

CHAPTER V

CONCLUSION

A. Conclusion

Based on the comprehensive analysis and in-depth discussion of the tests conducted, several key conclusions can be drawn from the findings:

1. Village Original Income has a positive influence on the level of village independence in Banyumas. This indicates that the higher the village's original income, the greater the influence on the village's level of independence. Consequently, the higher the village's original income, the less dependent the village is on government transfer funds.
2. The Allocation of Village Funds has a statistically significant negative influence on village independence in Banyumas Regency. This implies that the greater the Allocation of Village Funds received by the village, the lower the level of village financial independence in Banyumas Regency and the higher the village's dependence on transfer funds.
3. The Distribution of Local Taxes and Levies has a statistically significant negative influence on village independence in Banyumas Regency. This implies that the greater the Distribution of Local Taxes and Levies received by the village, the lower the level of village financial independence in Banyumas Regency and the higher the village's dependence on transfer funds.

B. Implication

1. Theoretical Implication

Agency theory has substantial theoretical implications in the context of village independence in Banyumas Regency. The theory posits that the relationship between the village government (agent) and the central government (principal) is characterized by a contractual arrangement where the village government is responsible for managing village funds and resources on behalf of the central government. The findings of this research can also contribute to strengthening previous research on village independence by providing additional insights into the factors influencing village autonomy. In addition to the findings, this research can serve as a valuable reference for students and other researchers who will conduct similar studies in the future.

2. Practical Implication

- a. To enhance village financial autonomy, it is essential to augment the human resources responsible for managing village government and village business outcomes. This would enable the optimal utilization of village finances and increase the profitability of village-owned enterprises, ultimately contributing to the village's financial independence.
- b. To ensure effective oversight and accountability, the central government should intensify regular monitoring visits and reinforce existing regulations governing village government discipline. This would help to ensure that village officials adhere to their responsibilities.

- c. To enhance transparency and comprehension regarding financial publications, it is crucial that village governments receive specialized training and support from the Social and Community Empowerment Service and Banyumas village. This assistance aims to improve village financial management practices and optimize the utilization of central government funds. By publishing financial information on the village website, the community can access more detailed information, thereby fostering greater transparency and accountability.

C. Recommendations and Research Limitations

The findings of this study underscore the significance of effective village financial management in fostering self-sufficiency among villages in Banyumas Regency. To achieve this, the village government must optimize the allocation of funds from the central government to support a rise in the village's original income. Furthermore, the empowerment of village potentials and businesses must be maximized to boost village business outcomes and reduce reliance on central government financial assistance. To enhance village financial management, it is crucial that the central government supports the development of village community potential and the utilization of technology and information systems.

This study necessitates further refinement to yield comprehensive and precise outcomes. One significant limitation is the utilization of a limited sample size, which is attributed to constraints on time, access to information, and research permits. Additionally, the research only examined the financial

aspects of several measurable variables to determine village independence. Consequently, future studies can enhance the sample size and broaden the scope of variables influencing village independence to provide a more comprehensive understanding of the phenomenon. Respectively, several aspects can be explored by future researchers to assess the independence of a village, including macroeconomic factors, village infrastructure, management of village-owned enterprises, and other relevant considerations.

