

EXTENDING THE PUBLIC VALUE FRAMEWORK FOR RURAL GOVERNANCE: EMPIRICAL EVIDENCE FROM NUSA AGUNG VILLAGE, INDONESIA

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Abstract: The study examines the implementation of governance through the Public Value framework in Desa Nusa Agung, Belitang III Subdistrict, Ogan Komering Ulu Timur Regency, Indonesia. The research aims to analyze how legitimacy, operational capacity, and substantive outcomes are generated in a pluralistic rural context where formal participation has weakened while cultural and religious forums remain vibrant. A qualitative case study approach was employed, drawing upon document analysis, field observations, and in-depth interviews with village officials, community leaders, and residents. Data were analyzed using thematic coding supported by triangulation to ensure validity. The findings reveal declining participation in formal planning forums such as *Musrenbangdes*, largely due to demographic limitations of village officials, restricted access to information, and skepticism toward institutional responsiveness. Conversely, cultural and religious gatherings such as *Budowage* and *Yasinan* provide inclusive spaces for dialogue, enhancing legitimacy and reinforcing community trust. Operational capacity is constrained by aging officials with limited digital literacy, yet strengthened through cross-sectoral collaboration and capacity-building initiatives. Substantive value is achieved when policies integrate socio-cultural identity with tangible development outcomes, particularly in infrastructure and social equity. The study concludes that effective governance in rural Indonesia requires hybrid models that harmonize formal and informal mechanisms, regenerate human resources, and embed cultural legitimacy into policy processes. The proposed model contributes to Public Value scholarship by contextualizing its application in rural governance.

Keywords: Public Value, rural governance, citizen participation, cultural pluralism

INTRODUCTION

Village governance has become an essential focus in public administration, particularly in the context of democratization and decentralization in Indonesia. Villages function as the smallest administrative unit but serve as the front line of governance, bridging state institutions and local communities. The implementation of Law No. 6 of 2014 on Villages reinforces the centrality of villages in development by institutionalizing principles of transparency, accountability, and community participation. Effective governance at the village level is expected to improve service delivery, strengthen social cohesion, and enhance legitimacy in the eyes of citizens (Rahayu et al., 2020; Akbar et al., 2022). Within this policy framework, *Desa Nusa Agung* in Belitang III Subdistrict, Ogan Komering Ulu Timur Regency, represents a unique case that illustrates the dynamics of *Public Value* in practice.

The distinctiveness of *Desa Nusa Agung* lies in its pluralistic social fabric. The village is home to diverse ethnic, religious, and cultural groups, each with its own traditions and aspirations. Such diversity fosters inclusivity and enriches local democracy, but also presents risks of fragmentation and conflict when governance processes fail to accommodate differences fairly. In an effort to address these challenges, village authorities have designed policies intended to strengthen social justice and respect cultural pluralism. Yet, declining participation in formal planning forums such as *Musyawarah Perencanaan Pembangunan Desa* (*Musrenbangdes*) suggests persistent governance shortcomings. Data from 2023 show that only 20 villagers participated in *Musrenbangdes*, a number that declined further to 17 in 2024, reflecting not only limited

engagement but also potential disillusionment with formal governance structures (Data Desa Nusa Agung, 2024).

The decreasing participation is symptomatic of deeper structural issues. Many residents perceive formal forums as ineffective, lacking inclusivity, or inaccessible due to time and information barriers. In addition, the demographic profile of village officials is a critical factor. The Ministry of Home Affairs Regulation No. 83/2015 stipulates that village officials should ideally be between 20 and 42 years of age, yet in *Desa Nusa Agung*, several officials are above 55 years old. Older officials frequently face challenges in adopting digital tools and in responding efficiently to community aspirations. Research demonstrates that low administrative capacity weakens both service delivery and citizens' trust in institutions (Rahman et al., 2017; Peters & Pierre, 2019; Pratama et al., 2021). These conditions hinder participatory governance and reduce the effectiveness of village planning.

Despite weak performance in formal structures, alternative participatory channels thrive in *Desa Nusa Agung*. Communities frequently express their aspirations through non-formal forums rooted in cultural and religious traditions, such as *Budowage* (Balinese Hindu forum) and *Yasinan* (Muslim religious gathering). These settings provide more comfortable and trusted spaces for dialogue because they align with local identities and cultural practices. Studies confirm that cultural and religious networks often serve as more inclusive platforms for participation, especially for marginalized groups who feel excluded from formal structures (Dwiastuti & Haryanto, 2021; Haryanto & Lestari, 2021). Such phenomena illustrate a paradox: formal participation mechanisms appear ineffective, while informal participation remains vibrant and influential.

The theoretical foundation of this study draws upon the *Public Value* perspective introduced by O'Flynn (2007). According to this framework, public value encompasses three core elements: legitimacy and support, operational capacity, and substantively valuable outcomes. Legitimacy derives from citizen trust and participation, operational capacity depends on institutional effectiveness, and substantive outcomes refer to the extent to which governance addresses public needs and aspirations. While most governance models emphasize procedural compliance or efficiency, the *Public Value* approach directs attention toward how governance generates collective benefits and fosters shared meaning. In the case of *Desa Nusa Agung*, the interplay between low participation in formal forums, limited administrative capacity, and the vitality of cultural participation poses a compelling context for applying the *Public Value* lens.

The research gap is evident in both theoretical and empirical dimensions. On the theoretical side, much of the literature on rural governance in Indonesia remains centered on *good governance* indicators such as accountability, transparency, and efficiency (Firmansyah et al., 2019; Nugroho, 2021). Although these principles are important, they often fail to capture how governance creates public value in diverse social contexts. Procedurally sound governance can still fall short of generating outcomes that communities perceive as meaningful. Empirically, there is limited scholarship that investigates how *Public Value* can be operationalized in rural settings, particularly within pluralistic communities where non-formal institutions play an equally significant role as formal structures. Existing studies on *Public Value* largely focus on urban governance, policy innovation, or service delivery in developed contexts (Bryson et al., 2017; Nabatchi, 2018; Talbot, 2019). As a result, the ways in which rural communities in developing countries experience and negotiate governance remain underexplored.

The specific case of *Desa Nusa Agung* highlights two critical empirical gaps. First, while non-formal cultural and religious forums serve as vibrant platforms for participation, their role is rarely integrated into formal decision-making structures. Consequently, community aspirations voiced in *Budowage* or *Yasinan* often fail to translate into official policies. Second, the limited capacity of village officials, particularly in terms of age and technological adaptation, restricts their ability to innovate and to create responsive governance systems. These dual challenges reduce both legitimacy and operational effectiveness, preventing the village government from delivering substantively valuable outcomes. Without bridging these gaps, governance risks reinforcing disillusionment and weakening social cohesion.

Understanding these dynamics is significant for two reasons. First, it advances the theoretical discourse by extending the *Public Value* framework into micro-level governance where cultural pluralism plays a defining role. Such an extension demonstrates the adaptability of *Public Value* beyond urban and institutional settings, emphasizing its relevance in culturally diverse rural contexts. Second, it offers practical insights for policymakers and village leaders by suggesting strategies to harmonize formal and informal participation, regenerate human resources, and design policies aligned with citizens' lived values. These strategies can enhance both legitimacy and capacity, leading to outcomes that resonate with community expectations.

In conclusion, the case of *Desa Nusa Agung* embodies the paradox of participatory governance in rural Indonesia: weak formal participation contrasts with strong informal engagement, while administrative limitations constrain institutional capacity. Analyzing these dynamics through the lens of *Public Value* provides an opportunity to reconceptualize village governance as a collaborative, inclusive, and culturally grounded process. The study thus aims to examine the implementation of governance through the *Public Value* concept in *Desa Nusa Agung*, while offering a model for inclusive governance in pluralistic rural contexts.

LITERATURE REVIEW

2.1 Conceptual Foundation: Public Value Theory

The concept of Public Value has become a central paradigm in contemporary public administration. O'Flynn (2007) explains that Public Value constitutes a multidimensional construct that emphasizes the co-production of legitimacy, operational capacity, and substantively valuable outcomes. Unlike earlier paradigms such as New Public Management (NPM), which primarily focused on efficiency, or New Public Governance (NPG), which emphasized networks and collaboration, Public Value integrates the normative, procedural, and substantive aspects of governance. Scholars have expanded this framework to analyze how governments generate legitimacy, strengthen institutional capacities, and deliver outcomes that align with citizens' values and expectations (Bryson et al., 2021; Faulkner & Kaufman, 2022).

In rural governance contexts, the application of Public Value theory remains underexplored. The framework, however, provides a critical lens for examining how village governments balance formal institutional structures with local cultural norms, while also addressing participation gaps and capacity challenges. This theoretical foundation is particularly relevant to Indonesia, where village governance intersects with strong traditions, religious practices, and communal decision-making mechanisms.

2.2 Governance and Citizen Participation in Rural Contexts

Citizen participation is widely recognized as a cornerstone of democratic governance. Recent studies affirm that inclusive participation not only enhances legitimacy but also increases policy effectiveness by embedding local aspirations into decision-making processes (Ansell & Torfing, 2021; Afsar et al., 2022). In the context of rural villages, however, participation faces persistent challenges, including limited awareness, structural inequality, and lack of trust in formal institutions.

In Indonesia, *Musyawarah Perencanaan Pembangunan Desa* (Musrenbangdes) is designed as a formal deliberative forum that embodies participatory governance. Yet empirical evidence suggests declining attendance and limited substantive influence of these forums (Rahayu et al., 2020). Similar patterns are found in other developing countries, where formal participatory mechanisms are often perceived as symbolic rather than genuinely influential (Bedi et al., 2019).

Interestingly, non-formal participation channels—such as cultural and religious gatherings—continue to thrive in many communities. These informal arenas often command stronger legitimacy because they resonate with people's identities and values. Studies in Southeast Asia highlight how cultural forums provide safe spaces for marginalized voices and act as alternative platforms for expressing aspirations (Haryanto & Lestari, 2021; Nugroho, 2023). Such dynamics reinforce the need to broaden the conceptualization of participation beyond formal governance mechanisms.

2.3 Administrative Capacity and Digital Transformation in Local Governance

Governance effectiveness also depends on the capacity of local institutions and officials. Administrative capacity encompasses human resources, technical skills, and the ability to innovate in policy delivery (Christensen & Lægreid, 2020). In many rural settings, limited capacity undermines the quality of services, weakens accountability, and hampers responsiveness to community needs.

A critical challenge is the aging demographic of village officials. Studies demonstrate that older officials often face difficulties in adapting to digital innovations, which are increasingly crucial for transparent and efficient governance (Nguyen et al., 2021). Digital governance initiatives, such as e-participation platforms and online service delivery, have been shown to increase transparency and citizen trust in several contexts (Susanto et al., 2022). However, successful adoption requires adequate training, institutional support, and generational renewal in local administrations.

The literature emphasizes that digital transformation should not be reduced to technological adoption but must be integrated into broader strategies of institutional capacity-building and citizen engagement (Peters & Pierre, 2019; Akbar et al., 2022). For rural villages, striking a balance between modern digital practices and traditional forms of interaction is key to ensuring inclusivity and effectiveness.

2.4 Cultural and Religious Dimensions of Governance

Cultural and religious pluralism significantly shapes governance processes, particularly in rural communities where social identity remains strong. Research demonstrates that inclusive governance requires recognition of local traditions and practices, rather than imposing purely formal bureaucratic mechanisms (Dwiastuti & Haryanto, 2021; Zainuddin, 2023).

In Indonesia, forums such as *Budowage* (a Hindu community gathering) or *Yasinan* (a Muslim religious assembly) exemplify the embeddedness of governance in cultural and religious life. While these forums are not formally institutionalized, they carry substantial influence over community cohesion and decision-making. Scholars have argued that neglecting these non-formal structures risks alienating citizens and weakening the legitimacy of formal governance (Faulkner & Kaufman, 2022).

The intersection of governance, culture, and religion underscores the multidimensionality of Public Value. Governance outcomes cannot be evaluated solely on procedural grounds but must also account for cultural legitimacy and alignment with community values. Such perspectives expand the analytical horizon of public administration, challenging conventional models that emphasize bureaucratic efficiency at the expense of social cohesion.

METHODS

The study employed a qualitative approach to explore the implementation of governance through the *Public Value* framework in *Desa Nusa Agung*, Belitang III Subdistrict, Ogan Komering Ulu Timur Regency. A qualitative design was considered appropriate because it allows researchers to capture social dynamics, community perceptions, and contextual nuances that cannot be adequately represented by quantitative measures. The research relied on a case study strategy, enabling an in-depth analysis of governance practices, institutional arrangements, and citizen participation within a specific local setting.

Data were collected through three primary techniques: document review, observation, and in-depth interviews. Official village documents, including planning reports, regulations, and meeting minutes, were examined to identify policy directions and institutional structures. Observations were conducted during village meetings and community forums to capture interactions and participation patterns. In-depth interviews with village officials, community leaders, and citizens provided insights into perceptions of governance performance, challenges, and opportunities for creating *Public Value*.

Data analysis followed a thematic coding process, beginning with open coding to identify emerging categories, followed by axial coding to establish relationships among themes. The triangulation of data sources strengthened the validity of findings, while reflexivity was maintained throughout the research to minimize bias. Such an approach aligns with contemporary methodological discussions emphasizing rigor and contextual sensitivity in qualitative inquiry (Nowell et al., 2017; Mohajan, 2018; Sutton & Austin, 2021).

RESULTS AND DISCUSSION

The study conducted in *Desa Nusa Agung*, Belitang III Subdistrict, Ogan Komering Ulu Timur, highlights the complex dynamics of local governance when confronted with challenges of social heterogeneity, limited institutional capacity, and low levels of formal community participation. Empirical data show that attendance in the *Musyawarah Perencanaan Pembangunan Desa* (Musrenbang) decreased from 20 participants in 2023 to only 17 participants in 2024, despite the government's effort to increase inclusivity. At the same time, the demographic profile of village apparatus reveals that a significant proportion of officials are above the age of 50, many with relatively low levels of formal education. These structural realities hinder the effective adoption of technology and weaken administrative communication with residents.

The evidence also demonstrates that cultural and religious diversity in the village, rather than solely creating fragmentation, opens opportunities for non-formal participatory mechanisms such as *Budowage* (Balinese Hindu forums) and *Yasinan* (Muslim gatherings). Such arenas operate as alternative channels for community members to voice aspirations in a culturally appropriate environment. The analysis of findings is guided by O'Flynn's (2007) *Public Value* framework, which identifies three interdependent elements of effective governance: legitimacy and support, operational capacity, and substantive value. In line with recent scholarship (Williams & Shearer, 2021; Bryson et al., 2022), the discussion integrates these elements with empirical observations in *Desa Nusa Agung* to explore how public value can be generated in the context of village-level governance.

4.1 Legitimacy and Support

A. Declining Participation in Formal Mechanisms

The reduction of attendance in Musrenbang over the last two years indicates declining legitimacy of formal governance mechanisms. Legitimacy in O'Flynn's (2007) framework refers to the alignment between governmental action and the expectations, values, and recognition of the citizenry. When formal planning forums are consistently under-attended, the government risks losing both procedural legitimacy and the moral authority necessary to advance its development agenda. According to Bryson, Crosby, and Bloomberg (2021), legitimacy is not merely a by-product of legal mandates but a continuous process of earning public trust through responsiveness and inclusiveness. The decline in participation suggests that residents perceive Musrenbang as an ineffective medium to influence real decision-making.

The low participation is rooted in three key factors. First, access to information remains limited, as most residents do not receive timely announcements about meeting schedules. Second, time constraints prevent many villagers, particularly daily wage earners, from attending sessions during working hours. Third, skepticism toward the outcomes of Musrenbang discourages attendance, as some participants doubt whether their voices meaningfully influence policy priorities. Such perceptions weaken the relational bond between citizens and the state apparatus, further undermining legitimacy.

B. The Role of Non-Formal Mechanisms

Although participation in Musrenbang is declining, empirical evidence reveals the vibrancy of non-formal participatory forums such as *Budowage* and *Yasinan*. These gatherings embody cultural legitimacy by embedding decision-making processes within community traditions and religious practices. The government's engagement with such platforms signals recognition of diverse participatory logics beyond formal bureaucratic arenas. Recent scholarship emphasizes the value of hybrid participation models, where formal structures coexist with culturally embedded informal mechanisms (Nguyen & Le, 2020; Sancino & Budd, 2021). In *Desa Nusa Agung*, *Budowage* enables the Balinese Hindu community to collectively

articulate priorities, while *Yasinan* provides a parallel space for Muslims to discuss local issues within a religious context.

By acknowledging and incorporating the outcomes of these forums into formal planning processes, the village government enhances legitimacy across heterogeneous groups. This aligns with Alford and O'Flynn's (2012) proposition that legitimacy derives not only from universal procedures but also from the resonance of decision-making with localized identities and values. Therefore, the synergy between formal and informal mechanisms constitutes a crucial step toward expanding legitimacy in pluralistic rural settings.

C. Legitimacy through Social Equity

Another dimension of legitimacy in Desa Nusa Agung involves the government's commitment to social equity in service delivery. Policy initiatives emphasize justice and fairness across ethnic and religious lines, reflecting the village leadership's awareness of its diverse composition. Recent studies argue that equity is not peripheral but central to the consolidation of legitimacy, particularly in multi-ethnic societies (Andrews & Shah, 2020; Christensen & Lægheid, 2022). The perception that all groups are treated equally in the allocation of resources and services underpins public trust in governance institutions.

In practice, however, structural challenges persist. While leaders emphasize inclusivity, the limited institutional capacity to translate inclusive rhetoric into effective outcomes risks creating a legitimacy gap. Residents may question whether policy pronouncements genuinely lead to equitable distribution of benefits. To close this gap, village governance must institutionalize mechanisms that track and publicly communicate equity outcomes, thereby reinforcing both symbolic and substantive legitimacy.

4.2 Operational Capacity

A. Demographic Limitations of Village Apparatus

The operational capacity of Desa Nusa Agung's government is directly affected by the demographic structure of its apparatus. Data indicate that a majority of village officials are above the age of 45, with several exceeding 55 years old. Education levels also vary, with only a minority holding bachelor's degrees, while most have completed only secondary education. According to O'Flynn's (2007) public value framework, operational capacity refers to the institutional ability to mobilize resources—human, financial, and technological—to achieve desired outcomes. The demographic characteristics of the apparatus constrain their ability to adapt to technological tools, limiting the efficiency of governance processes and communication with the public.

Scholars emphasize that the modernization of local governance depends heavily on the digital literacy of administrative staff (Kettunen & Kallio, 2021; Meijer & Grimmelikhuijsen, 2022). In contexts where older officials dominate, resistance to technological adoption or difficulties in mastering digital systems create barriers to transparency and responsiveness. In Desa Nusa Agung, such limitations manifest in delayed dissemination of information about public meetings, incomplete documentation, and restricted channels for citizen feedback. These challenges weaken the operational backbone of public value creation, even when the intent of inclusivity exists.

B. Capacity Building and Human Resource Development

Addressing the operational gap requires deliberate investment in human resource development. Training programs on digital governance, financial management, and participatory planning are critical interventions. Research in comparable rural settings demonstrates that capacity-building initiatives can significantly enhance bureaucratic efficiency and citizen satisfaction (Kim & Lee, 2021; Sarker et al., 2023). Integrating younger generations into the bureaucratic structure is equally important. Younger officials typically possess higher adaptability to new technologies and bring innovative perspectives on community engagement.

However, generational renewal is not sufficient without institutionalized training systems. For Desa Nusa Agung, a structured capacity-building roadmap should emphasize three pillars: technological competence, participatory facilitation skills, and intercultural communication. Each of these competencies directly strengthens operational capacity to support inclusive governance.

C. Institutional Resources and Collaboration

Beyond human capital, operational capacity also depends on institutional resources and inter-organizational collaboration. In rural Indonesia, village governments often operate with limited budgets and fragmented coordination across administrative levels. Studies suggest that collaboration with civil society organizations and regional government agencies can compensate for resource constraints by pooling expertise and funding (Ansell & Gash, 2018; Cepiku et al., 2020).

In Desa Nusa Agung, collaboration with local cultural and religious associations provides an important extension of operational capacity. By relying on *Budowage* and *Yasinan* networks to disseminate information and mobilize citizens, the government leverages existing community structures to offset its limited communication capacity. Such practices exemplify what Bryson et al. (2022) term "cross-sectoral capacity building," where partnerships expand the reach and effectiveness of public service delivery.

4.3 Substantive Value

A. Policy Responsiveness to Local Needs

Substantive value, the third component of O'Flynn's (2007) framework, refers to the actual worth of policies and services in addressing the real needs of citizens. In Desa Nusa Agung, substantive value depends on whether development programs reflect the socio-cultural and economic priorities of the community.

Evidence suggests that policies emphasizing social equity, cultural recognition, and economic empowerment resonate strongly with residents. However, the gap between planning and implementation undermines the delivery of substantive value.

For instance, although participatory planning is institutionalized through Musrenbang, the low turnout diminishes the representativeness of inputs. Consequently, some programs fail to capture pressing needs, particularly among marginalized groups. According to Peters and Pierre (2019), policies that overlook localized social dynamics risk being perceived as irrelevant, thereby diminishing their substantive value. In contrast, when governments integrate feedback from both formal and informal arenas, policies align more closely with lived realities, enhancing perceived value among citizens.

B. Socio-Cultural Integration as Value Creation

The incorporation of cultural and religious forums into governance not only enhances legitimacy but also generates substantive value by respecting community identities. For the Balinese Hindu minority, the recognition of *Budowage* as a participatory channel affirms their cultural presence in village decision-making. Similarly, Muslim groups view *Yasinan* as a platform to discuss development in harmony with religious traditions. Recent studies underscore that substantive value emerges not only from service outputs but also from processes that affirm dignity, identity, and cultural relevance (de Graaf & Paanakker, 2021; Osborne et al., 2022).

By embedding governance within cultural contexts, Desa Nusa Agung demonstrates how substantive value can transcend material outcomes and extend into symbolic domains. Such integration strengthens citizen attachment to governance, reinforcing both satisfaction and compliance with collective decisions.

C. Economic Development and Service Delivery

Another dimension of substantive value concerns the effectiveness of policies in improving socio-economic conditions. Village governments in Indonesia hold increasing responsibility for managing funds aimed at local development. In Desa Nusa Agung, priorities include infrastructure development, poverty reduction, and agricultural support. Yet, the extent to which these programs deliver tangible improvements remains uneven.

Empirical research in rural governance shows that development interventions often fail when they do not align with community capacities and preferences (Van Dijck & Fox, 2022). For example, infrastructure projects that lack community participation in planning and maintenance may deteriorate rapidly, undermining their long-term value. Conversely, programs designed with active community involvement are more sustainable and generate higher substantive value. Therefore, the challenge for Desa Nusa Agung lies in ensuring that participatory processes effectively inform economic policies, thereby enhancing the material benefits perceived by residents.

4.4 Integration of Formal and Non-Formal Mechanisms

A. Complementarity Between Musrenbang and Cultural Forums

The findings indicate that Musrenbang as a formal participatory forum and cultural gatherings such as *Budowage* and *Yasinan* function as complementary mechanisms. While Musrenbang is mandated by regulation and ensures procedural compliance, cultural forums provide inclusivity by engaging groups otherwise absent from formal spaces. The integration of both mechanisms reflects what Fung (2022) terms “democratic complementarities,” where diverse channels expand the scope and depth of participation.

In practice, Desa Nusa Agung can institutionalize complementarity by adopting a two-step participatory process: first, capturing aspirations from non-formal forums; second, synthesizing them within Musrenbang deliberations. Such integration ensures that cultural voices directly inform formal planning outcomes, thereby enriching both legitimacy and substantive value.

B. Challenges of Harmonization

Despite potential synergies, harmonizing formal and informal mechanisms is not without challenges. Non-formal forums may articulate demands that conflict with legal or budgetary frameworks. For example, religious gatherings might prioritize activities that cannot be fully funded under state regulations. Balancing respect for cultural priorities with adherence to administrative rules requires transparent negotiation processes. As argued by Sancino and Hudson (2020), successful hybrid governance depends on institutional flexibility combined with strong accountability systems. For Desa Nusa Agung, establishing clear guidelines on how non-formal inputs are considered in formal decision-making will be essential to avoid perceptions of tokenism.

4.4 Empirical and Theoretical Implications

A. Contribution to Public Value Scholarship

The empirical findings of this study contribute significantly to the expanding body of literature on public value. They extend O’Flynn’s (2007) framework by revealing the crucial role of cultural and participatory dimensions in shaping governance at the village level. In plural societies, legitimacy cannot be reduced to procedural compliance or legal recognition; it must also reflect acknowledgment of cultural diversity and social identities. Operational capacity emerges not only from the availability of bureaucratic resources but also from the ability of governments to build inter-organizational partnerships that mobilize social capital. Substantive value, moreover, is demonstrated to encompass not only the delivery of material services but also the symbolic recognition of cultural dignity and community identity. These insights correspond with

recent scholarship that emphasizes context-sensitive applications of public value theory (Bryson et al., 2022; Osborne et al., 2022). By situating the analysis within the micro-context of village governance, the study underscores how public value can be operationalized in localities often overlooked in the wider discourse of public administration.

From a practical perspective, the findings indicate that enhancing public value in rural governance requires a comprehensive strategy that attends simultaneously to legitimacy, operational capacity, and substantive outcomes. Participation must be expanded through the integration of cultural forums with formal planning processes so that a more representative range of voices can shape decision-making. Capacity building, particularly in digital literacy and participatory facilitation skills, is essential for village officials to overcome demographic and technological limitations. Equity must be safeguarded through systematic monitoring of how development programs are distributed across different social groups, thereby reinforcing perceptions of fairness and inclusiveness. Finally, partnerships with community organizations should be strengthened to offset resource constraints and broaden the reach of village governments. Together, these measures provide a pathway for translating the theoretical principles of public value into actionable practices that improve both governance processes and outcomes in rural settings.

B. Discussion of Limitations and Future Directions

Several limitations must be acknowledged. First, the study relies on qualitative evidence from a single village, which limits generalizability. While findings provide deep insights into local dynamics, broader comparative studies are necessary to establish patterns across diverse rural contexts. Second, the reliance on descriptive data such as meeting attendance and demographic profiles constrains the ability to quantify causal relationships. Future research should employ mixed methods, incorporating surveys and experimental designs to measure perceptions of legitimacy and satisfaction more systematically.

Additionally, longitudinal research is needed to examine how integration of formal and informal mechanisms evolves over time. Does recognition of cultural forums sustain participation in the long term, or does it risk fragmenting governance into parallel tracks? Addressing such questions will deepen understanding of sustainable models for rural governance.

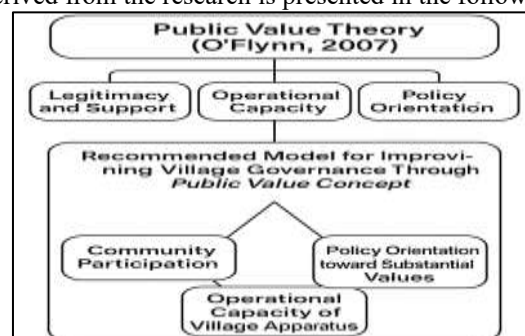
4.5 Recommended Model for Implementing Public Value in Village Governance

The proposed model underscores the interdependence of three fundamental pillars that sustain the realization of Public Value at the village level. The first pillar, community participation, provides the foundation for legitimacy by ensuring that decisions are not only legally valid but also socially and culturally accepted. Formal mechanisms, such as village planning assemblies, guarantee adherence to procedural requirements, while informal forums rooted in religious and cultural traditions create more egalitarian and flexible spaces for dialogue. The integration of these mechanisms expands participation, reinforces social legitimacy, and strengthens trust in local governance.

The second pillar, operational capacity of the village apparatus, functions as the backbone of effective policy implementation. Many local officials face challenges related to age and limited digital literacy, which makes cross-generational collaboration a strategic necessity. Younger actors contribute technological adaptability and innovation, whereas senior officials provide institutional knowledge and managerial continuity. Ongoing training further enhances technical and managerial competencies, enabling the emergence of a resilient, responsive, and innovative bureaucracy.

The third pillar, policy orientation toward substantive values, ensures that governance outcomes transcend administrative compliance and deliver tangible benefits for citizens. Instead of relying solely on bureaucratic indicators, evaluation focuses on outcomes and impacts. Priority is placed on essential infrastructure, productive economic empowerment, and improved health and education services, with particular attention to vulnerable groups. Such a substantive orientation promotes inclusivity, fairness, and sustainability in village development.

The recommended model derived from the research is presented in the following figure:



Source: Research Findings (2025)

FIGURE 1 Recommended Model for Implementing Public Value in Village Governance

Based on the figure above, the synergy among these three pillars generates a governance framework that extends beyond administrative functions and serves as an instrument of social transformation. Public Value

is thus produced through mutually reinforcing relationships among community participation, bureaucratic capacity, and substantive policy orientation.

CONCLUSION

The study demonstrates that village governance in *Desa Nusa Agung* illustrates the paradox of participatory democracy in rural Indonesia. Formal participatory mechanisms such as *Musrenbangdes* continue to experience declining attendance, which undermines legitimacy and signals public disillusionment with bureaucratic structures. At the same time, cultural and religious forums such as *Budowage* and *Yasinan* remain vibrant, providing alternative channels of engagement that resonate more strongly with community identities. These dynamics highlight the importance of incorporating informal arenas into formal decision-making processes in order to restore legitimacy and strengthen social cohesion.

Institutional capacity emerges as another decisive factor shaping governance outcomes. The demographic profile of village officials, dominated by older administrators with limited digital literacy, constrains the ability to adopt innovative practices and communicate effectively with citizens. Building capacity through generational renewal, digital training, and collaborative partnerships can substantially enhance operational performance.

From a theoretical perspective, the findings expand the Public Value framework by emphasizing that legitimacy, capacity, and substantive value in pluralistic rural settings are inseparable from cultural and religious recognition. Practically, the study suggests that harmonizing formal and informal mechanisms, investing in administrative competence, and safeguarding equity are critical for generating sustainable governance outcomes that resonate with citizens' lived realities.

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