

## **Dehumanization of Village Financial Management: Erich Fromm's Perspective Accounting Reconstruction**

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### **Abstract**

*This study aims to reconstruct village financial management using modernity vis a dehumanization perspective. This study uses primary data obtained from observations and interviews with informants. The research approach used is a qualitative method. The research paradigm uses the paradigm of criticism with data collection procedures, data presentation, data reduction and conclusion/verification. The results showed that the modernization and digitization of financial management in Klambir V Kebun Village had an impact on social relations in the community, which became less harmonious. For this reason, it is necessary to carry out an accounting reconstruction based on modernity vis a vis dehumanization perspective that is relevant to be carried out in Klambir V Kebun Village*

**Keywords:** *Accounting, Financial Management, Village*

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## **INTRODUCTION**

Indonesian Law Number. 6/2014 concerning villages is a manifestation of an effort made by the state with the intention of protecting and empowering villages to become strong, advanced, independent and democratic in order to become a solid foundation in creating a just and prosperous society. The consequence of the enactment of the Village Law is that it recognizes and gives greater authority to villages in managing their own entities, including in matters of financial management. Therefore, village financial management is crucial in building village identity and existence.

On the other hand, the development of modernization and technology that has entered the 4.0 industrial revolution will provide its own challenges in terms of the running of village government and economy. Villages are required to be able to adapt to keep up with these technological advances so they are not left behind in all fields and support the Indonesian government's roadmap "Making Indonesia 4.0". One way that can be taken to prepare villages to enter the industrial revolution 4.0 is by reducing the digital divide between cities and villages and digitizing villages with the concept of digital villages.

The development of technology in this modern era is often considered to bring better progress and can improve the quality of life. However, modernity which gives rise to these positive values also creates negative values, such as progress in the field of transportation which is currently causing a lot of environmental pollution. Apart from that, in the field of manpower, it has been facilitated by the existence of machines that can lighten their work, however, currently human labor is being undervalued because machine power is considered more efficient. These conveniences not only result in the emergence of natural exploitation, but also result in the emergence of a humanitarian crisis and change the attitude of humans who

initially depend on nature to become more arbitrary to act in an exploitative manner (Nadhiroh, 2015).

Departing from the characteristics of village communities that prioritize affection (Lasut, 2010), when viewed from Fromm's perspective it can be said that there is a real threat of dehumanization, namely a condition in which humans are alienated from themselves because their lives have been made dependent on technology, so they cannot distinguish between his own wants and needs. This contrasts with Fromm's humanizing ideals, namely that everything is done or created only to meet human needs, and can be useful for the growth and development of society (Fromm, 1968).

The reality that occurs shows indications of degradation and changes in village community values. A total of 3,510 villages in Indonesia are prone to social conflict (Ministry of Social Affairs, 2020). This becomes ironic when it is associated with the characteristics of village communities who have been known to be harmonious and friendly.

Every year the Government allocates the State Revenue and Expenditure Budget (APBN) for villages, through village funds, as mandated by Article 72 paragraph (1) of the Village Law. Furthermore, the allocation of village funds is also a manifestation of the President's vision to "Build From the Outskirts of the Village" in order to improve the welfare and quality of life of village communities (Setiawan, 2019). Therefore, on the basis of the law and the President's program, the village fund budget continues to increase every year. The following figure shows the ADD disbursed in the 2015-2020 period:



**Figure 1. Allocation of Village Funds 2015-2020**

Based on the data released by the Coordinating Ministry for PMK, it can be seen that ADD has increased every year in the 2015-2020 period. In 2015 the ADD disbursed was IDR 20.77 T and increased to IDR 46.97 T in 2016. A year later the realized ADD reached IDR 60 T. The following year ADD again increased to IDR 70 T, and in 2020 ADD which was realized was in the position of Rp. 72 T.

The increase in ADD provided on the one hand shows the state's commitment to the development of villages and their communities. However, on the other hand there is irony where there is an ADD corruption case carried out by village officials. Based on data released by the Indonesian Corruption Watch (ICW) it was found that there were still frequent cases of corruption that occurred in villages in the 2015-2019 period, even in the 2015-2018 period there had been a significant increase both in terms of the number of cases, the number of perpetrators and the number of state financial losses. This phenomenon is a serious condition when viewed from the shift in the human values of the village community. Even if a comparison is made to other sectors, corruption in villages is the most common case in semester I of 2020

In the midst of the hustle and bustle of modernization and digitalization, including in village organizations, human values are threatened with disappearance. Erich Fromm is a thinker who uses psychoanalysis and social theory to describe the concepts of dehumanization and dialectical humanization. His book entitled "The Revolution of Hope" in 1968 seemed to have predicted this phenomenon in the 2000s. This book opens with a narrative that explains

the condition of American society which is slowly starting to submit to technological hegemony. A form of hegemony that ultimately gives birth to individualistic human beings. Humans who are hegemonied by this technology are described in this book as humans who only have the desire to produce and consume more and more. The picture of American society in 1968 seems to be the same as the condition of our society today: a society that only focuses on technical and material values, and loses the human values that exist in itself. Humans in the 2000s period are a form of human being transformed into machines that don't think and don't feel. Society in the 2000s was a human being who moved quickly and had routines that slowly but surely faded their human essence (Fromm, 1968). as well as losing human values that exist in him. Humans in the 2000s period are a form of human being transformed into machines that don't think and don't feel. Society in the 2000s was a human being who moved quickly and had routines that slowly but surely faded their human essence (Fromm, 1968). as well as losing human values that exist in him. Humans in the 2000s period are a form of human being transformed into machines that don't think and don't feel. Society in the 2000s was a human being who moved quickly and had routines that slowly but surely faded their human essence (Fromm, 1968).

## RESEARCH METHODS

This study uses a qualitative approach with interviews and observation as data collection techniques. There are two important parties involved in this research, namely village officials and village communities. The village government has a role as executor who is responsible for realizing village development based on village modernization and digitalization. However, in reality many village officials are caught in corruption cases and are prone to social conflict. The village community is the second party in this study. The village community is the estuary of all policies and regulations formulated by both the central and regional governments. However, in reality, the village community is the party that becomes the target object of dehumanization practices. The informants in this study consisted of 7 people, of which 4 people were village officials and 3 people were local people.

Qualitative data analysis consisted of 3 stages, namely data reduction, data presentation, and verification and drawing conclusions. The process of data analysis in qualitative research is carried out continuously and in line with the data collection carried out. Meanwhile, Erich Fromm's perspective of dialectical humanism is used to analyze the reality found in this study.

## RESULT AND DISCUSSION

### 1. Financial Management of Klambir V Kebun Village

In the process of planning the financial management of village funds in Klambir V Kebun Village to apply the principles of Accountability, the Klambir V Kebun Village Government applies the previous deliberation process that was carried out by each RT and community and then their aspirations will be conveyed during a planning meeting on the use of village funds. This makes community participation in Klambir V Kebun Village very large to be involved in the village development program planning process. Technical village fund management planning is regulated in Permendagri No. 113 of 2014 where the village government and community plan the management of Village Fund Allocations. ADD planning is carried out by capturing community aspirations and needs through village meetings. In Klambir V Kebun Village, village meetings were held with discussions regarding village

development budget planning so that a Fund Utilization Plan (RPD) was produced. The village fund allocation management plan in Klambir V Kebun village is as follows:

1. Village road construction
2. Procurement of public health cars
3. Procurement of office supplies
4. Community empowerment activities, etc.

Judging from the village fund allocation plan, it is in accordance with what was planned by the village government and in accordance with the needs of the community with community involvement in planning village fund allocations in village meetings. This was conveyed through the results of an interview with Mr. Riduan Padang as the Secretary of Klambir V Kebun Village:

*"The planning in Klambir V Kebun Village is appropriate and we have carried out the construction according to what was planned and we are doing it transparently by always involving the community in the planning."*

Even though the information above states that the deliberation process has been carried out together with the community, based on research results these deliberations are only deliberations for the preparation of the RPJMK (Village Medium Term Development Plan). Meanwhile, the preparation of the RKPK (Village Development Work Plan) is no longer through deliberations with the community. The process of preparing the RKPK was prepared by the village government by continuing the existing programs from the previous government and the RAB (Budget Plan) had not been fully reported to the public openly, for example by putting up billboards/banners so that all the people of Klambir V Kebun Village could know about it. Because indirectly the community can become observers and controllers of the planned programs.

Accountability for the implementation of village funds can be realized in the form of monthly reports and reports for each stage of activity. Therefore, in the process of implementing activities, the implementation team must always include all types of evidence of expenditures made for the development process so that in the end the treasurer does not experience difficulties in making a report in the end, and the activities carried out can be accounted for later. This can be seen from the existence of Village regulations regarding the Village Revenue and Expenditure Budget (APBDesa) which have been discussed and agreed upon with the Village Consultative Body (BPD). The administration carried out by Klambir V Kebun Village through recording by the treasurer/Kaur of Finance includes the general cash book, tax assistant cash book and cash book to help record it. *"We will record every receipt and disbursement in the general cash book in cash, while receipts and disbursements transactions through banks/transfers are recorded in the bank's book. For the recording of receipts or which are or originate from tax collections, they will be recorded in the tax auxiliary cash book."*

The results of these interviews indicate that in carrying out the financial management of Klambir V Kebun Village, the implementing team is required to always report on the progress of the implementation of activities, especially reporting on physical activities and the absorption of funds in the implementation process. But in this case there are still weaknesses in the implementation process. It can be seen that there is no transparency regarding the results of implementing village financial use, the community cannot access information regarding documents on implementing village financial management and the community cannot access information regarding documents on the results of implementing village financial use.

In Permendagri No. 113 of 2014 states that the village head is obliged to submit to the regent/mayor always the sub-district head at the end of each fiscal year in the form of an accountability report on the realization of the implementation budget. According to the Regulation of the Minister of Home Affairs No. 37 of 2007 concerning guidelines for

managing village finances that accountability is conveyed in the form of reporting on the results of implementing ADD management. Reporting is carried out every month (periodical reports) and at the end of each year (SPJ) and is carried out structurally from the Village Head to the Camat, then the Camat is forwarded to the Regent. Based on the observations of researchers that accountability for the financial management of Klambir V Kebun village funds has not been fully accounted for. This happens because there is no transparency and openness, such as there is no information board regarding the amount of expenditure and income. In mid-2022 there will be an information board regarding village funds. So that the prejudice of the village community towards the village apparatus arises. This was also conveyed from the results of interviews conducted by researchers with the Head of Klambir V Kebun Village:

*"In writing the realization report has been informed to the community at the village meeting, but there is no information media that is easily accessible to the community such as bulletin boards or village websites".*

The information from the interviews above shows that the Klambir V Kebun Village government has carried out the accountability process properly. However, there are still a number of things that need to be improved, namely the government still has to increase information disclosure regarding accountability reports on village financial management. The Klambir V Kebun Village Government can be said to be accountable if the Klambir V Kebun Village government can fulfill its obligations to provide accountability, present and disclose to the community as a party that gives a mandate that has the right and authority to hold the government accountable. From the analysis of the interviews conducted, it can be said that the financial management process in Klambir V Kebun Village is not fully accountable.

An interesting finding is that socially, the people of Klambir V Kebun Village are quite vulnerable to conflicts among their fellow citizens. Village development with a large budget attracts several parties from village elements to occupy the management power of the village budget. This is what then causes friction among residents. Although not in the form of physical confrontation, but in social relations some parties experience disputes. This is reflected in excerpts from an interview with one of the residents as an informant.

*"It is undeniable that since there are village funds and a large village budget, many parties are willing to occupy positions in this village. Well, this is what sometimes causes feuds between residents. Even though not directly, you can feel the lack of harmony in the relationship between some residents."*

This shows that the dehumanization discourse echoed by Erich Fromm is confirmed and relevant in the midst of modernizing village financial management, especially in Klambir V Kebun Village.

## **2. Analysis of Village Financial Management Based on Dialectical Humanism Perspective**

This research seeks to produce a synthesis of village community values with empirical facts of modernization in the context of village financial management. Villagers who have been known for their noble character and high morality are now being squeezed by the process of globalization and digitalization that has been adopted into the foundations of village management, which often results in confusion and cultural collisions between traditional values and the vision of modernity which is manifested through technology and science. mass adoption of knowledge.

It cannot be denied that Western civilization has been able to develop science and technology very progressively. whose development occurred exponentially compared to any previous era in history. However, on the other hand, one cannot ignore that massive dehumanization has occurred as a result of the development of science and the use of technology that mechanizes humans in their lives.

In Juergen Habermas' terms, this phenomenon is expressed through the ideology "In the power of self-reflection, knowledge and interests are one". That's why nations that have a high

level of knowledge almost always have an interest in ruling over the world. Because science is always intertwined with interests and strengths. master science brilliantly. One of the human interests in question is the interest of controlling other humans. Thus began the colonization of the world by developed countries possessing science. Colonialization has indeed occurred before, but never to such a massive and worldwide level as what happened after humans succeeded in mastering science. This fact is supported by the success of science in creating firearms such as rifles, pistols, bombs, grenades and so on. If in ancient times, humans only had swords, arrows and the like with limited damage, now humans have succeeded in creating killing machines that have almost no limits. What humans have developed in the form of atomic and even nuclear bomb technology is a clear example of how humans have succeeded in developing weapons to annihilate other humans with an almost unlimited number of people.

Extraordinary developments in modern science and technology do not make humans understand themselves and their environment, even further away from their humanity. Alexis Carrel expressed "To the extent that man is immersed in the outside world and has made progress there, to that extent he is alienated from himself and forgets his own essence". Such is the paradox that occurs in modern humans. Through science and technology, modern humans have succeeded in designing and carrying out developments in various aspects of life, but have lost the essence of life itself. What happens next can be seen that ironically human beings are enslaved by what they themselves created. Science is freed from submission to religion only to become subject to power.(Warsito & Muttaqin, 2012).

Erich Fromm mentions this phenomenon through the expression "Amid us there is a ghost", not an old ghost like communism and fascism, but a new ghost: a totally machineized society, devoted to increasing material production and consumption, and directed by computers". Such a design of social conditions makes humans part of a machine, which is given food and entertainment, but the human aspect is lifeless and almost devoid of feeling. Humans create their own social system, however, when the system has been created, humans themselves lose control of the system, and even turn to control it. We are forced to follow decisions made according to computer calculations. as human, we have no purpose except to continue to produce and consume without knowing what and why. Humans are threatened with extinction by weapons of mass destruction and threatened with their own inner death.

Comprehension of modern science and civilization, on the one hand is a success story of anthropocentric humanity, but on the other hand it is a threatening disaster. Excessive concentration on technical issues and material consumption causes humans to lose touch with themselves. Humans create programs, but then are programmed by their own programs. Humans are powerless and so passive in front of their own creations. Humans produce consumer goods but are forced to become loyal consumers. Humans create a bureaucracy that was originally meant to expedite their affairs, but then makes it difficult. This is what is called dehumanism in modernization nigkai.

Humans become the most loyal slaves of the products of science and technology that they create themselves. Humans create culture, but then it is produced and shaped by them. Such is the tragic fate of humans, history makers who were betrayed by their own history, but still so faithfully follow the plot. Fromm explained that we have entered the second stage of the Industrial Revolution. If in the first stage of the Revolution, humans try to replace living energy (animals and humans) with mechanical energy (steam, oil, electricity and atoms), then in the second stage of the Revolution, it is not only living energy that is replaced, the human mind is also replaced by machines. machine.

Man creates, with his mind, machines to replace his own mind. Cybernetics and automation allow the creation of machines that function much more quickly and precisely than the human brain in solving important technical and organizational problems. Most people are in the collective unconscious, thinking in terms of the ideals of the first stage of the Industrial

Revolution, being self-governing, having sophisticated machines to help make it happen. Even though they have now entered a completely different era, a period in which humans stop being human, turning into robots that don't think or whose minds are controlled and have no feelings. Unknowingly man becomes the object of his creation, which in the end he loses his identity and self-existence.

Fromm believed that character is a substitute for a lack of instinct in humans. Instead of acting on instinct, man acts according to his character. If each of them had to stop and think about the consequences of their behavior, their actions would be both inefficient and inconsistent. By acting according to their character traits humans can behave efficiently, spontaneously, and consistently.

Humans relate to the world in two ways, namely by achieving and using things (assimilation), and by connecting themselves and other selves (socialization). Fromm developed his own system of therapy which he called: Humanistic Psychoanalysis. Compared to Freud's Psychoanalysis. Fromm is more concerned with the interpersonal aspects of the therapeutic relationship. According to the client's goal in therapy is to understand yourself.

Fromm seeks to combine Marx's thinking about humans as determined by provisions with social life, and Freud's discoveries regarding psychic and dynamic forces, conscious and unconscious by using the concept of social character.

In order to humanize society which is currently in the technological era, Fromm proposes a concept that includes several plans, which are possible as a humanization solution in a technological era society (Fromm, 2006). Some of these plans are:

1) Humanistic planning

For Fromm, feelings, reason and human actions are an inseparable unit. To return humans to their human nature, individuals must have awareness, then be able to manage the system and be able to counteract dehumanization.

2) Individual activation (activation)

Humans must get the opportunity to take an active part in dealing with social problems, as well as the opportunity to participate in social activities in the community.

3) Humanized consumption

Society needs to change the basic pattern of consumption which must follow market developments, with consumption that can make it more active or productive

4) Develop psychospiritual (psychospiritual renewal)

Religious values must also be able to keep up with developments, because religious forms that used to be less effective and can disappear from the development of civilization.

Through the concept offered by Fromm, this study attempts to reveal the dehumanization process that occurred in the village of Klambir V Kebun, North Sumatra and offers a reconstruction of village financial management based on Erich Fromm's humanistic thinking.

Reconstruction of the humanization of village financial management must ensure human values as its fundamental pillars. The results of the research show that the accounting processes that have been implemented so far are often stuck only on the purely technical aspects and formalities. What's more, with the rapid flow of information technology that has penetrated the world of government, the humanitarian aspect is increasingly being eroded from its societal practices. Based on the concept developed by Fromm, the planned accounting reconstruction effort can be realized in the form of a policy

In this effort, it is necessary to have a thorough involvement in village financial planning. So far the village musrenbang that has been carried out has been carried out, but the agenda that is carried out is often stuck only on development programs and budgets. The accounting process in this case is used to estimate the proposed program and development

budget. More than that, accounting should be operationalized to carry out calculations and the social impact of a program, so that the accounting process that occurs is not only in the monetary output dimension alone.

## CONCLUSION

Based on the results of the research conducted, the following conclusions can be drawn:

- 1) Modernization and digitization of financial management in the village of Klambir V Kebun has an impact on the social relations of the community to become less harmonious
- 2) The reconstruction of Erich Fromm's dialectical humanist values-based accounting is relevant to be carried out in Klambir V Kebun Village.

The suggestions that can be given as material for consideration both theoretically and Practically are as follows:

- 1) For the apparatus and the community of Klambir V Kebun Village to be able to jointly formulate and implement a village accounting financial management process that focuses on social output, not only limited to mere development programs
- 2) For further research, you can increase the observation period, the number of samples or add other variables that have not been studied, you can also use other research methods or research techniques than this research so that the results obtained are more varied

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