Siyasah Dusturiyah" (Universitas Islam Negeri Mahmud Yunus Batusangkar, 2025).

7) they must not be changed too frequently; and
8) there must be congruence between the rules and their daily enforcement.

Within the framework of the supremacy of law, there are five operational indicators that can be used to assess the quality of a regulation: [21]

1) legal certainty the existence of clear, definite, and unambiguous norms;
2) predictability society and officials can foresee the legal consequences of an action;
3) vertical consistency no contradiction between regional regulations and higher-level regulations (the principle of lex superiori derogat legi inferiori);
4) openness regulations are enacted and accessible to the public before they take effect; and
5) consistent enforcement the existence of clear sanction mechanisms for violations.

Application to Article 41 of Kendal Regent Regulation Number 60 of 2023 concerning the aspect of legal certainty. The word "may" (or in administrative law, facultative authority/discretion) does not create any obligation for the local government to allocate funds for the LKK (Village Consultative Body). The local government has full freedom, without clear limits, to determine whether to allocate funds, how much to allocate, and the disbursement mechanism. As a result, the subdistrict, the village head, and the LKK administrators never have certainty as to whether they will receive funds in the current budget year, how much the amount will be, or for which programs.[22]

Regarding the aspect of predictability: In a good legal system, citizens and state officials must be able to predict the consequences of an action or policy. Article 41, which is facultative, destroys this predictability. The village head cannot systematically plan LKK empowerment programs because he does not know whether funds will be available. LKK administrators cannot budget their annual activities. The community cannot demand equal public services due to the absence of operational funds. This uncertainty contradicts the principle put forward by Philipus M. Hadjon that in a rule-of-law state, all actions of the government and society must be based on law, not on mere will.[23]

Other aspects concerning vertical consistency. Article 41 of Kendal Regent Regulation No. 60/2023 is inconsistent with the spirit of Law Number 6 of 2014 concerning Villages. Article 1, point 2 of the Village Law defines Village Funds as funds originating from the State Budget (*APBN*) that are allocated to villages (using the imperative "allocated," not "may be allocated"). In the hierarchy of laws and regulations,

[21] Regina, "Tesis BAB I SD BAB V Regina" (n.d.).
[22] Surya Sukti Lisnawati, Nurpahsari, Muhammad Norhadi et al., *PENGANTAR HUKUM INDONESIA*, 2025. Hlm. 101
[23] Lisnawati, Nurpahsari, Muhammad Norhadi et al. Hlm. 101

E-ISSN: 2614-0179 | P-ISSN: 2613-9995
https://doi.org/10.30656/ajudikasi.v10i1.12374

the principle of lex superior derogat legi inferiori (a higher regulation must not be contradicted by a lower regulation) requires vertical alignment between regional regulations and the law. When the law at the central level is imperative and binding, while the regional regulation at the district level is facultative and loose for different but equivalent types of administrative areas (villages and urban villages are both areas inhabited by citizens), a systemic inconsistency occurs, reflecting structural discrimination that is legalized by the law itself.[24]

Regarding the issue of sanction enforcement: Article 41 lacks any provision for penalties when the local government chooses not to allocate funds to the LKK. No legal repercussions apply to the Regent, Regional Secretary, Head of *BAPPEDA,* or Head of DPMD if they fail to budget for the urban village. This runs counter to the principle that effective law must have "teeth", that is, the power to enforce obedience. In the absence of sanctions, a legal rule loses its binding force and becomes nothing more than a recommendation or a moral aspiration.

Empirical findings from the field confirm that legal uncertainty has become the daily experience of village heads and LKK administrators. They cannot plan programs, make binding commitments with development partners, or guarantee services to their citizens. Thus, the rule of law in the funding arrangement for the LKK in Kendal Regency is fundamentally unfulfilled. As a result, the urban village never knows whether it will receive funds, LKK planning is hindered, and public trust in the local government is lost.

In the context of good governance, transparency means public disclosure of information about the entire policy process, from planning and budgeting to implementation, evaluation, and reporting. This principle requires that every citizen has the right to know, monitor, and assess how the government manages public resources derived from the taxes and levies they pay.[25]

Operationally, transparency in the context of LKK funding can be measured through five main indicators. First, the availability of public budget documents accessible to the community at no or low cost. These documents must provide a complete picture of how public resources are collected, planned, and spent during the budget year. Second, the availability of easily accessible information media, such as announcement boards at the village office, the local government's official website, or professionally

[24] ERMAN SYARIF, "Pengawasan Produk Hukum Daerah Dalam Mewujudkan Peraturan Daerah Yang Baik" (Universitas Lampung Bandar Lampung, 2025).

[25] I Gede Made Suwanda, Muhammad Baharudin, and Zubakhrum Tjenreng, "Implementasi Prinsip Good Governance Dalam Peningkatan Kualitas Pelayanan Publik : Studi Kasus Pada Pemerintah Daerah" 5, no. 1 (2025): 271–82.

managed social media.[26] Third, the periodic submission of budget realization reports (monthly, quarterly, or annually) to the public through open forums such as the village-level development planning deliberation *(musrenbang)*. Fourth, the clarity of complaint mechanisms, whereby the community can submit objections, questions, or reports of irregularities related to the management of LKK funds. Fifth, community participation in the budget preparation process, including access to the draft budget before it is finalized and the opportunity to provide input.[27]

Accountability entails the obligation of individuals and institutions to report on and justify their performance, conduct, and stewardship of entrusted resources to the interested parties.[28] More operationally, experts formulate public accountability as: "the obligation of the trustee to provide accountability, present, report, and disclose all activities and actions that are their responsibility to the trustor who has the right and authority to demand such accountability." In public accountability, public sector organizations are obliged to provide information as a form of fulfilling public rights, which include: [29]

1) the right to know;
2) the right to be informed; and
3) the right to have their aspirations heard.

Public accountability consists of two main dimensions that complement each other. First, vertical accountability, which is accountability to superiors or the higher levels of government. In the context of LKK funding, this includes the accountability of the Village Head to the District Head *(Camat),* the District Head to the Regent, and the Regent to the Governor and the Minister of Home Affairs. Second, horizontal accountability denotes accountability to the broader community, exercised both directly through public forums and indirectly through representatives in the Regional People's Representative Council (*DPRD*).[30] Because LKK funding is minimal or nonexistent, the accountability mechanisms (financial reports, audits, public forums, sanctions) do not function properly. The local government does not explain the reasons for the absence of

[26] Riandy Samuel Sumolang and Wenty Zahrati, "Pemanfaatan Media Sosial Sebagai Sistem Informasi Digital Dan Promosi Potensi Wilayah," *GEMILANG: Jurnal Manajemen Dan Akuntansi*, 2025, https://doi.org/https://doi.org/10.56910/gemilang.v5i3.2561.

[27] Nunik Purwanti, *Indeks Keterbukaan Informasi Publik (IKIP)*, 2024.

[28] Mohammad Ramadona, "Peran Pengelolaan Keuangan Sekolah: Transparansi Dan Akuntabilitas Kepada Masyarakat," *Jurnal Ilmiah Wahana Pendidikan* 6, no. 2 (2020), https://doi.org/10.5281/zenodo.3737912.

[29] Eko Noer Kristiyanto, "URGENSI KETERBUKAAN INFORMASI DALAM PENYELENGGARAAN PELAYANAN PUBLIK (Urgency OfDisclosure of Informationin the Implementation OfPublic Service)," *Jurnal Penelitian De Jure* 16, no. 740 (2016): 231–44, https://doi.org/1410-5632.

[30] imanuddin Hasbi Selfi Budi Helpiastuti, Ahmad Farouq Mulku Zahari, Putri Cinta Mei Et Al., *Manajemen Publik*, 2025.

E-ISSN: 2614-0179 | P-ISSN: 2613-9995
https://doi.org/10.30656/ajudikasi.v10i1.12374

funds, and the chain of responsibility is unclear. As a result, the risk of corruption increases, policy improvements are hindered, and the motivation of LKK administrators declines.[31]

Equity in good governance differs from equality. Equality demands identical treatment for everyone, while equity demands fair treatment by considering the different needs, capacities, and conditions of each individual or group. The principle of equity requires that every community group, regardless of administrative status (village or urban village), gender, ethnicity, religion, or socioeconomic status, has the right to fair treatment in the allocation of public resources and public services.

Empirical data show that the funding disparity between villages and urban villages in Kendal Regency is 1:19 - for every 1 rupiah received by an urban village, a village receives 19 rupiah. Data from the Kendal Regency Regional Budget (APBD) for 2024 shows that the total allocation of Village Funds for 20 villages in Kendal District reached Rp28.7 billion, averaging Rp1.2 billion per village. Meanwhile, the total fund allocation for LKK across 20 urban villages in the same district was only Rp1.4 billion, averaging Rp200 million per urban village. This 1:19 ratio cannot be explained solely by differences in administrative status, because urban villages in metropolitan areas actually have a much heavier service burden.

From the perspective of John Rawls' Theory of Social Justice, the 1:19 disparity does not satisfy the difference principle because this inequality does not provide the greatest benefit to the least advantaged groups. On the contrary, the urban village groups, which are more disadvantaged in terms of access to funding, fall further behind and receive worse public services.[32]

Violations of equity in the allocation of village-urban village funding bring consequences that damage social cohesion and public trust in the government. First, the emergence of feelings of injustice and social jealousy among residents. Urban village communities compare themselves to village communities and question why they, living in urban areas with all their complexities and higher cost of living, receive poorer services. Second, the obstruction of human development in urban village areas. Poor-quality health services (*Posyandu* irregular), limited opportunities for economic empowerment (*PKK* and *Karang Taruna* inactive), and poor public infrastructure create a vicious cycle of poverty and underdevelopment in areas that should be the region's economic growth centers. Third, the decline in the legitimacy of local government in the

[31] ni Wayan Suma Wardhani And I Dewa Gede Dana Sugama, "Pertanggungjawaban Pidana Terhadap Penyimpangan Dana Pada Lembaga Perkreditan Desa (Lpd)," *Jurnal Media Akademik (JMA)* 3, no. 10 (2025), https://doi.org/10.62281.
[32] damanhuri Fattah, "Teori Keadi Lan Menurut John Rawls," *Jurnal TAPIs*, 2013.

eyes of urban-village communities. When the local government is perceived as unfair in allocating public resources, the community loses trust and becomes apathetic toward development programs. In the long term, this loss of legitimacy can disrupt political and social stability at the local level.

D. CONCLUSION

The funding disparity between Village Funds and Urban Village Funds in Kendal Regency is substantial, with an average ratio of 1:19. For every 1 rupiah allocated to urban villages, rural villages receive 19 rupiah. This imbalance directly affects the quality of public services in urban villages, as evidenced by the stagnation of LKK activities such as *Posyandu, PKK, Karang Taruna,* and *Satlinmas. Additionally, public facilities-including meeting halls, neighborhood security posts, parks, and drainage systems-deteriorate due to insufficient maintenance budgets. The* motivation of LKK administrators, most of whom serve as volunteers, remains low. Furthermore, urban village communities express dissatisfaction, perceiving the situation as inequitable given their significant fiscal contributions and the poor quality of public services they receive.

Article 41 of Kendal Regent Regulation Number 60 of 2023, which addresses Urban Village Community Institutions, is normatively weak and ineffective due to its use of facultative language such as "may" and the phrase "non-binding." According to John Rawls' theory of justice, the resulting funding disparity fails to meet the difference principle, as it exacerbates the disadvantages faced by urban village communities. Applying Soerjono Soekanto's theory of legal effectiveness, all five factors-law, law enforcement, facilities, community, and culture-demonstrate significant ineffectiveness. From a good governance perspective, Article 41 contravenes the principles of the rule of law, transparency, accountability, and equity.

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