Dinar
Jurnal Ekonomi & Keuangan Islam
https://journal.trunojoyo.ac.id/dinar/index
DOI: https://doi.org/10.21107/dinar.v8i2.9954
Vol 13, No 2: Agustus 2026 252-273
ISSN: 2460-9889 (Print)
ISSN: 2580-3565 (Online)

Misorientation of Village Fund Allocation: Issues of Youth Participation in Empowering the Creative Economy from the *Maqāṣhid asy-Syarī'ah* Perspective

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Abstract

This study examines the shift in village fund allocation in Sukorejo Village from creative economy empowerment to short-term, formalistic empowerment initiatives. It aims to analyze the causes of this budgetary shift, barriers to youth participation, and the impact on the viability of woven bag artisans' businesses. A qualitative approach was employed, utilizing an analysis of the 2024 Village Budget (APBDes) documents, in-depth interviews with the village treasurer and three artisans, and a mini-survey of seven youths for data triangulation. The findings reveal that the APBDes allocation is dominated by the government administration sector—accounting for 41.25% of total village expenditure for bureaucratic operations—whereas the community empowerment sector receives only 16.37% for creative economy activities. This dominance of operational spending indicates a priority imbalance, as it fails to align with the directives of the Ministry of Villages (Permendesa PDTT) regarding the mainstreaming of productive economic recovery. The budgetary shift stems from bureaucratic adherence to formal procedures and a perception of low youth interest, driven by time constraints, a lack of economic incentives, and the absence of digitalization processes. From the perspective of **Maqāṣid asy-Syarī'ah**, *this disparity suggests that fiscal governance in Sukorejo Village does not yet fully reflect the pillar of* **ḥifẓ an-nasl** *(sustainability of human resource regeneration), which directly impacts the pillar of* **ḥifẓ al-māl** *(resulting in the stagnation of productive economic assets). The study underscores the need for participatory budget restructuring, intergenerational knowledge transfer schemes, and digital technology integration to ensure the sustainability of the village's creative economy.*

Keywords: *Village Fund; Community Empowerment; Creative Economy;* **Maqāṣid asy-Syarī'ah.**

Introduction

In the past decade, village funds have become an important tool in national economic transformation starting from the smallest level of government. According to the regulations in place, these funds are not only used to build physical infrastructure but also serve as a driver in promoting community economic independence by strengthening productive sectors. From the perspective of Islamic economics, the use of public funds should aim to achieve the common good in line with the principles of *Maqāṣid asy-*

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Syarī'ah, particularly in preserving wealth (*ḥifẓ al-māl*) by developing productive assets. Furthermore, the creative economy sector, particularly handicrafts supported by active youth participation, demonstrates a concrete effort to preserve the continuity of generations (*ḥifẓ an-nasl*) while also accelerating village prosperity (Asrijal et al., 2024).

However, the reality in Sukorejo Village reveals a stark contrast between its high fiscal capacity and its spending priorities. Data from the 2024 Village Budget (APBDes) shows total village revenue reaching Rp2,428,661,286. In nominal terms, this figure is substantial compared to neighboring villages like Golan, which recorded revenue of only Rp1,342,692,297. Such high budgetary capacity should ideally provide the village government with the fiscal space to fund creative economy empowerment programs. Yet, total village expenditure amounted to Rp2,580,970,812, and the allocation of these funds reveals significant imbalances. Village administration absorbed the largest share of the budget—Rp1,064,715,456 (41.25%) of total expenditure. This figure far exceeds the funding for areas directly linked to economic and human resource development; for instance, community empowerment received only Rp422,550,000, while community development initiatives were allocated Rp407,807,944. This budgetary dominance of the administration sector raises questions regarding the effectiveness of village fund allocations in supporting inclusive strategic programs.

This imbalanced allocation has led to a shift in budgetary priorities. Funds originally intended for community empowerment have instead been diverted to short-term general training activities—such as health seminars, group arts workshops, and BKK training—thereby neglecting the creative economy sector, particularly handicrafts, which represents a key asset for the village. This sector holds strategic importance for Sukorejo Village's economy, driven by three artisans who have successfully introduced their products at both regency and national levels. The sector directly contributes to local employment, increased community income, and strengthened village branding. Sustainable, empowerment-oriented interventions aimed at accessing international markets could transform this sector into a primary instrument for poverty alleviation and unemployment reduction at the village level. However, this significant potential is hindered by low youth participation across decision-making, training, production, and marketing processes. The village government cites this limited youth involvement as a justification for persisting with short-term programs. Consequently, the handicraft sector in Sukorejo Village has failed to develop systematically. Most artisans operate independently, lacking effective collaboration or participation from the youth. This makes it difficult for products to reach broader markets, forcing artisans to rely solely on their own capabilities despite the availability of substantial village funds (Putra et al., 2025).

Village public spending policy is essentially a fiscal instrument designed to realize the public good. From the perspective of *Maqāṣid asy-Syarī'ah*, spending effectiveness is measured by the extent to which the budget addresses the hierarchy of public needs—ranging from essential needs (*ḍarūriyyāt*) and supporting needs (*ḥājiyyāt*) to complementary needs (*taḥsīniyyāt*). In the context of Sukorejo Village, budget policies targeting the creative economy and youth regeneration ought to be classified at the level of

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essential needs (*ḍarūriyyāt*). Empowering the productive economy of artisans represents the pillar of *ḥifẓ al-māl* (preservation of wealth); this entails not merely safeguarding physical ownership but also maintaining residents' economic resilience and providing the means of production to prevent community enterprises from stagnating. Meanwhile, youth involvement and the intergenerational transfer of knowledge represent the pillar of *ḥifẓ an-nasl* (preservation of lineage). Specifically, this study applies the contemporary perspective of Muhammad al-Tahir ibn 'Ashur regarding *ḥifẓ an-nasl*, expanding the concept of lineage preservation beyond biological continuity to encompass the improvement of generational quality through education and economic empowerment (Subaki & Abadi, 2025)—realized here through the transfer of local knowledge and skills. The concentration of budget allocations on bureaucratic operations and short-term training creates an imbalance in prioritizing the public good; functionally, these items fall under the category of supporting needs (*ḥājiyyāt*) yet consume the largest share of the budget (Tiaranissa & Fitriah, 2025). This situation demonstrates that the disruption of the skills-transfer chain—stemming from the neglect of the *ḥifẓ an-nasl* pillar—directly impacts the *ḥifẓ al-māl* pillar, resulting in a decline in production capacity, competitiveness, and the sustainability of the village's productive economic assets.

Extensive research has been conducted on village fund governance, covering a wide range of focuses. Warokka et al. (2025) analyzed technical governance from a macro perspective across 212 villages in Papua, while Kroon et al. (2026) highlighted the social construction and successful negotiation of participatory budgets through an ethnomethodological lens. In contrast, this study examines the reverse phenomenon: the dynamics of participatory barriers that drive a shift in budget allocation from productive sectors to bureaucratic operations. While Mardiani et al. (2025) explored the ideal roles and positive leadership of youth, this study focuses on the limitations of youth participation and the resulting disruption of intergenerational knowledge transfer. Furthermore, Setiana et al. (2025) focused on community service regarding modern sociopreneurship training; Anugrah et al. (2025) examined Islamic principles and customary law using PLS-SEM; and Phoek et al. (2024) provided a broad overview of budget planning efficiency at the regency level. Adopting a micro-qualitative approach in Sukorejo Village, this study demonstrates that formal planning does not automatically lead to effective empowerment if participatory mechanisms are weak. Although Salma D. et al. (2023) found that outreach and training enhanced community involvement in Puungkoilu Village, this study highlights low youth participation as the reason for budget reallocation toward short-term activities. Unlike Hasang et al. (2024), who portrayed Padakkalawa Village as an ideal model for implementing *Maqāṣid asy-Syarī'ah*, this study offers a critical and evaluative analysis of shifts in budget priorities caused by the stagnation of knowledge renewal. The novelty of this research lies in revealing a shift in the orientation of public welfare—moving from productive economic self-reliance toward short-term, formalistic empowerment (specifically, budgetary interventions limited to meeting administrative obligations for Village Budget absorption without sustained guidance)—and in confirming the

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transmission chain of economic vulnerability from the *ḥifẓ an-nasl* (preservation of lineage) pillar to the *ḥifẓ al-māl* (preservation of wealth) pillar. Accordingly, this study aims to analyze the allocation and determinants of village fund priorities in Sukorejo Village, examine barriers to youth participation and intergenerational knowledge transfer within the creative economy sector, and evaluate the implications of this budgetary shift and limited youth participation through the lens of *Maqāṣid asy-Syarī'ah*, particularly the pillars of *ḥifẓ al-māl* and *ḥifẓ an-nasl*.

Literature Review

Village Funds

The Village Fund is a regional transfer allocation aimed at financing governance, development implementation, community empowerment, and community development activities (Erowati, 2021). Its management entails the receipt, allocation, and utilization of public funds to support rural development in accordance with national policies (Warokka et al., 2025). From a legal standpoint, Law of the Republic of Indonesia Number 6 of 2014 concerning Villages—as amended by Law of the Republic of Indonesia Number 3 of 2024—defines the Village Fund as resources originating from the State Budget (APBN) that are transferred via the Regional Budget (APBD) and utilized to finance four key areas of governance. In the context of public finance, these funds serve as an instrument of state fiscal redistribution designed to foster village self-reliance and community welfare (Law of the Republic of Indonesia Number 1 of 2022 concerning Financial Relations between the Central Government and Regional Governments, 2022). Thus, the Village Fund is not merely a transfer of funds from the state budget to the village; it also functions as a fiscal policy instrument that shapes the direction of village development.

Unlike the primary regulation, which is permanent in nature, the technical allocation of village funds is determined periodically. For the 2024 fiscal year, Article 2 of Village Ministry Regulation (Permendesa) No. 7 of 2023 stipulates that village funds are prioritized for financing development and community empowerment to enhance public welfare and quality of life, as well as to alleviate poverty. This policy direction is reaffirmed in Permendesa No. 2 of 2024, which focuses on addressing extreme poverty and food security, as well as developing village potential and unique strengths. This regulation provides operational scope for strengthening the creative economy sector—a key driver of the local economy—while also serving as a guideline for mandatory expenditures. However, other priorities, such as basic health services, are often misinterpreted through activities like seminars. Therefore, the optimization of budget allocation is measured against the following five indicators. First, the proportion of administrative spending, to determine the extent to which bureaucratic operational costs consume the budget compared to productive economic spending. Second, the quality of empowerment spending, to distinguish between substantive empowerment interventions and short-term, merely formalistic ones. Third, the orientation of youth programs, to assess the involvement of the younger generation in knowledge transfer and innovation. Fourth, support for the creative economy, to analyze

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the volume of training and technological facilities provided to ensure the sustainability of the handicraft sector. Fifth, alignment with *maslahah* (public interest) priorities, to determine whether budget allocations have prioritized essential aspects (*ḍarūriyyāt*: preservation of wealth and lineage) over supplementary needs (*taḥsīniyyāt*).

Theoretically, human development and economic empowerment programs must proceed in tandem to foster self-reliance. The successful utilization of village funds is measured not merely by budget absorption rates but by the level of active participation—particularly that of the younger generation acting as agents of development (Koriyawati et al., 2025). This engagement paves the way for participatory budgeting, a process involving direct or indirect community participation in decisions regarding public budget allocation. Such involvement promotes village government accountability and transparency through public discussion forums designed to monitor program implementation (Kroon et al., 2026). Without active youth participation, the use of village funds risks becoming a mere exercise in meeting administrative requirements while neglecting the development of the village's actual economic potential. Village spending policies serve as a benchmark for determining whether budget allocations prioritize productive sector needs or simply satisfy administrative compliance. This perspective addresses a research gap, as most existing literature analyzes village funds primarily at the macro level and through the lens of bureaucratic efficiency. This study offers a micro-level analysis of the political dynamics surrounding village budgets, revealing how low youth participation prompts village governments to divert funds away from productive economic activities toward bureaucratic expenditures and ceremonial events.

Community Empowerment

Community empowerment is a community-based development concept (Piliyang et al., 2025) aimed at equipping previously disempowered community groups with the strength and capacity to become self-reliant, capable, and capable of continuous growth (Patilaiya et al., 2022). This participatory process instills confidence in the community and provides opportunities for them to independently assess key development challenges and propose solutions (Isnaini & Nugrahini, 2022). Thus, community empowerment can be defined as an effort undertaken by individuals or groups—through various activities—to impart knowledge and skills that enhance the community's potential. A crucial factor in this empowerment process is the active involvement of the younger generation—a social group in transition to adulthood with the potential to spearhead innovation and mobilize the community (Mardiani et al., 2025). Active youth participation encompasses four key areas: decision-making, training, production, and marketing. At the village level, development and empowerment activities are vital for addressing limited community access to government-led development initiatives (Firman, 2021); consequently, strengthening youth participation serves as a fundamental pillar for sustainable rural development.

Furthermore, youth involvement acts as a driving force for entrepreneurship based on local resources while simultaneously ensuring intergenerational knowledge transfer

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(Lutfiansyah et al., 2026). Philosophically, empowerment distinguishes between truly empowering individuals and merely providing aid. Providing temporary assistance—such as cash handouts or programs lacking training—often fosters a dependency where the community waits for aid without any structural economic change. In contrast, empowerment is a process of equipping people with capabilities and providing mentorship so they can engage in production independently and sustainably (Harini et al., 2023). This study employs this concept as an analytical tool to differentiate between substantive empowerment—which integrates youth into the production and marketing chains of the village creative economy—and short-term, formalistic empowerment. The latter focuses merely on temporary activities designed to meet budget utilization targets, lacking both mentorship and measurable economic outcomes. This approach addresses the limitations of existing literature that tends to view youth through an idealistic lens, while also confirming how low youth participation prompts village governments to shift budgets toward formalistic empowerment initiatives.

Creative Economy

According to John Howkins, the creative economy is an economic activity where both inputs and outputs consist of ideas. These ideas are the essence of creativity. With just ideas, a person with a creative spirit can achieve extraordinary results and income (Amsari & Anggara, 2023). In another sense, the creative economy is a concept to realize sustainable economic development based on creativity. This concept utilizes resources that are not only renewable but also limitless, including ideas, concepts, talent, and creativity (Fitriani, 2024). According to Gerosa, the creative economy is a strategic economic imagination constructed through two stages: the germination phase (the formation of discourse in the academic environment) and the dissemination phase (wide adoption by political leaders). Using the Cultural Political Economy framework, Gerosa argues that the creative economy is positioned not merely as a cultural sector but as a strategic tool designed to drive modern economic growth and prosperity (Damanuri & Futaqi, 2025). In addition, the creative economy has several main characteristics, such as creativity, expertise, and market value; products have a short life cycle; products are delivered directly to customers; collaboration between the business world, intellectuals, and the government is required; it is based on ideas and concepts; its development is unlimited and can be applied in various business fields; and its concepts are relative. There are approximately fourteen creative economy sectors, one of which is crafts (Hertina et al., 2024).

In a rural context, a creative economy rooted in local potential plays a vital role in enhancing community welfare while simultaneously establishing a competitive village identity (Hidayatullah & Putra, 2025). The handicraft sector serves as a key economic driver by transforming local resources into high-value-added products, fostering an entrepreneurial spirit, absorbing local labor, and improving the well-being of the local community (Fernandez Bellver et al., 2023; Oranga, 2023). However, the sector's continuity relies heavily on intergenerational knowledge transfer; because craft expertise constitutes

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"tacit knowledge"—skills acquired through experience and hands-on practice—the active involvement of the younger generation is crucial for the industry's survival (Oranga, 2023). Collaboration combining the technical expertise of the older generation (senior artisans) with the innovation, creativity, and technological savvy of the younger generation (village youth) is essential for adapting village handicraft products to modern market tastes (Sharjo & Garg, 2025). This study identifies low youth participation as a factor that breaks the chain of knowledge transfer, directly resulting in reduced production capacity, a lack of innovation, and the stagnation of the village's economic assets. This approach addresses a gap in existing literature, which has tended to focus on short-term activities without linking Village Budget (APBDes) allocation schemes to the sustainability of knowledge transfer to the youth.

Maqāṣid asy-Syarī'ah

Maqāṣid asy-Syarī'ah is the meaning and purpose of establishing Islamic law to create benefit and happiness in this world and the hereafter (Afifah et al., 2024). According to *Ibn 'Āsyūr*, *Maqāṣid asy-Syarī'ah* is an effort taken to realize benefits and maintain public welfare (Suhaimi et al., 2023). Apart from that, *Maqāṣid asy-Syarī'ah* according to *Imam Al-Ghazālī* is a philosophy of Islamic law which aims to achieve human welfare through the protection of five basic principles, namely: first, *ḥifẓ ad-dīn* (protection of religion) which ensures freedom of religion and the practice of spiritual values. Second, *ḥifẓ an-nafs* (life protection) which guarantees the health and safety of the soul. Third, *ḥifẓ al-'aql* (protection of reason) which encourages education and the development of intellectual abilities. Fourth, *ḥifẓ an-nasl* (offspring protection) which protects generations to prepare for a good future. Fifth, *ḥifẓ al-māl* (property protection) which guarantees economic justice and productive resource management (Pertiwi & Herianingrum, 2024). Furthermore, Imam As-Syathibi divided the levels of maintaining benefits into three levels, namely *ḍarūriyyāt*, *ḥājiyyāt*, and *taḥsīniyyāt*. *Ḍāruriyyāt* aims to maintain the five main elements mentioned previously, while *ḥājiyyāt* aims to overcome difficulties so that these five elements can be better maintained. *Taḥsīniyyāt* is an effort to improve the maintenance of the main elements that are not yet perfect (Suhaimi et al., 2023). In the context of village public policy, *Maqāṣid asy-Syarī'ah* serves as an evaluative instrument to ensure that the allocation of village funds is oriented toward community prosperity (Layli et al., 2025; Muthoharoh et al., 2025). The *ḥifẓ al-māl* (preservation of wealth) pillar goes beyond merely safeguarding ownership; it encompasses the empowerment and protection of productive economic assets, ensuring the continuous circulation of community capital and fostering economic self-reliance. Meanwhile, the *ḥifẓ an-nasl* (preservation of lineage/progeny) pillar is operationalized through a qualitative dimension: guaranteeing the continuity of intellectual capital and economic capabilities across generations. In this study, limited youth engagement has disrupted the transfer of knowledge from senior artisans,

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resulting in reduced production capacity and threatening the sustainability of the *ḥifẓ al-māl* pillar.

Furthermore, the theory of priority scales (*Fiqh Al-Awlawiyyat*) within *Maqāṣid asy-Syarī'ah* provides a clear framework for evaluating the effectiveness of budget allocation based on the potential harm (*dharar*) involved (Syamsuar et al., 2024). Strengthening the real sector—specifically handicrafts—falls under the category of *ḍāruriyyāt* (essentials) because it is directly linked to residents' survival, income sustainability (*ḥifẓ al-māl*), and the advancement of future generations (*ḥifẓ an-nasl*). Conversely, activities of a temporary nature—such as seminars or general outreach sessions lacking structured follow-up—are classified as *taḥsīniyyāt* (embellishments/luxuries), as they serve a supplementary role and do not directly resolve the community's structural vulnerabilities. This framework is employed to analyze the shift in fiscal priorities within the Sukorejo Village Budget (APBDes), which has been dominated by *taḥsīniyyāt* programs while sidelining the need to strengthen the community's productive economy (*ḍāruriyyāt*). This approach also addresses gaps in previous research by offering a critical and evaluative perspective on the causal relationship between *ḥifẓ an-nasl* and *ḥifẓ al-māl*.

The conceptual framework of this study integrates public policy, community empowerment, and the evaluative perspective of *Maqāṣid asy-Syarī'ah*. The allocation of the Village Budget (APBDes) as a fiscal resource is influenced by contextual factors such as village government priorities, youth interest and commitment, institutional capacity, and the level of program accessibility for the community. These factors determine the nature of village spending interventions—whether they take the form of substantive empowerment (through structured training and continuous mentoring) or merely formalistic empowerment (incidental activities focused on budget absorption). Formalistic interventions result in low youth participation, a breakdown in the transfer of knowledge from senior artisans, and stagnation in the handicraft sector. These relationships are subsequently evaluated using the frameworks of *Maqāṣid asy-Syarī'ah* and *Fiqh al-Awlawiyyat* to assess the safeguarding of productive assets (*ḥifẓ al-māl*) and generational continuity (*ḥifẓ an-nasl*), as well as to analyze the appropriateness of budget priorities regarding the balance between essential needs (*ḍarūriyyāt*) and ceremonial expenditures (*taḥsīniyyāt*).

Research Method

This research uses a descriptive qualitative approach with a case study method to explore the phenomenon in depth (Assyakurrohim et al., 2022). The case study was chosen because it is relevant in identifying the tied system in Sukorejo Village regarding the dynamics of the relationship between APBDes allocation policies, low youth participation, and the threat of stagnation in the sustainability of the creative handicraft economy. This design gives researchers the opportunity to answer the questions "how" and "why" budget allocation shifts occur at the micro level, a contextual phenomenon that cannot be understood thoroughly using only quantitative survey methods or macro studies that are

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separated from the reality on the ground. The population in this study included 614 youth aged 15–29 years in Sukorejo Village, of which 17 people were members of the village youth organization, 1-2 representatives were taken from each RT/RW association and the rest were gathered in the RT/RW level youth association. Meanwhile, the population of village officials includes 10 people and 6 local craftsmen. Sampling was carried out using a purposive sampling method to select key informants who had authority and were related to the research object, including 1 village treasurer, 3 craftsmen and 7 youth leaders. In order to strengthen data related to youth potential, a mini survey was conducted on 7 (seven) youth. This mini survey is exploratory in nature, specifically designed to specifically map their level of interest and role in the development of the creative economy. The researcher explicitly emphasized that the results of this mini survey were not intended to be generalized to statistically represent the population of 614 young people in Sukorejo Village. Therefore, the mini survey data is positioned as data triangulation to enrich qualitative descriptions and confirm the results of in-depth interviews with village treasurers and craftsmen regarding barriers to youth participation.

Table 1: Informant

No.	Informant Category	Number of Informant	Selection Criteria	Relevance to the Research Question
1.	Village Officials	1 person (Village Treasurer)	- Currently holds the position of Village Treasurer. - Possesses technical authority and is directly involved in the drafting, recording, and reallocation of the Village Budget (APBDes). - Understands shifts in budget politics and considerations regarding village spending priorities.	Identifying patterns in the allocation of the Village Budget (APBDes), the distribution of *ḍarūriyyāt* (essential) and *taḥsīniyyāt* (enhancement/luxury) expenditure categories, and the village government's rationale for reallocating funds away from productive economic sectors.
2.	Craftsman	3 person	- At least 5 years of experience as a woven bag artisan. - Currently active in producing handicrafts in Sukorejo Village. - Owner/practitioner possessing tacit knowledge of the craft. - Possesses an understanding of youth succession and market challenges.	Analyzing the impact of shifts in budget allocation on business resilience, the stagnation of skills transfer, and the vulnerability level of productive assets (*ḥifẓ al-māl*).

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3.	Youth	7 people (3 core committee members of the youth organization, 4 member representatives)	- Aged 15–29 years. - A permanent resident of Sukorejo Village. - Actively registered with the village youth organization Karang Taruna and the RT/RW association. - Possesses awareness of and interest in the potential for creative economy activities.	Exploratively mapping levels of interest, perceptions of village programs, and barriers to participation, as well as their impact on the disruption of generational continuity (*ḥifẓ an-nasl*).

Data collection was conducted through in-depth interviews, observation, a review of the Village Budget (APBDes) documentation, and the distribution of exploratory questionnaires to local youth. Participation was operationalized through indicators of involvement in decision-making, training, production, and marketing. Meanwhile, the effectiveness of village funds was measured using parameters derived from *Maqāṣid asy-Syarī'ah* (objectives of Islamic law) and *fiqh al-awlawiyyat* (jurisprudence of priorities), specifically focusing on the protection of wealth (*ḥifẓ al-māl*) and the protection of future generations (*ḥifẓ an-nasl*). In this context, *ḥifẓ al-māl* was assessed based on the budget allocation for community empowerment in the creative economy sector, the sustainability of the circulation of productive community assets, and the enhancement of production capacity and competitiveness within the handicraft business. Conversely, *ḥifẓ an-nasl* was measured through the availability of succession programs ensuring knowledge transfer from senior artisans to youth, youth involvement in the business value chain, the improvement of economic capabilities, and the fostering of youth self-reliance. To demonstrate budgetary shifts, expenditure items within the APBDes documents were identified and categorized into five areas: village government administration, village development implementation, community guidance, community empowerment, and emergency/urgent disaster management. Using the *fiqh al-awlawiyyat* framework, each budget item was mapped to determine whether allocations prioritized primary needs (*ḍarūriyyāt*)—such as strengthening the creative economy and skills transfer—or were dominated by supplementary programs (*taḥsīniyyāt*), such as ceremonial activities, incidental outreach events, and bureaucratic operational costs. Data analysis was conducted interactively through stages involving data reduction, data presentation (via narratives and tables), and drawing conclusions based on a hierarchy of public interest (*maslahah*). The initial coding phase of the analysis involved a line-by-line review of interview transcripts, observation notes, and exploratory mini-survey responses to identify underlying meanings and initial keywords. Subsequently, the APBDes budget was coded based on five expenditure categories and then mapped to either *ḍarūriyyāt* (essential) or *taḥsīniyyāt* (enhancement) classifications. These initial codes were then grouped into overarching themes reflecting the study's primary aspects. Data from the mini-survey were cross-

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ISSN: 2580-3565 (Online)

referenced with narratives from interviews with the village treasurer and artisans, as well as with the specific allocation figures found in the APBDes documents. All data were presented in a matrix table to illustrate causal relationships. Conclusions were then drawn based on the principles of *fiqh al-awlawiyyat* (jurisprudence of priorities) to assess the extent to which APBDes allocations were oriented toward the welfare of the village community. Data validation was conducted using source and technique triangulation. This process aimed to clarify and validate the observed phenomenon of budget shifting and to ensure that budget allocations aligned with the interests, actual needs, and economic sustainability of the community on the ground (Muid et al., 2025).

Determining the adequacy of the number of informants in this study was not based on quantitative population representativeness, but rather on achieving thematic saturation and information redundancy. The researcher assessed thematic saturation separately for each category of informant. Regarding the village treasurer, data adequacy was established based on their role as the sole authority for the technical recording of the Village Budget (APBDes), requiring no technical confirmation from other village officials. Meanwhile, data adequacy for artisans was reached with the third informant, as the information obtained merely repeated response patterns from previous informants without revealing new structural obstacles. Furthermore, data adequacy for youths was achieved with the seventh informant, who demonstrated consistent patterns and offered no new perspectives. With thematic saturation achieved across all informant groups, the collected qualitative data were deemed sufficient and adequate for further analysis without the need for additional informants. This study involved direct interaction with the village treasurer, artisans, and youths, as well as the examination of sensitive public financial documents. Consequently, the entire research process adhered to social research ethics and Sharia standards to safeguard the rights, safety, and privacy of the informants. Ethical procedures for underage informants involved obtaining prior permission before questionnaire administration; once consent was secured, the researcher provided a link for voluntary completion, free from coercion. Throughout the study, the researcher upheld ethical principles, including informed consent, confidentiality (protecting personal identities by anonymizing all informant names), and voluntary participation without coercion; additionally, financial data obtained from both the village and the artisans were used solely for academic analysis rather than for legal audit purposes.

Results and Discussion

Results

The management of the Sukorejo Village Budget (APBDes) for the 2024 fiscal year reflects the village's fiscal policy priorities. According to data from the village office, total village revenue stands at Rp2,428,661,286, derived from the Village Fund (Rp1,113,331,000), the Village Fund Allocation (Rp807,322,897), locally generated village revenue (Rp476,700,000), and shares of taxes and levies (Rp31,307,389).

Dinar
Jurnal Ekonomi & Keuangan Islam
https://journal.trunojoyo.ac.id/dinar/index
DOI: https://doi.org/10.21107/dinar.v8i2.9954
Vol 13, No 2: Agustus 2026 252-273
ISSN: 2460-9889 (Print)
ISSN: 2580-3565 (Online)

Table 2: Revenue of Sukorejo Village for Fiscal Year 2024

Source of Income	Amount (Rp)
Village Funds	1.113.331.000
Allocation of Village Funds	807.322.897
Village Original Revenue	476.700.000
Tax & Retribution Sharing	31.307.389
Total Revenue	**2.428.661.286**

Source: Sukorejo Village Office Data

Table 3: Distribution of Sukorejo Village Expenditure Allocation for Fiscal Year 2024 (Before Revision)

No.	Shopping Category	Amount (Rp)	Percentage (%)	Description
1.	Village Government Administration	1.087.800.458	39,61%	Operational Activities
2.	Village Development Implementation	661.613.939	24,09%	Physical Infrastructure
3.	Community Empowerment	429.800.000	15,65%	Potential Development
4.	Community Guidance	523.654.700	19,07%	Institutional and Social
5.	Emergency & Urgent Disaster Management	43.200.000	1,57%	Unexpected Posts
	Total Expenditure	**2.746.069.097**	**100,00%**	

Source: Sukorejo Village Office Data

Table 4: Distribution of Sukorejo Village Expenditure Allocation for Fiscal Year 2024 (After Revision)

No.	Shopping Category	Amount (Rp)	Percentage (%)	Description
1.	Village Government Administration	1.064.715.456	41,25%	Operational Activities
2.	Village Development Implementation	642.697.412	24,90%	Physical Infrastructure
3.	Community Empowerment	422.550.000	16,37%	Potential Development
4.	Community Guidance	407.807.944	15,80%	Institutional and Social
5.	Emergency & Urgent Disaster Management	43.200.000	1,67%	Unexpected Posts

Dinar
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https://journal.trunojoyo.ac.id/dinar/index
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Vol 13, No 2: Agustus 2026 252-273
ISSN: 2460-9889 (Print)
ISSN: 2580-3565 (Online)

Total Expenditure	**2.580.970.812**	**100,00%**

Source: Sukorejo Village Office Data

Of the revised total village expenditure allocation of IDR 2,580,970,812, the distribution of spending reveals a proportional imbalance between government operational activities and community economic empowerment. The largest share—IDR 1,064,715,456, or approximately 41.25%—was absorbed by village government administration. This figure exceeds the 30% maximum threshold stipulated in Article 100 of Government Regulation Number 11 of 2019, indicating a deviation of 11.25% driven by high bureaucratic operational costs. This inefficiency becomes even more apparent when compared to Golan Village; despite managing a smaller budget (village revenue of IDR 1,342,692,297), Golan Village managed to limit its government expenditure to IDR 497,164,828—or approximately 35.91% of its total spending (IDR 1,384,434,328). Conversely, the community empowerment sector—which ought to drive creative economy development—received only IDR 422,550,000 (approximately 16.37% of total expenditure), an amount nearly equal to the community development sector, which absorbed IDR 407,807,944 (15.80%). This indicates that budget allocation for economic empowerment activities has not yet been established as a primary strategic priority.

The reallocation of the empowerment budget was prompted by an evaluation of the failure of training programs conducted in previous years. The Sukorejo Village Government had previously organized bouquet-making training sessions between 2022 and 2023. However, the program was deemed ineffective due to low resident participation and a failure to yield the results expected by the Sukorejo Village Government. Mr. Anang, the Village Treasurer, explained the background behind this policy change:

"Community empowerment programs from the village, such as woven bag and bouquet training, have been held before, specifically in 2022-2023, and the attendance was not many, as well as they did not yield the expected output. So, last year and this year it was canceled. Because there is a report to be made, they ask what the output is, and there is no output. Therefore, the training was re-evaluated. Next year it will be held, but if there is no output, it will not be optimal, just a waste of budget. So now it is canceled and replaced with a new community empowerment program."

Therefore, the government discontinued the original program and replaced it with training sessions focused on health, BKK activities, and performing arts groups. This decision was made because some participants had families and were occupied with their own personal affairs, resulting in only a small number attending as representatives.

Demographic data from Sukorejo Village reveals low youth participation in the village's creative economy sector. Out of 614 youths of productive age (15–29 years old), only 17 (2.8%) are active in the official village youth organization (karang taruna); the remainder belong to neighborhood-level (RT/RW) youth groups or are ordinary residents not affiliated with any such association (Ponorogo Regency Central Statistics Agency, 2025). A mini-survey of seven youths indicated that Youths 1 and 2 lacked interest in handicraft training, citing the requirements for specific skills and a significant time commitment. Meanwhile, Youth 3 stated:

Dinar
Jurnal Ekonomi & Keuangan Islam
https://journal.trunojoyo.ac.id/dinar/index
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Vol 13, No 2: Agustus 2026 252-273
ISSN: 2460-9889 (Print)
ISSN: 2580-3565 (Online)

"Participating in training can help develop creative economy potential."

"Furthermore, such activities are useful for filling spare time, boosting creativity, broadening horizons and experience, and potentially creating job opportunities," noted Youths 4 and 6.

Youth 5 remarked that, despite being busy with work, a handicraft training program could enhance skills and generate income if pursued seriously. In contrast, Youth 7 cited a lack of the necessary patience and the demands of childcare. However, this potential interest faces several obstacles, as outlined below.

Table 5: Obstacles Matrix

No.	Theme of Obstacles	Empirical Evidence	Implications of Causality
1.	Domestic constraints and the life cycle	The fifth young person has to balance work commitments, the seventh is busy looking after children, and four of the seven are married.	Time allocated for skills acquisition has become limited. Priorities have shifted toward meeting immediate family livelihood needs.
2.	Character and shifts in individual perception	Youth 1, 2, and 7 felt that they were not painstaking and thought that mastering weaving techniques took a long time.	A decline in appreciation for local craftsmanship. A halt in the transfer of skills, threatening the pillar of *ḥifẓ an-nasl* (the continuity of generational succession).
3.	Economic demands and limited facilities	Young people in groups 3, 4, 5, and 6 are demanding financial security and clear employment opportunities, yet digital marketing support remains minimal.	The craft sector is considered less promising financially. Without digital support, village productive assets experience stagnation, which triggers vulnerability to *ḥifẓ al-māl* (property protection).
4.	Short-term results orientation	Young people tend to opt for quick-fix programs—such as BKK training or seminars—as a fast track to employment in the formal sector outside their local area.	It triggers the migration of young workers out of the village. Village policies that merely facilitate ceremonial programs actually accelerate the breaking of local economic chains.

Dinar
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Vol 13, No 2: Agustus 2026 252-273
ISSN: 2460-9889 (Print)
ISSN: 2580-3565 (Online)

This mindset leads young people to look down on the handicraft sector, as the lengthy production process does not match their income expectations, thereby driving the migration of young workers out of villages.

Based on field observations, the woven bag industrial center in Dukuh Krajan has been established since 1999. Its presence is not only as an ordinary business unit, but also as a symbol of the community's economic resilience which has supported more than 20 families for more than twenty years and is still running today (Arifah & Syaifullah, 2024). Even so, the success of this business was halted by the problem of marketing stagnation and lack of regeneration. Based on the results of interviews with craftsmen, there are around 80% of woven bag products that are still in the local market in Ponorogo Regency. Limited digital literacy among craftsmen, the majority of whom are over 50 years old, is the main obstacle in penetrating the e-commerce ecosystem. As said by Mrs. Ani as one of the woven bag craftsmen:

"There's not enough marketing because it's only done online and sold in the market. If you order online via telephone, for example I make this and this and then have it delivered. In e-commerce, no, because I'm old and the young are busy on their own. Sometimes my first child likes photos and then uploads them on WhatsApp."

Mrs. Dwi and Mrs. Lastri echoed this sentiment:

"Regarding social media, our marketing is still limited to WhatsApp and Facebook; we haven't expanded into e-commerce yet."

As for the capital required to sustain the production of woven bags, the artisans still rely on their own funds to purchase both raw materials and equipment. Nevertheless, they hope the village government will help foster the growth of this handicraft business—raising awareness beyond the local community to a wider audience—thereby enabling increased production capacity, the employment of more local workers, and partnerships with other business entities. Beyond marketing and capital constraints, the sector faces a production capacity crisis due to a shortage of young local workers. Mrs. Dwi noted:

"When I receive large orders, it takes a long time to fulfill them because of the lack of manpower."

Furthermore, limited equipment restricts product variety. Mrs. Lastri added:

"Moreover, if a customer requests a more intricate design but I lack the necessary tools or materials, I simply cannot make it."

Without active participation from the youth to bridge the technology gap and address labor shortages, the handicraft sector in Sukorejo Village remains vulnerable, with artisans producing goods only when orders are placed. This situation threatens to break the chain of sustainability for the village's creative economy assets.

Discussion

The interplay between internal factors—such as marital status, time allocation demands, and the perception that handicraft production requires immense patience and time—and external factors—such as income instability, a lack of digital facilities, and limited production equipment—drives young people to favor short-term programs (like BKK training or ad-hoc activities). These programs are perceived as offering faster economic certainty within the formal sector outside the local area. The village government's

Dinar
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Vol 13, No 2: Agustus 2026 252-273
ISSN: 2460-9889 (Print)
ISSN: 2580-3565 (Online)

tendency to cater to the youth's preference for immediate results, without providing structured mentorship in the woven-bag handicraft sector, has exacerbated the breakdown in knowledge transfer. This disconnect prevents the passing of local craftsmanship skills from senior artisans—who are mostly over 50 and lack digital literacy—to the younger generation. The reallocation of the Village Budget (APBDes) toward BKK training and ad-hoc activities reflects a shift in development priorities from strengthening the productive economy to focusing on formalistic programs. While BKK training positively impacts youth technical skills, opens up employment opportunities, and has the potential to boost household incomes, from the perspective of village economic sustainability, this policy reinforces the youth's preference for seeking formal employment outside the region, thereby accelerating the stagnation of productive assets in the handicraft sector.

The phenomenon of imbalanced fund allocation and low youth participation in Sukorejo Village mirrors broader national issues regarding village development. To reinforce this analysis, field findings were compared with research by Phoek et al. (2024) in South Papua; in Sukorejo, the abundance of village funds failed to translate into economic self-reliance due to a misalignment between the social capital inherent in handicrafts and the aspirations of the younger generation, who prioritize digitalization and income stability. Meanwhile, a risk-averse tendency has emerged within the village government, leading to a shift in programs toward administrative categories that are safe from formal audit scrutiny but ineffective in terms of socio-economic impact. When compared to the study by Hasang et al. (2024) in Padakkalawa Village, Sukorejo Village reveals a wide gap between formal administrative compliance and the delivery of tangible benefits grounded in *Maqāṣid asy-Syarī'ah*. Hasang et al. demonstrated that village fund management based on good governance and *Maqāṣid asy-Syarī'ah* principles can create a transparent, participatory, and efficient system that boosts Village-Generated Revenue (PADes) through asset protection (*ḥifẓ al-māl*) and active citizen participation (*ḥifẓ an-nasl*). The divergent findings between Padakkalawa and Sukorejo stem from three factors; notably, Padakkalawa successfully opened inclusive avenues for public participation. Conversely, Sukorejo suffers from institutional rigidity, with the budgeting structure dominated by bureaucratic and government operational costs—accounting for 41.25% of total expenditure. This high proportion constrains the village budget's flexibility to fund sustainable, productive economic support schemes. Furthermore, Padakkalawa integrates youth as active drivers of the village economy (*ḥifẓ an-nasl*). Meanwhile, Sukorejo Village offers "quick-fix" programs that actually facilitate the departure of young people from the village ecosystem, rather than integrating them into the chain of knowledge transfer regarding handicrafts. In contrast, Padakkalawa Village has consistently applied the *ḍarūriyyāt* (essential needs) priority scale by protecting and optimizing residents' productive assets (*ḥifẓ al-māl*). Conversely, Sukorejo Village has experienced a shift in priorities, with its village budget (APBDes) dominated by *taḥsīniyyāt* (complementary/enhancement) activities that focus on short-term budget absorption. This comparison underscores that while Sukorejo Village has achieved compliance with technical regulations, it has not yet reached the level of

Dinar
Jurnal Ekonomi & Keuangan Islam
https://journal.trunojoyo.ac.id/dinar/index
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Vol 13, No 2: Agustus 2026 252-273
ISSN: 2460-9889 (Print)
ISSN: 2580-3565 (Online)

management focused on productive public welfare—a standard successfully met by Padakkalawa Village.

From the perspective of *Maqāṣid asy-Syarī'ah* (the objectives of Islamic law), the situation in Sukorejo Village reflects a disruption to the pillars of *ḥifẓ an-nasl* (preservation of progeny/future generations) and *ḥifẓ al-māl* (preservation of wealth). In this context, the preservation of wealth (*ḥifẓ al-māl*) encompasses the development of productive assets, income generation, economic resilience, equitable distribution, and the prevention of economic vulnerability. However, the budget allocation for empowering the creative economy sector remains relatively minimal. Spending is dominated by supplementary activities—such as incidental events and bureaucratic operations—meaning that village fiscal incentives have failed to effectively stimulate the sustainability of productive assets, production capacity, or the long-term competitiveness of the handicraft industry. Furthermore, regarding *ḥifẓ an-nasl*, the effectiveness of village funds has been suboptimal due to the absence of structured succession programs to ensure knowledge transfer from senior artisans to the youth. Low youth participation in the handicraft business value chain hinders the enhancement of capabilities and economic independence among the village's young people. In this regard, *ḥifẓ al-māl* mandates that wealth not merely be physically safeguarded but also equitably distributed to prevent it from becoming concentrated within a single group. This aligns with the word of Allah SWT in Surah Al-Hashr, verse 7:

"...so that the wealth does not merely circulate among the wealthy among you."

Conceptually, within the framework of village fiscal policy, this principle interprets the Village Budget (APBDes) as public wealth and a public trust that must be circulated for the benefit of the wider community. Allocating 41.25% of the budget to bureaucratic operational expenses causes the flow of funds to stall within the village government's internal structure. Retaining public funds without productively investing in the woven bag artisan business hinders capital acceleration in the real sector and overlooks the optimization of residents' productive assets.

In the context of village development, the principle of *ḥifẓ an-nasl* (preservation of progeny) emphasizes preparing the younger generation to possess economic resilience, capability, and dignity through the sustainable transfer of knowledge. A maxim of Islamic jurisprudence (*fiqh*) states:

"Taṣarruf al-imām 'alā al-ra'iyyah manūṭun bi al-maṣlaḥah"

(A leader's policy regarding their people must be grounded in the public interest) (Zamroni dkk., 2026).

The village government's failure to provide structured skills-transfer programs and technological support for youth in the handicraft sector demonstrates that current policies are not yet fully oriented toward long-term public welfare. This severs the chain of local skill transmission and compels young people to migrate out of the area, as they see no future opportunities in their own village.

Furthermore, an analysis of the 2024 Sukorejo Village Budget (APBDes) details reveals a shift in how priorities for the community's well-being are determined. In this study, the classification of budget items into the categories of *ḍarūriyyāt* (essentials), *ḥājiyyāt*

Dinar
Jurnal Ekonomi & Keuangan Islam
https://journal.trunojoyo.ac.id/dinar/index
DOI: https://doi.org/10.21107/dinar.v8i2.9954
Vol 13, No 2: Agustus 2026 252-273
ISSN: 2460-9889 (Print)
ISSN: 2580-3565 (Online)

(complementary needs), and *taḥsīniyyāt* (enhancements) is based not on general assumptions or activity labels, but on the operational criteria of the programs as implemented in the field. According to the established methodological criteria, an allocation is categorized as a primary need (*ḍarūriyyāt*) if it involves direct intervention to strengthen the creative economy, provide means of production, facilitate skills transfer that ensures the sustainability of productive assets, or foster youth regeneration. In the context of Sukorejo Village, strengthening the handicraft sector and providing youth training that directly impacts local job creation meet these criteria. Conversely, budget items are categorized as enhancements (*taḥsīniyyāt*) if they meet the following criteria: first, temporary activities—such as general outreach sessions, seminars, or one-day general health talks lacking structured follow-up—which serve merely to fulfill formal budget absorption requirements; second, standalone celebrations or arts activities that are not integrated into the village's creative economy ecosystem and value chain; and third, bureaucratic operations intended to support village government administration. Based on these criteria, activities such as general health seminars, routine arts celebrations, and bureaucratic operations are classified as *taḥsīniyyāt* due to their ceremonial, incidental, and administrative nature, rather than a disregard for the general importance of health or culture. In the context of Sukorejo Village, strengthening the handicraft sector through youth training falls into the *ḥājiyyāt* category—bordering on *ḍarūriyyāt* —because it directly concerns residents' livelihoods and poverty prevention. Although a portion of the government budget covers essential governance expenditures, the excessive administrative component and the prioritization of incidental programs (*taḥsīniyyāt*) over support for productive economic sectors indicate a flaw in determining priorities for the public good. Consequently, substantial village fund allocations have failed to address the root causes of labor shortages and the stagnation of the local creative economy.

Conclusion

Based on an analysis of village fund allocation, barriers to youth participation, and the policy impact on the business continuity of artisans in Sukorejo Village, this study identifies three key findings. First, there is an imbalance in village budget priorities; the 2024 village budget (APBDes) is dominated by government operational expenses (41.25%), whereas the community empowerment sector receives only 16.37%. Second, barriers to youth participation and a lack of artisan succession exist, driven by time constraints due to domestic burdens, perceptions of complex production processes, economic pressures, and a lack of digital technology facilities—factors that prompt young people to migrate to the formal sector outside the village. Third, there is a misalignment with the *fiqh al-awlawiyyat* (jurisprudence of priorities) hierarchy, as the village government tends to prioritize supplementary programs (*taḥsīniyyāt*)—such as incidental activities—over essential needs (*ḍarūriyyāt*), such as strengthening the sustainability of the village's productive economic assets. Consequently, the fulfillment of these essential needs risks being neglected.

Dinar
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Vol 13, No 2: Agustus 2026 252-273
ISSN: 2460-9889 (Print)
ISSN: 2580-3565 (Online)

Theoretically, this inversion of priorities directly leads to a failure to fulfill the *Maqāṣid asy-Syarī'ah* (objectives of Islamic law), particularly regarding the pillars of *ḥifẓ al-māl* (preservation of wealth) and *ḥifẓ an-nasl* (preservation of lineage). This study contributes to the academic discourse by demonstrating the interconnection between these two pillars, showing that weaknesses in skill transfer and youth succession (*ḥifẓ an-nasl*) directly result in business stagnation, reduced competitiveness, and the vulnerability of local craft assets (*ḥifẓ al-māl*). The study's novelty lies in its assertion that the effectiveness of village governance cannot be measured solely by administrative compliance; rather, it must also be assessed by the extent to which budget allocations ensure intergenerational economic resilience. To directly address the issues identified, the researcher proposes three policy recommendations: participatory budget restructuring, intergenerational knowledge transfer schemes, and the integration of digital technology to sustain the village's creative economy.

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