International Journal of Management and Business Intelligence (IJBMI)
Vol. 4 No. 4, 2026: 977-994

Analysis of Village Treasury Land Management in Enhancing Village Financial Capacity (A Study of Villages in Serang Regency, Banten Province)

Restu Widyo Sasongko[1]*, Eko Budi Lestari[2], Eljawati[3], Haromin[4]
Institut Pemerintahan Dalam Negeri
Corresponding Author: Restu Widyo Sasongko restu_widyo@ipdn.ac.id

A R T I C L E I N F O

Keywords: Village Assets, Village Treasury Land, Village Own-Source Revenue, Village Financial Capacity, Village Fiscal Independence

Received : 27, June
Revised : 28, July
Accepted: 30, August

A B S T R A C T

Village Treasury Land (VTL) is a strategic asset with the potential to strengthen village financial capacity and fiscal independence, yet its utilization remains suboptimal. This study analyzes VTL management in Kramatwatu District, Serang Regency, focusing on governance, institutional capacity, village apparatus competence, and its contribution to Village Own-Source Revenue (PADes). A qualitative case study approach was employed, with purposively selected informants and data collected through interviews, observation, and documentation. Data were analyzed using an interactive model. The findings indicate that incomplete asset legalization, limited apparatus capacity, flood risks, declining soil fertility, and weak Village-Owned Enterprises constrain VTL optimization. Its contribution to PADes remains low compared with transfer revenues. Strengthening asset legality, apparatus capacity, Village-Owned Enterprises, and partnership-based management is therefore essential to enhance the fiscal value of VTL.

DOI: https://doi.org/10.59890/ijmbi.v4i4.50
ISSN-E: 3025-5589
https://journalijmbi.my.id/index.php/ijmbi

INTRODUCTION

Village autonomy in Indonesia, established through Law Number 6 of 2014 concerning Villages, positions villages as governmental entities with broader authority to manage finances, assets, development, and community empowerment. Within the framework of decentralization, the capacity of local governments to manage their own resources is crucial because governmental capacity determines the effectiveness of public service delivery and the achievement of development objectives. Setiawan et al. (2022) demonstrated that the analytical, operational, and political capacities of local governments complement one another in improving public service performance within a decentralized governance system. At the international level, land utilization is also regarded as an important fiscal instrument for local governments; however, dependence on land-based revenue may influence fiscal choices and create risks to long-term fiscal sustainability (Cheng et al., 2022). Therefore, Village Treasury Land should be viewed not merely as an administrative asset of the village, but as a public asset with the potential to be productively managed to strengthen the village revenue base and financial capacity.

In the context of Serang Regency, Village Treasury Land is particularly relevant because the region encompasses agricultural areas, coastal zones, and industrial buffer areas, creating diverse opportunities for land asset utilization. Despite its considerable potential for land asset development, revenue derived from village assets has not yet contributed optimally to strengthening village financial capacity, while dependence on intergovernmental transfers remains relatively high. Data from Statistics of Serang Regency indicate that, as of March 2025, the number of people living in poverty remained at 68.51 thousand, representing 4.48 percent of the total population, although this figure had decreased by approximately 0.35 thousand people compared with March 2024 (Statistics of Serang Regency, 2025). This social condition highlights the importance of strengthening the local economic base so that village public assets are not merely recorded as government property but are also capable of generating fiscal benefits and supporting community development. At the provincial level, fiscal independence, effectiveness, dependence, and expenditure structures have been shown to be associated with regional economic performance, indicating that strengthening locally generated revenue remains relevant to the development agenda of Banten Province (Zein et al., 2024).

The principal challenge in managing Village Treasury Land lies not merely in the availability of assets, but in the capacity of village governments to transform these assets into productive, legally secure, and sustainable sources of revenue. Primananda (2024) found that Village Treasury Land management in Glinggangan Village had generally complied with existing regulations, yet its utilization remained suboptimal because of limited cooperation arrangements and a lack of innovation in developing higher-value economic activities. Suparlan and Sugiyanto (2024) demonstrated that asset identification, regulatory strengthening, and systematic management of Village Treasury Land utilization can increase its contribution to Village Own-Source Revenue and community welfare. Afifah et al. (2024) further showed that land-potential analysis, the use of information technology, and community participation can improve the effectiveness of Village Treasury Land management, although limitations in human resources and sustainable maintenance remain significant constraints. These findings indicate that the optimization of Village Treasury Land is a multidimensional issue involving economic, administrative, technological, human resource, and asset-utilization considerations.

Institutional and governance dimensions further increase the complexity of Village Treasury Land management because village asset management involves the authority of village heads, oversight mechanisms, accountability, and relationships among various local stakeholders. Resmana and Fauziyah (2023) emphasized that village heads have strategic authority in managing Village Treasury Land, but its implementation must involve the Village Consultative Body and comply with applicable legal provisions. Ginting et al. (2023) showed that village financial management requires risk management covering planning, budgeting, administration, reporting, accountability, and supervision to ensure that public resources are managed effectively. In the broader context of public asset management, Nanang et al. (2023) found that asset optimization requires an integration of strategic management, efficient maintenance, competent human resources, and a comprehensive asset database. Moreover, data- and technology-based transformation of village governance can strengthen planning and government decision-making, suggesting that digitalization should be positioned as a governance instrument rather than merely an administrative process (Oktarina et al., 2023).

Although previous studies have examined various aspects of village asset management, a research gap remains in explaining the integrated relationship among Village Treasury Land management processes, institutional capacity, village apparatus capacity, Village Own-Source Revenue, and village financial capacity. Previous studies have generally focused on individual villages or specific dimensions, such as asset utilization, legal authority, technology, and human resource capacity, and therefore have not comprehensively explained how the overall asset management process produces fiscal benefits at the village level (Resmana & Fauziyah, 2023). International literature likewise demonstrates that land-based revenue does not necessarily translate into sound fiscal capacity because the scale and uncertainty of land revenue may encourage local governments to prioritize short-term benefits over long-term social investment (Tang et al., 2024). This gap highlights the need for an analytical approach that goes beyond the existence and utilization of Village Treasury Land by linking asset legality, valuation, utilization strategies, supervision, apparatus capacity, and institutional capacity with the ability of these assets to generate Village Own-Source Revenue. Accordingly, the novelty of this study lies in positioning Village Treasury Land as a productive public asset whose fiscal performance is determined by the interaction between the quality of asset management and the institutional capacity of village governments.

This study aims to analyze the management of Village Treasury Land as a public asset in Kramatwatu District, Serang Regency, by examining governance, institutional arrangements, and the capacity of village officials. More specifically, the study seeks to identify the factors that constrain the optimal utilization of Village Treasury Land in increasing Village Own-Source Revenue and supporting village fiscal independence, while also explaining its contribution to strengthening village financial capacity. Theoretically, this study is expected to extend the literature on public asset management and public-sector accounting by linking village asset management with institutional capacity and fiscal capability at the village government level. Practically, the findings are expected to provide an empirical basis for village and regional governments to strengthen asset legality, village official capacity, asset valuation, partnership arrangements, supervision, and the role of Village-Owned Enterprises in managing Village Treasury Land. Thus, this study seeks to provide a more contextual understanding of how village assets can be transformed from merely administrative property into effective, accountable, and sustainable sources of economic value for strengthening village financial capacity.

LITERATURE REVIEW

Village Treasury Land as a Strategic Public Asset

Village Treasury Land constitutes a public asset with economic, social, and fiscal value that can support village development when it is managed systematically and productively. Public asset management extends beyond the administrative recording of ownership because public assets are expected to support public services, institutional objectives, and the creation of sustainable economic value. Tirayoh et al. (2021) demonstrate that public-sector asset management requires compliance with regulatory frameworks and systematic management practices to ensure that government-owned assets can effectively support public functions. From an international perspective, Ehalaiye et al. (2021) emphasize that reliable accounting information on public assets is essential for understanding asset conditions, investment requirements, financing arrangements, and long-term asset performance. These perspectives are relevant to Village Treasury Land because the fiscal potential of village land cannot be determined solely by its physical existence or size but also by the quality of information regarding its legal status, economic value, condition, location, and utilization. Accordingly, Village Treasury Land should be positioned as a strategic public asset that requires systematic management to transform its potential value into tangible economic and fiscal benefits for village governments.

Public Asset Management and Asset Optimization

The optimization of Village Treasury Land requires an integrated asset-management process that connects asset identification, legal certainty, valuation, utilization, monitoring, and alignment with village development priorities. In this perspective, asset administration represents only the initial stage, while the ultimate objective of asset management is to ensure that public assets generate appropriate economic and social value. Sumaryana et al. (2024) identify fragmented governance, inadequate transparency and coordination, outdated asset inventories, and weak alignment between asset-management practices and development objectives as important obstacles to effective local government asset management in Indonesia. Their findings suggest that effective asset optimization depends on the ability of government institutions to integrate asset information into strategic planning and policy evaluation rather than treating asset management merely as a regulatory requirement. Applied to Village Treasury Land, this perspective implies that land utilization should be determined according to location, legal status, market value, physical characteristics, accessibility, environmental conditions, and potential economic activities. Therefore, the optimization of Village Treasury Land requires a shift from passive and administrative management toward strategic asset management capable of generating sustainable value and supporting village financial capacity.

Governance, Accountability, and Village Apparatus Capacity

The effectiveness of Village Treasury Land management is strongly influenced by governance quality and the capacity of village officials responsible for planning, administering, utilizing, reporting, and supervising public assets. Cahyani et al. (2022) found that accountability, transparency, the competence of village officials, and internal control significantly influence the quality of village financial management, demonstrating that institutional processes and human-resource capacity are closely connected with effective management of public resources. Similarly, Ningrum and Nurasik (2024) show that the competence of village officials, the quality of financial reporting, and accessibility of financial information have positive effects on village financial accountability. These findings indicate that digital systems, asset inventories, regulations, and administrative procedures will not automatically improve Village Treasury Land management when village officials lack sufficient knowledge and skills in asset administration, valuation, contract preparation, negotiation, financial analysis, and monitoring. Governance therefore requires not only formal institutional arrangements but also capable officials who can transform asset information into appropriate management decisions. In the context of Village Treasury Land, strengthening apparatus capacity becomes a critical mechanism linking asset ownership with the ability of village governments to create accountable and sustainable economic value.

Institutional Strengthening and Productive Utilization of Village Treasury Land

Productive utilization of Village Treasury Land also depends on the capacity of village institutions to develop business models and partnerships that go beyond conventional leasing arrangements. Village-Owned Enterprises are particularly relevant because they can function as institutional intermediaries connecting village assets with productive economic activities, local businesses, community participation, and external partnerships. Ambarini et al. (2023) argue that institutional strengthening of Village-Owned Enterprises requires not only clear legal arrangements but also economic capacity and social capital to enable these institutions to contribute effectively to sustainable village development. At the same time, effective village resource management requires appropriate planning, budgeting, implementation, guidance, and supervision, while weaknesses in human-resource capacity and institutional assistance can reduce the effectiveness of development programs (Saharuddin, 2024). These findings suggest that Village-Owned Enterprises cannot automatically function as productive partners in Village Treasury Land management merely because they have been formally established. Their involvement requires adequate managerial competence, viable business planning, financial capacity, governance mechanisms, and the ability to establish partnerships with communities and private actors. Thus, strengthening village institutions is essential for transforming Village Treasury Land from a passive rental asset into a productive asset capable of creating recurring economic benefits.

Village Financial Capacity and Research Gap

The relationship between Village Treasury Land and village financial capacity should be understood through the capacity of land assets to generate sustainable Village Own-Source Revenue while maintaining their long-term economic and social value. International evidence demonstrates that land-based revenue can strengthen local government financial resources, but excessive dependence on land-related income can also create fiscal and developmental risks when governments prioritize short-term revenue generation over sustainable economic objectives. Xu et al. (2024), for example, found that strong dependence on land finance can adversely affect the quality of local innovation, indicating that the fiscal use of land must be balanced with longer-term development considerations. Existing studies therefore provide substantial explanations concerning public asset administration, governance, financial accountability, institutional capacity, and land-based revenue, but these dimensions have generally been examined separately. A clear research gap remains in explaining how legal certainty, asset valuation, utilization strategies, village apparatus capacity, institutional arrangements, and supervision interact in determining the contribution of Village Treasury Land to Village Own-Source Revenue and village financial capacity. This study addresses that gap by positioning Village Treasury Land not merely as an administrative asset or an additional source of revenue, but as a productive public asset whose fiscal performance depends on the integration of asset-management quality, institutional capacity, and utilization strategy.

METHODOLOGY

Research Approach and Design

This study employed a qualitative approach with a case study design to obtain an in-depth and contextual understanding of Village Treasury Land management and its contribution to village financial capacity. The case study design was selected because it enables the examination of management practices, institutional conditions, and constraints within their real-life context using multiple sources of evidence (Priya, 2021). The analytical framework referred to Siregar's asset management perspective, comprising asset inventory, legal audit, asset valuation, optimization of asset utilization, and asset supervision and control. These dimensions were further examined in relation to governance, institutional arrangements, village official capacity, Village Own-Source Revenue, fiscal independence, and village financial capacity.

Research Setting and Period

The research was conducted in Serang Regency, Banten Province, beginning in February 2026 and covering preliminary research, proposal preparation, administrative permission, field data collection, data processing and analysis, and manuscript preparation. The research locations comprised nine villages in Ciruas District, Kragilan District, and Kramatwatu District, namely Ciruas Village, Ranjeng Village, Pelawad Village, Kragilan Village, Sentul Village, Dukuh Village, Kramatwatu Village, Margasana Village, and Pejaten Village. The locations were selected based on their relevance to Village Treasury Land management and variations in institutional and socioeconomic characteristics. Clear specification of research settings and contextual boundaries supports methodological transparency and the assessment of the transferability of qualitative findings (Levitt, 2020).

Informants and Sampling Strategy

Informants were selected using non-probability purposive sampling based on their direct involvement, responsibilities, knowledge, and experience in Village Treasury Land management. Purposive sampling was considered appropriate because qualitative research prioritizes information-rich participants rather than statistical representation (Campbell et al., 2020). Informants included officials from the Serang Regency Community and Village Empowerment Office, the Head of Kramatwatu District, the Head of the Government Section of Kramatwatu District, village heads and village officials, representatives of Village Consultative Bodies, and community leaders. The number of informants was not predetermined and could develop according to the relevance and adequacy of information obtained during fieldwork, consistent with the principle of information sufficiency in qualitative research (Hennink & Kaiser, 2022).

Research Instruments

The researcher served as the primary research instrument, supported by a semi-structured interview guide, observation guidelines, field notes, and documentary records. The interview guide was developed based on asset inventory, legal certainty, asset valuation, utilization optimization, supervision and control, governance, institutional capacity, village official capacity, contribution to Village Own-Source Revenue, and factors supporting or constraining Village Treasury Land management. Semi-structured interviews allowed comparable themes to be explored across informants while enabling follow-up questions to obtain deeper information. Because the study did not use a standardized quantitative instrument, psychometric validity and reliability testing were not applied; instead, methodological integrity was maintained through transparency in the relationship among research questions, data collection, interpretation, and research context (Barrett et al., 2020).

Data Collection Procedures

Data were obtained from primary and secondary sources through in-depth semi-structured interviews, non-participant observation, and documentation. Interviews explored stakeholders' experiences and assessments of Village Treasury Land administration, legality, valuation, utilization, supervision, institutional arrangements, and financial contribution. Non-participant observations focused on physical asset conditions, forms of utilization, and relevant administrative practices, while documentary analysis covered village records, asset documents, legislation, financial reports, administrative records, and other relevant publications. The use of multiple sources enabled methodological triangulation by comparing interview, observational, and documentary evidence to identify consistency, complementarity, or differences across data sources (Arias Valencia, 2022).

Data Analysis

Data analysis was conducted concurrently with data collection through an interactive qualitative process involving data condensation, data display, conclusion drawing, and verification. Interview, observation, and documentary data were organized, coded, and categorized according to the five asset-management dimensions and additional themes of governance, institutional arrangements, village official capacity, asset utilization, Village Own-Source Revenue, and financial capacity. The analysis combined deductive categories derived from the asset-management framework with empirical patterns emerging from the field. This iterative process of coding, categorization, comparison, interpretation, and verification is consistent with contemporary qualitative data-analysis procedures (Bingham, 2023). Findings were presented narratively and, where necessary, through comparative tables or matrices, followed by cross-source verification to ensure that conclusions were supported by consistent empirical evidence.

RESULT AND DISCUSSION

Characteristics and Economic Potential of Village Treasury Land

Kramatwatu District consists of 15 villages, covers approximately 56.56 square kilometers, and has a population of 107,154. The area includes coastal zones, trade and service corridors, and agricultural areas, resulting in variations in the physical characteristics, location, economic potential, and utilization of Village Treasury Land. Village Treasury Land is used for agriculture, fishponds, commercial activities, public and social facilities, and other village economic activities.

In 2026, the total recorded Village Treasury Land area in 14 villages reached 1,465,240 square meters. Terate Village had the largest area at 220,000 square meters, while Pejaten Village had the smallest at 20,228 square meters. Data for Teluk Terate Village were unavailable. The findings also show that land area was not directly proportional to the revenue generated.

Some Village Treasury Land parcels are located outside their respective village boundaries, including outside Kramatwatu District and Serang Regency. This condition resulted mainly from territorial expansion and land-exchange arrangements associated with toll roads, industrial estates, and residential development. In Wanayasa Village, part of the Village Treasury Land is located in Terumbu Urban Village, Kasemen District, Serang City, following a land-exchange arrangement conducted between 1993 and 1995.

Contribution of Village Treasury Land to Village Own-Source Revenue

Village Treasury Land contributes to Village Own-Source Revenue, although the amount varies considerably among villages. Data from 14 villages show total revenue of approximately IDR 313.05 million, with an average of IDR 22.36 million per village. Tonjong Village recorded the highest contribution at IDR 45 million, while Margatani Village recorded the lowest at IDR 4.5 million. Revenue data for Teluk Terate Village were unavailable.

Table 1. Summary of Key Quantitative Findings on Village Treasury Land

Indicator	Finding
Number of villages in Kramatwatu District	15 villages
Villages with recorded Village Treasury Land area	14 villages
Total recorded Village Treasury Land area	1,465,240 m²
Largest recorded area	Terate Village: 220,000 m²
Smallest recorded area	Pejaten Village: 20,228 m²
Total recorded Village Treasury Land revenue	IDR 313.05 million
Average revenue per village	IDR 22.36 million
Highest recorded contribution	Tonjong Village: IDR 45 million
Lowest recorded contribution	Margatani Village: IDR 4.5 million
Village with incomplete area and revenue data	Teluk Terate Village

The comparison between land area and revenue confirms that larger landholdings do not necessarily generate higher Village Own-Source Revenue. Terate Village, with 220,000 square meters, generated approximately IDR 39.72 million, while Pejaten Village, with only 20,228 square meters, generated approximately IDR 21 million. Differences in location, land characteristics, utilization patterns, local market value, and management capacity accompany these variations in revenue.

The limited contribution of Village Treasury Land is particularly evident in Wanayasa Village. In the 2025 fiscal year, total village revenue reached approximately IDR 1.908 billion, while Village Own-Source Revenue from village assets amounted to only IDR 32.5 million, or 1.7 percent. Transfer revenue reached approximately IDR 1.876 billion, equivalent to 98.3 percent of total revenue.

Table 2. Revenue Structure of Wanayasa Village, Fiscal Year 2025

Revenue Component	Amount	Share of Total Revenue
Village Own-Source Revenue from village assets	IDR 32.5 million	1.7%
Transfer revenue	IDR 1.876 billion	98.3%
Total village revenue	IDR 1.908 billion	100%

Asset Inventory and Administrative Management

Village Treasury Land inventory is conducted through physical inspections, boundary measurements, document verification, inventory-book recording, and the Village Asset Management Information System. The process involves village governments, the district government, and the Serang Regency Community and Village Empowerment Office. Village Treasury Land is classified according to origin, function, and legal status and is used for agriculture, commercial activities, public and social facilities, fishponds, and other village economic activities. Some assets have also begun to support Village-Owned Enterprises and the Red and White Village Cooperative. However, administrative completeness remains uneven because some Village Treasury Land lacks complete legal documentation.

Legal Status and Asset Valuation

Not all Village Treasury Land has been certified under a Right of Use certificate in the name of the village government. Some parcels still rely on older documents such as *Letter C* and *girik*, creating potential risks of disputes, competing claims, and administrative difficulties. Rental values are generally determined using prevailing local market prices while considering land type, location, and potential use. Decisions are made through village deliberation and formalized in contracts or memoranda of understanding. However, the study found no uniform standard operating procedure for Village Treasury Land valuation across Kramatwatu District.

Utilization, Optimization, and Supervision of Village Treasury Land

No Village Treasury Land was explicitly classified as completely *idle*. Most land is used for agriculture, fishponds, commercial activities, public facilities, social facilities, and other economic purposes. Nevertheless, agricultural land faces productivity constraints caused by flooding, seasonal drought, and declining soil fertility.

Supervision is carried out by village governments with monitoring and guidance from the district government and the Serang Regency Community and Village Empowerment Office. Monitoring is conducted at least once every three months and covers physical conditions, administrative completeness, legal status, utilization, and asset reporting. The Village Asset Management Information System supports monitoring and accountability.

Table 3. Findings Based on the Main Dimensions of Village Treasury Land Management

Asset Management Dimension	Main Empirical Findings
Asset inventory	Physical inspection, boundary measurement, document verification, inventory-book recording, and use of the Village Asset Management Information System have been implemented.
Legal audit	Not all Village Treasury Land has been formally certified; some parcels still rely on Letter C or *girik* documentation.
Asset valuation	Rental values generally refer to local market conditions, land type, and location, but no uniform valuation standard operating procedure was identified.
Utilization optimization	No Village Treasury Land was explicitly classified as idle; land is used for agriculture, fishponds, commercial activities, public facilities, and other economic purposes, although productivity varies.
Supervision and control	Monitoring is conducted periodically, at least every three months, by relevant village, district, and regency institutions, supported by the Village Asset Management Information System.

Institutional and Operational Constraints on Village Treasury Land Optimization

The study identified four principal constraints to Village Treasury Land optimization. First, some assets have not yet been formally certified in the name of the village government. Second, village officials have limited capacity in asset administration, mapping, digital asset management, negotiation, contract management, and appraisal. These limitations restrict the ability of village governments to move from routine administration toward more economically oriented asset management.

Third, environmental conditions, including flooding, seasonal drought, and declining soil fertility, reduce the productivity of agricultural Village Treasury Land. Because agricultural use remains dominant in several villages, these conditions directly affect the economic potential of the assets.

Fourth, Village-Owned Enterprises have not yet become reliable partners in Village Treasury Land management because of limitations in business capital, human resources, managerial capacity, and business planning. Consequently, village governments continue to rely largely on conventional rental arrangements, while more diversified and business-oriented utilization models remain limited.

Asset Size Does Not Automatically Determine Fiscal Productivity

The findings show that Village Treasury Land size does not directly correspond to the Village Own-Source Revenue generated. Terate Village has the largest recorded area at 220,000 square meters and generates approximately

IDR 39.72 million, whereas Pejaten Village has only 20,228 square meters but generates approximately IDR 21 million. This pattern indicates that fiscal productivity is influenced not only by land size but also by location, accessibility, land characteristics, market value, utilization arrangements, and managerial capacity. Sara et al. (2021) similarly found that proper village asset administration and productive institutional arrangements can strengthen rural economic development. Thus, the findings distinguish asset possession from asset productivity, although the relationship remains descriptive because this study does not statistically test the effect of land area on revenue.

Legal Certainty as a Foundation, but Not a Sufficient Condition for Optimization

Incomplete certification remains an important weakness in Village Treasury Land management because some parcels still rely on *Letter C* and *girik* rather than Right of Use certificates registered in the name of village governments. Such conditions may create ownership uncertainty, restrict utilization arrangements, complicate contractual relationships, and increase the risk of disputes. Singirankabo and Ertsen (2020) emphasize that land registration can strengthen tenure security, although registration alone does not automatically improve productivity without effective institutions. Similarly, formal land rights have been associated with stronger investment incentives and land productivity (Séogo & Zahonogo, 2023), while land titling in India increased agricultural investment, productivity, and profits (Subramanian & Kumar, 2024). Therefore, certification should be treated as a foundation for optimization and must be followed by appropriate valuation, contractual arrangements, investment planning, and productive utilization.

Administrative Compliance Has Not Yet Been Converted into Fiscal Optimization

Village governments have implemented physical verification, boundary measurement, inventory recording, the Village Asset Management Information System, and periodic monitoring, but the fiscal contribution of Village Treasury Land remains limited. This indicates a distinction between administrative compliance and economic optimization. The absence of a uniform standard operating procedure for land valuation further limits the ability of villages to determine appropriate economic returns because rental values are still generally based on local market references and deliberation. The study also found no Village Treasury Land explicitly classified as idle, yet utilization does not necessarily produce optimal economic returns. Therefore, utilized assets cannot automatically be considered optimized assets, and the five dimensions of asset management should function as an integrated value-creation process rather than merely administrative requirements.

Environmental Conditions Moderate the Economic Value of Village Land

Flooding, seasonal drought, and declining soil fertility reduce the productivity of agricultural Village Treasury Land and demonstrate that economic performance is influenced by factors beyond administration and institutional capacity. Widyatmanti and Umarhadi (2022) similarly show that agricultural land potential is affected by soil capability, physical conditions, water availability, and resource sustainability. Consequently, Village Treasury Land management requires asset-specific strategies rather than a uniform utilization model. Agricultural land facing environmental constraints may require rehabilitation, improved water management, changes in cropping systems, or alternative uses, while land near commercial corridors, industrial zones, or transportation infrastructure may require different valuation and partnership models. Environmental and spatial conditions therefore help explain why revenue differences cannot be attributed solely to land size or administrative capacity.

Village Treasury Land Contributes to Revenue but Has Not Yet Generated Fiscal Independence

The Wanayasa case illustrates the limited contribution of Village Treasury Land to village financial capacity. Village Own-Source Revenue from village assets amounted to approximately IDR 32.5 million, representing only 1.7 percent of total village revenue, while transfer revenue accounted for 98.3 percent. This confirms that Village Treasury Land already generates revenue but has not substantially altered the village revenue structure. Yimenu (2023) similarly shows that fiscal decentralization does not automatically produce strong own-source revenue because institutional capacity, development conditions, location, and investment distribution remain influential. However, intergovernmental transfers remain necessary for equalization and public service financing, while stronger own-source revenue can provide greater fiscal flexibility when supported by effective decentralization arrangements (Muthomi & Ndunda, 2024).

Fiscal independence should therefore not be interpreted as complete separation from government transfers, but as the increasing ability of villages to mobilize and manage locally controlled resources. Village Treasury Land can strengthen fiscal discretion even when transfers remain the dominant revenue source. Nevertheless, because complete Village Own-Source Revenue-to-total-revenue ratios were unavailable for all villages, the Wanayasa case should be treated as an illustrative example rather than generalized statistically across Kramatwatu District.

Village Apparatus Capacity as the Link between Administrative and Productive Assets

The study identified limitations in village officials' capacity in asset administration, mapping, digitalization, negotiation, contract management, and appraisal. These limitations help explain why improved administrative systems have not automatically resulted in stronger fiscal performance. The Village Asset Management Information System facilitates recording and reporting, but productive asset management still requires human capacity to assess economic value, negotiate agreements, evaluate business feasibility, and determine appropriate utilization strategies. Village officials therefore need competencies beyond regulatory compliance, including valuation, market analysis, contract design, risk assessment, geographic information, and business feasibility analysis. Capacity development should consequently move from general regulatory socialization toward competency-based training directly related to the asset-management cycle.

Village-Owned Enterprises Have Institutional Potential but Are Not Automatically Effective Asset Managers

Village-Owned Enterprises have not yet become reliable partners in Village Treasury Land management because several face limitations in capital, business planning, managerial capacity, and human resources. This finding challenges the assumption that establishing a Village-Owned Enterprise automatically transforms village resources into productive economic assets. Arifin et al. (2020) similarly found that the expansion of Village-Owned Enterprises was not automatically accompanied by substantial utilization or improvements in village employment. Kase et al. (2024) further show that organizational, managerial, and business limitations can constrain their performance, while Fitriani et al. (2024) identify tensions between their commercial and social objectives and relatively limited contributions to village revenues.

Therefore, Village-Owned Enterprises should not automatically be assigned responsibility for Village Treasury Land management without assessing their governance, capital, managerial competence, accountability, and business feasibility. Village governments may instead consider different arrangements according to asset characteristics, including conventional leasing, long-term leases, revenue-sharing agreements, joint ventures, community-based management, or partnerships with private actors. The choice of model should be based on economic feasibility, legal safeguards, risk allocation, and expected public benefits rather than institutional preference alone.

CONCLUSIONS AND RECOMMENDATIONS

This study concludes that the management of Village Treasury Land in Kramatwatu District, Serang Regency, has generally been supported by established asset-governance mechanisms involving village governments, Village Consultative Bodies, village deliberation forums, the district government, and the Serang Regency Community and Village Empowerment Office. Asset inventory and reporting have also been supported by the Village Asset Management Information System. However, the contribution of Village Treasury Land to Village Own-Source Revenue and village fiscal independence remains limited because of incomplete land certification, differences in asset valuation practices, limited capacity of village officials, environmental constraints such as flooding and declining soil fertility, and the limited institutional capacity of Village-Owned Enterprises. The findings confirm that the size of land assets alone does not determine their fiscal productivity; rather, their economic value depends on legal certainty, management quality, institutional capacity, location characteristics, and appropriate utilization strategies. Theoretically, the study reinforces the asset-management perspective that inventory, legal audit, valuation, utilization, supervision, and control must operate as an integrated process to transform administrative assets into productive economic resources.

Practically, village governments should prioritize the completion of Village Treasury Land certification, strengthen the technical and managerial capacity of village officials, standardize asset valuation procedures, and develop utilization models that reflect the economic and physical characteristics of each asset. Village-Owned Enterprises should also be strengthened in terms of capital, human resources, business planning, governance, and managerial capability before being positioned as strategic partners in Village Treasury Land management. Where appropriate, conventional leasing arrangements should be complemented by more productive partnership models, including revenue-sharing arrangements, business cooperation, or other legally accountable forms of asset utilization. These measures are expected to improve the economic contribution of Village Treasury Land while maintaining its long-term public value and supporting stronger village financial capacity.

FURTHER STUDY

Future research should extend the geographical scope to several districts or regencies with different economic and environmental characteristics to enable comparative analysis of Village Treasury Land management models. Quantitative or mixed-method studies are also recommended to test the relationships among asset size, legal status, asset valuation, village official capacity, utilization models, environmental conditions, and contributions to Village Own-Source Revenue. Further studies should examine the effectiveness of Village-Owned Enterprises as managers or business partners of Village Treasury Land and develop asset-potential valuation models based on market value, economic feasibility, revenue productivity, and long-term sustainability. Such research would provide stronger empirical evidence for designing Village Treasury Land optimization strategies that are adaptable to different local contexts.

ACKNOWLEDGMENT

The authors express their appreciation to the Serang Regency Community and Village Empowerment Office, the Kramatwatu District Government, village governments, Village Consultative Bodies, community representatives, and all parties who provided information, documents, access, and support during the research process. Their participation and cooperation contributed significantly to the collection and verification of data on Village Treasury Land management and village financial capacity. The authors also acknowledge the institutional and administrative support that facilitated the completion of this study.

REFERENCES

Afifah, S. N. N., Suparman, A. N., & Setiadi, B. (2024). Optimalisasi pengelolaan tanah kas desa oleh Pemerintah Desa Bumireja Kecamatan Kedungreja Kabupaten Cilacap. *Jurnal Otonomi, 1*(1), 151–164.

Ambarini, N. S. B., Yamani, M., & Andika, T. (2023). Institutional strengthening of village-owned enterprise legal entities as a manifestation of village sustainable development goals. *Jurnal Magister Hukum Udayana (Udayana Master Law Journal), 12*(2), 222–241. https://doi.org/10.24843/JMHU.2023.v12.i02.p01

Arias Valencia, M. M. (2022). Principles, scope, and limitations of the methodological triangulation. *Investigación y Educación en Enfermería, 40*(2), e03. https://doi.org/10.17533/udea.iee.v40n2e03

Arifin, B., Wicaksono, E., Tenrini, R. H., Wardhana, I. W., Setiawan, H., Damayanty, S. A., Solikin, A., Suhendra, M., Saputra, A. H., Ariutama, G. A., Djunedi, P., Rahman, A. B., & Handoko, R. (2020). Village fund, village-owned-enterprises, and employment: Evidence from Indonesia. *Journal of Rural Studies, 79*, 382–394. https://doi.org/10.1016/j.jrurstud.2020.08.052

Badan Pusat Statistik Kabupaten Serang. (2025, December 12). *Profil kemiskinan Kabupaten Serang Maret 2025*.

Barrett, A., Kajamaa, A., & Johnston, J. (2020). How to be reflexive when conducting qualitative research. *The Clinical Teacher, 17*(1), 9–12. https://doi.org/10.1111/tct.13133

Bingham, A. J. (2023). From data management to actionable findings: A five-phase process of qualitative data analysis. *International Journal of Qualitative Methods, 22*, 1–11. https://doi.org/10.1177/16094069231183620

Cahyani, C. Z., Basri, Y. M., & Kurnia, P. (2022). Accountability, transparency, competence of village apparatus, and internal control system in village financial management. *Berkala Akuntansi dan Keuangan Indonesia, 7*(1), 77–94. https://doi.org/10.20473/baki.v7i1.30786

Campbell, S., Greenwood, M., Prior, S., Shearer, T., Walkem, K., Young, S., Bywaters, D., & Walker, K. (2020). Purposive sampling: Complex or simple? Research case examples. *Journal of Research in Nursing, 25*(8), 652–661. https://doi.org/10.1177/1744987120927206

Cheng, Y., Jia, S., & Meng, H. (2022). Fiscal policy choices of local governments in China: Land finance or local government debt? *International Review of Economics & Finance, 80*, 294–308. https://doi.org/10.1016/j.iref.2022.02.070

Ehalaiye, D., Botica Redmayne, N., & Laswad, F. (2021). Does accounting information contribute to a better understanding of public assets management? The case of local government infrastructural assets. *Public Money & Management, 41*(2), 88–98. https://doi.org/10.1080/09540962.2020.1719669

Fitriani, D., Md Shahbudin, A. S., & Shauki, E. R. (2024). Exploring BUMDES accountability: Balancing expectations and reality. *Cogent Business & Management, 11*(1), 2402083. https://doi.org/10.1080/23311975.2024.2402083

Ginting, A. H., Widianingsih, I., Mulyawan, R., & Nurasa, H. (2023). Village government's risk management and village fund administration in Indonesia. *Sustainability, 15*(24), 16706. https://doi.org/10.3390/su152416706

Hennink, M., & Kaiser, B. N. (2022). Sample sizes for saturation in qualitative research: A systematic review of empirical tests. *Social Science & Medicine, 292*, 114523. https://doi.org/10.1016/j.socscimed.2021.114523

Kase, P., Foeh, Y., Fallo, A. R., Tawa, M., & Kariam, J. S. (2024). Struggles of village-owned enterprise to improve performance: A case in Kupang Regency, Indonesia. *Journal of Accounting and Investment, 25*(2), 413–435. https://doi.org/10.18196/jai.v25i2.17124

Levitt, H. M. (2020). *Reporting qualitative research in psychology: How to meet APA Style journal article reporting standards* (Rev. ed.). American Psychological Association. https://doi.org/10.1037/0000179-000

Muthomi, F., & Ndunda, T. M. (2024). The nexus between revenue decentralization reforms and economic growth. *Public Budgeting & Finance, 44*(3), 44–60. https://doi.org/10.1111/pbaf.12370

Nanang, R., Susilawati, C., & Skitmore, M. (2023). Toward a public sector asset optimization strategy: The case of Indonesia. *Construction Innovation, 23*(5), 1186–1209. https://doi.org/10.1108/CI-12-2021-0235

Ningrum, R. S., & Nurasik. (2024). Competence, reporting, and accessibility in village financial management accountability. *Indonesian Journal of Law and Economics Review, 19*(4). https://doi.org/10.21070/ijler.v19i4.1161

Oktarina, A., Pertiwi, C., Paluseri, A. R. A., Fazri, M., Nababan, F. E., Roidatua, M. R., & Imron, D. K. (2023). Smart governance in Indonesian village towards Sustainable Development Goals achievement. *Politik Indonesia: Indonesian Political Science Review, 8*(1), 107–122. https://doi.org/10.15294/ipsr.v8i1.39168

Primananda, R. W. (2024). Analisis pengelolaan tanah kas desa dalam meningkatkan pendapatan asli desa di Desa Glinggangan, Kecamatan Pringkuku, Kabupaten Pacitan. *PRAJA Observer: Jurnal Penelitian Administrasi Publik, 4*(3), 212–218.

Priya, A. (2021). Case study methodology of qualitative research: Key attributes and navigating the conundrums in its application. *Sociological Bulletin, 70*(1), 94–110. https://doi.org/10.1177/0038022920970318

Republic of Indonesia. (2014). *Undang-Undang Republik Indonesia Nomor 6 Tahun 2014 tentang Desa [Law of the Republic of Indonesia Number 6 of 2014 concerning Villages].*

& Fauziyah, F. (2023). Kewenangan kepala desa dalam mengelola aset desa berupa tanah kas desa di Grati Kecamatan Sumbersuko Kabupaten Lumajang. *National Multidisciplinary Sciences, 2*(5), 398–405.

Saharuddin. (2024). Evaluating urban village fund management: An analysis of planning, budgeting, implementation, guidance, and supervision. *The Journal of Indonesia Sustainable Development Planning, 5*(2), 158–170. https://doi.org/10.46456/jisdep.v5i2.577

Sara, I. M., Jayawarsa, A. A. K., & Saputra, K. A. K. (2021). Rural assets administration and establishment of village-owned enterprises for the enhancement of rural economy. *Jurnal Bina Praja, 13*(1), 81–91. https://doi.org/10.21787/jbp.13.2021.81-91

Séogo, W., & Zahonogo, P. (2023). Do land property rights matter for stimulating agricultural productivity? Empirical evidence from Burkina Faso. *Land Use Policy, 125*, 106475. https://doi.org/10.1016/j.landusepol.2022.106475

Setiawan, A., Tjiptoherijanto, P., Mahi, B. R., & Khoirunurrofik. (2022). The impact of local government capacity on public service delivery: Lessons learned from decentralized Indonesia. *Economies, 10*(12), 323. https://doi.org/10.3390/economies10120323

Singirankabo, U. A., & Ertsen, M. W. (2020). Relations between land tenure security and agricultural productivity: Exploring the effect of land registration. *Land, 9*(5), 138. https://doi.org/10.3390/land9050138

Siregar, D. D. (2004). *Manajemen aset: Strategi penataan konsep pembangunan berkelanjutan secara nasional dalam konteks kepala daerah sebagai CEO's pada era globalisasi & otonomi daerah*. Gramedia Pustaka Utama.

Subramanian, A., & Kumar, P. (2024). Property rights, factor allocation and household welfare: Experimental evidence from a land titling program in India. *Journal of Development Economics, 167*, 103238. https://doi.org/10.1016/j.jdeveco.2023.103238

Sumaryana, A., Komara, S. R., & Pancasilawan, R. (2024). Rethinking local government asset management in Indonesia: Governance, planning, and policy evaluation.

Journal of Contemporary Governance and Public Policy, 5(2), 217–232. https://doi.org/10.46507/jcgpp.v5i2.643

Suparlan, O., & Sugiyanto. (2024). Optimalisasi tanah kas desa, upaya memakmurkan masyarakat dan meningkatkan pendapatan asli. *Sang Pencerah: Jurnal Ilmiah Universitas Muhammadiyah Buton, 10*(2), 360–374. https://doi.org/10.35326/pencerah.v10i2.5162

Tang, X., Wang, W., & Liu, W. (2024). Land revenue and government myopia: Evidence from Chinese cities. *Cities, 154*, 105393. https://doi.org/10.1016/j.cities.2024.105393

Tirayoh, V. Z., Latjandu, L. D., Sabijono, H., & Mintardjo, C. M. O. (2021). Public sector asset management in the Government of Indonesia: A case study in Minahasa Regency. *Jurnal Bina Praja, 13*(2), 195–205. https://doi.org/10.21787/jbp.13.2021.195-205

Widyatmanti, W., & Umarhadi, D. A. (2022). Spatial modeling of soil security in agricultural land of Central Java, Indonesia: A preliminary study on capability, condition, and capital dimensions. *Soil Security, 8*, 100070. https://doi.org/10.1016/j.soisec.2022.100070

Xu, S., Yang, F., Yang, Q., Chang, B., & Wang, K. (2024). Drinking poison to quench thirst: Local government land financial dependence and urban innovation quality. *Land, 13*(4), 542. https://doi.org/10.3390/land13040542

Yimenu, B. (2023). Measuring and explaining fiscal de/centralization: Empirical evidence from Ethiopia, 1995–2020. *Public Administration and Development, 43*(3), 245–259. https://doi.org/10.1002/pad.2020

Zein, M. H. M., Muhtarom, M., Mulyadi, M., & Septiani, S. (2024). Examining the role of local government's financial performance and capital expenditure in increasing economic growth in Banten Province, Indonesia (2018–2022). *Journal of Risk and Financial Management, 17*(10), 456. https://doi.org/10.3390/jrfm17100456