

(Research) Article

# Determinants of the Success of Development in Kesiman Kertalangu Village

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**Abstract:** This study aims to analyze the factors influencing the success of development in Kesiman Kertalangu Village. The factors examined include village institution revenue, labor force, investment, and community participation. Development, in general, can be defined as efforts to enhance the productivity of resources owned by a region, such as natural resources, human resources, and financial resources. However, development in Kesiman Kertalangu Village faces challenges, namely changes in economic structure and land use conversion, which impact the regional development. This research employs a quantitative approach with multiple linear regression analysis to examine the relationship between independent variables (village institution revenue, labor force, investment, and community participation) and the dependent variable (village development success). The data used are secondary time series data collected annually from 1995 to 2024. Data were gathered through literature review by obtaining information from credible official sources, including government agencies, the Central Bureau of Statistics, and the Kesiman Kertalangu Village Office. Data analysis was conducted using Eviews 12 software. The results indicate that village institution revenue, labor force, investment, and community participation simultaneously have a significant effect on the success of development in Kesiman Kertalangu Village. Moreover, labor force, investment, and community participation have a positive and significant partial effect on development success, while village institution revenue has a positive but not significant partial effect. The findings also reveal that investment is the most dominant factor influencing the success of development in Kesiman Kertalangu Village. Theoretically, the finding that investment has a dominant influence on the success of Kesiman Kertalangu Village development strengthens the Solow growth model, Robert Chambers' participatory theory, and Amartya Sen's capacity building concept. Practically, the research results provide strategic direction for village governments and stakeholders in designing participation-based development policies, increasing fiscal capacity, and empowering local workers.

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## 1. INTRODUCTION

Development economics is a theory that focuses on state activities in improving the economy and the welfare of the population. Development economics not only discusses the efficient allocation and sustainable use of resources, but also emphasizes the importance of a synergistic relationship between social and economic development factors to achieve regional economic growth (Todaro, 2015:48).

The development economics theory formulated by Todaro (2015:51) describes economic development as a multidimensional process that involves fundamental changes in social structures, societal attitudes, and national institutions, all of which interact and influence one another to create a conducive environment for improving the overall quality of life. Given its multidimensional nature, economic development must ensure that every step in the process contributes to broader social and



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economic stability, thereby providing greater opportunities for community participation in economic activities.

In general, development can be defined as an effort to enhance the productivity of a nation's resources, which include natural, human, and financial resources (Sisto et al., 2024). Development is essential for a nation to improve living standards and societal welfare by advancing all sectors of national activity. In many countries, development has become a central agenda to reduce disparities and promote equitable growth. Regional development has also become a priority in global policy frameworks, particularly within the Sustainable Development Goals (SDGs) initiated by the United Nations. One of the primary objectives of the SDGs is to ensure that regions and human settlements become inclusive, safe, resilient, and sustainable.

The Indonesian government continues to strengthen the implementation of national development policies to accelerate regional, urban, and rural development in a more balanced and harmonious manner (Siregar & Widjanarko, 2023). Villages, as the smallest units in Indonesia's administrative structure, have the authority to plan development initiatives aimed at advancing and improving community welfare. Village governments, being the closest to local communities, possess a deep understanding of local culture and community needs (Syamsi, 2014). According to Law No. 3 of 2024 on Villages, the objective of village development is to improve the welfare and quality of life of rural communities and reduce poverty through the fulfillment of basic needs, development of village infrastructure, promotion of local economic potential, and sustainable use of natural and environmental resources. Village welfare can only be achieved if development efforts are implemented effectively (Adam et al., 2024).

According to the Ministry of Tourism and Creative Economy (2024), Bali Province has been named one of the world's best tourist destinations, receiving recognition at the DestinAsian Readers' Choice Awards. Bali is one of the regions that has abundant natural resources that can support various sectors such as many tourist attractions to encourage visits by foreign tourists which will have a positive impact on community welfare (Wulandari and Ayuningsasi, 2014). Village development plays a strategic role in supporting the sustainability of the tourism and creative economy sectors, which are vital to the regional economy (Bramwell & Lane, 2011). Villages in Bali function not only as agrarian centers but also as cultural and environmental tourism destinations. Law No. 15 of 2023 on Bali Province highlights the importance of harmonizing physical development with cultural preservation in village development. By integrating cultural heritage into development, Balinese communities can benefit economically from tourism and creative industries without losing their cultural identity.

As the capital city of Bali Province, Denpasar plays a strategic role in supporting the island's overall development. Denpasar serves as the administrative and governmental hub, providing villages with better access to policies and development programs initiated by the provincial government. This positioning gives Denpasar's villages a competitive advantage in implementing development initiatives in alignment with broader policies. With improved access to education, health, and transportation facilities, villages in Denpasar are better equipped to carry out environmentally sustainable development programs.

In the last few decades, Denpasar City as the capital city of Bali Province has experienced high development pressure, especially marked by the change in land use from agricultural to non-agricultural. This process is not evenly distributed, but rather shows variations between sub-districts. According to the Denpasar Government Agency Performance Report for 2021, West Denpasar sub-district was ranked first to experience land conversion, East Denpasar sub-district was ranked second, South Denpasar sub-district was ranked third, and North Denpasar sub-district was ranked fourth.

In this context, East Denpasar District is a transition area that still maintains agricultural activities, culture-based tourism, and village economic institutions such as BUMDes, but is also starting to experience pressure from land conversion and non-agricultural economic development. By selecting villages in semi-urban areas like this, research can more accurately capture the dynamics of village development that is moving towards structural and economic transformation, without losing relevance as a village government unit.

According to the Denpasar City Government (2011), East Denpasar District ranks second among the city's four districts in terms of land use conversion. This is significant, as East Denpasar comprises 11 villages/urban wards, the largest of which is Kesiman Kertalangu Village, covering an area of 3.80 square kilometers (Badan Pusat Statistik, 2022). Kesiman Kertalangu Village also faces various challenges that require in-depth analysis to ensure optimal development outcomes.

The village's economic resilience and consumption patterns were disrupted during the COVID-19 pandemic, which triggered notable phenomena. In times of crisis, rural communities tended to return to the agricultural sector as a survival strategy. Many residents previously employed in the service and tourism sectors lost their jobs due to declining tourist arrivals and restricted economic activity, prompting a shift toward the more stable agricultural sector, which provides direct access to food sources. The pandemic also spurred growth in the MSME (Micro, Small, and Medium Enterprises) sector, as many people were driven to pursue small-scale entrepreneurship to meet economic needs. Faced with limited mobility and changes in consumption behavior, communities turned to digital and local business opportunities, such as home-based culinary ventures and culturally inspired creative products.

Post-pandemic, the village economy has gradually recovered with the revival of tourism and the creative sector. Residents who had transitioned to agriculture and MSMEs began returning to jobs in the tourism industry, particularly with the rise in tourist arrivals and the easing of travel restrictions. This phenomenon warrants further research to assess the extent to which economic recovery contributes to stronger and more sustainable economic resilience for rural communities.

**Table 1.** Changes in the Contribution of the Economic Sector of Kesiman Kertalangu Village 2019-2024.

Year	Agriculture (%)	Creative Industry (%)	MSMEs (%)	Tourist (%)	Other Services (%)
2019	45.5	20.3	15.2	12.5	6.5
2020	53.2	15.8	18.5	6.5	6.3
2021	35.0	25.0	18.0	15.0	7.0
2022	28.5	27.8	19.2	17.3	7.2
2023	27.0	30.0	20.0	14.0	9.0
2024	25.0	31.0	21.0	14.5	8.5

Source: Kesiman Kertalangu Village Office (2024).

Data from the Kesiman Kertalangu Village office shows that in the period from 2019 to 2024, the contribution of the economic sector of Kesiman Kertalangu Village showed an increase and decrease in various sectors. 2020 was the peak of the Covid-19 pandemic which caused the agricultural sector to increase to 53.2 percent because people returned to the primary sector for economic resilience, while the tourism sector fell drastically to 6.5 percent due to a decrease in activities that are of a direct interaction nature such as social restrictions at tourist destinations due to the emergence of the Covid-19 pandemic. In the midst of economic uncertainty, consumers have reduced spending on non-essential goods and services, including creative products that are entertainment or aesthetic. The decline in public interest has caused the economic contribution in the creative industry sector to decrease to 15.8 percent, while MSMEs have increased to 18.5 percent because during the pandemic many people lost their jobs or fixed income, so they were forced to look for alternatives to survive. MSMEs are a flexible solution to generate additional income, such as people starting to innovate by opening small businesses that are in accordance with the needs and interests of the local market.

Changes in the contribution of the economic sector can affect increased income, such as the phenomenon of creating the development of the MSME sector which can increase village income. The growth of MSMEs can create more jobs for local communities, encourage innovation in products and services, attract more investment, and change patterns of community participation. Changes in economic contributions can create demand for new types of investment, such as investment in training a more skilled workforce. In addition, this change can also change the economic pattern of

society to be more oriented towards entrepreneurship and trade which ultimately contributes to village development.

Kesiman Kertalangu Village, which faces significant urbanization challenges, land conversion, growth of the creative economy sector, and pressure on basic infrastructure, is very important to maintain a balance between economic, social, and environmental sustainability growth. Therefore, village development strategies must be in line with the principles of SDGs, especially in developing habitable settlements, managing natural resources sustainably, and improving community welfare through economic inclusion. In the perspective of SDGs, good spatial management, strengthening the local economy are the keys to creating decent settlements that are oriented towards environmental sustainability and social welfare to avoid the negative impacts of uncontrolled economic development.

In general, village development is said to be successful if there is involvement of all components such as village institution income, labor, investment and community participation (Poerwati and Imaduddina, 2019). Regulation of the Minister of Home Affairs Number 66 of 2007 concerning Village Development Planning states that the village government, which was previously bound by development programs from the center, now has more freedom to manage, regulate, and determine the direction of village development independently. Villages are expected to be independent in managing government affairs, especially in terms of village financial management. The source of village income from village institutions is one form of village independence in managing its finances. Village institutions are organizations formed in the village government system to regulate, manage, and empower communities in village development. According to Law No. 3 of 2024 concerning Villages, village institutions include Village-Owned Enterprises (BUMDes) which play an important role in formulating development policies, managing resources, and encouraging community participation.

According to Government Regulation No. 11 of 2019 concerning the Implementation of the Village Law, it states that villages have the authority to regulate the implementation of village finances based on the rights of origin and local authority on a village scale. Income is an important resource that can be utilized by the village government to plan and implement village development. With these funds, villages have greater autonomy in determining development priorities according to existing local needs and potential. In the current government system, villages have an important role in supporting local governments in implementing governance, including in the field of development and community empowerment. This is a concrete effort by local governments to strengthen regional autonomy in their regions. Adequate income can be a source of funds for village government expenditure. Income plays an important role in influencing the success of Kesiman Kertalangu Village development, which is reflected in the management and allocation of village income. Income provides a direct contribution to village development such as organizing the implementation of village development, community development, community empowerment, and disaster management and other urgent matters. Data sourced from the Kesiman Kertalangu Village office shows that the total income in 2024 reached 76,205,000.00 rupiah allocated for programs that directly support infrastructure development, improving the quality of basic services, and community empowerment. Effective revenue management can make a major contribution to long-term development (Bahl and Linn, 1992:136).

According to research by Dollar and Kraay (2002) it shows that increasing income has a positive effect on development. With increasing income, local governments can finance development projects such as roads, bridges, health facilities and can encourage community participation and improve the development of the quality and quantity of the workforce.

In order to advance development, labor is a fundamental aspect in village development. The goal of development is to increase the workforce and create new jobs in a balanced and appropriate quantity and quality (Gunadi, 2021). Labor is an important element in advancing development, because it is directly related to community welfare (Johnson, 2021). Based on Article 1 paragraph (2) of Law Number 13 of 2003 concerning Manpower, labor is an individual who has the ability to produce goods and services to meet their own needs and those of society. Labor is a very important

element in the production process to produce final goods and services. Every production activity requires a sufficient number of workers and in accordance with the needs required.

According to Todaro (2015:73), village development is highly dependent on the labor factor, because skilled and organized labor can drive economic development. Todaro stated that effective rural development requires sustainability in the agricultural sector, industry, and the opening of new jobs. Therefore, developing the workforce in the village is an important step to improve welfare and reduce social inequality. A qualified workforce can accelerate the development process in a village, because with a competent workforce, the village will be better able to compete with other more advanced areas. Conversely, the more development in a village develops, the more new jobs will be created automatically (Sukirno, 2015:32).

The quality of the workforce also contributes to driving potential profits that influence investment decisions. The World Bank (2018) states that the better the quality of the workforce in an area, the higher the potential profit that investors can obtain, because a competent workforce can increase productivity and efficiency in the development process.

Based on a preliminary survey, the residents of Kesiman Kertalangu Village are mostly involved in the self-employed sector, private employees, and farmers. Skilled workers in these sectors have great potential to increase productivity and efficiency, which in turn can drive village development. Improving the skills of the workforce in Kesiman Kertalangu Village, such as through training or education, will contribute to the development of the village's economic sector, create new jobs, and improve the welfare of the local community, thereby accelerating the pace of village development as a whole. The quality of the workforce will be closely related to the competencies possessed by the workforce itself (Rustariyuni, 2015). The workforce has a positive effect on long-term development. Human resource development through education and training will increase productivity and help in achieving development (Schultz, 1961).

According to Sukirno (2015:135), to strengthen the role of labor in development, significant investment is needed. Solow's growth theory (1956) explains that investment drives economic development through increased productivity. Investment in village development has an impact on increasing regional production capacity and encouraging technological innovation that increases efficiency. With investment, various sectors can develop and there is an increase in broader economic activity, which contributes to village development, and people have more opportunities to get jobs and increase individual and family income. According to Suyanto (2011:29) village investment is very important for the development of basic infrastructure such as roads, irrigation, and other public facilities. Good infrastructure supports economic growth and makes it easier for villagers to access markets, education, and health services.

Kesiman Kertalangu Village is famous for its tourism area (Suryaningsih et al., 2024). Tourism destinations in Kesiman Kertalangu Village can attract investors to invest. Investors have the opportunity to develop lodging, hotels, restaurants, or attractive tourist destinations that will leave a deep impression on visitors. This will certainly support the success of the development of Kesiman Kertalangu Village. In addition, sustainable investment such as utilizing the natural beauty of the village will help increase village productivity.

This also has the potential to increase the income of village communities and maintain environmental sustainability (Agustinus, 2016). According to research by Rahman and Sari (2019), investment has a positive impact on development. Investment not only contributes to increasing financial capital, but by involving the community in decision-making, development can be more in line with community needs and can be more accepted by residents. Successful investment depends not only on the flow of funds from investors, but also on the active participation of the community, which can accelerate economic growth and create new business opportunities for many parties (Todaro and Smith, 2020).

Community participation is a necessity for development planning (Octaningrum et al., 2025). The theory of "participatory rural appraisal" proposed by Chambers (1983) emphasizes that community participation in development planning functions as a valuable source of innovation and

creativity. Each individual in the community has a unique perspective on what is best for their environment and this participation opens up opportunities for more innovative and appropriate solutions.

Research by Putra and Sari (2020) shows that there is a positive impact of community participation on village development. Community participation in village development helps ensure that the programs implemented are in accordance with the needs and expectations of the local community. Active community involvement in project planning and implementation can increase the effectiveness and efficiency of resource use. Development that does not receive community support or participation will be in vain and ineffective. In the development process, the village head as a formal leader in the village must be able to mobilize, encourage, and motivate the community to participate in every activity related to development. Community participation in development can be in the form of contributions of energy, thoughts, funds, ideas, and opinions. With the role of community participation, the results of the development carried out are expected to be in accordance with the desires and needs of the village community (Isham et al., 1995).

According to Conyers (1994:154), community participation plays a very important role in village development because through community participation, more accurate information can be obtained regarding the conditions, needs, and attitudes of the local community, without which development programs and projects are at risk of failure. In addition, communities involved in the planning and preparation process of the project tend to trust and support the project more, because they feel they have a better understanding and sense of responsibility for its success. Involving the community in regional development is also part of democratic rights, where the community has the right to provide input and suggestions regarding the type of development to be carried out, thus creating a greater sense of ownership and participation in the development process.

In Kesiman Kertalangu Village, community participation also reflects democratic rights, villagers are given the opportunity to provide input in the development planning process that affects daily life. For example, in a drainage channel construction project or road improvement, residents can provide suggestions on more pressing needs or provide feedback on the project design, so that the results truly reflect the aspirations and needs of the community. Thus, community participation not only strengthens the relationship between the village government and its residents, but also ensures that the development carried out is truly beneficial and sustainable for the entire community in Kesiman Kertalangu Village.

## 2. METHOD

This study employs a quantitative approach with an associative design, aiming to analyze the relationship between several independent variables—namely village institution income, labor force, investment, and community participation—and village development as the dependent variable. The research was conducted in Kesiman Kertalangu Village, East Denpasar, chosen for its characteristics of environmentally and culturally based development, as well as its economic potential ranging from the primary to tertiary sectors, such as tourism and micro, small, and medium enterprises (MSMEs). The data used consist of annual time series from 1995 to 2024, totaling 30 observations.

The study identifies five main variables. The four independent variables are: (1) village institution income, measured in Indonesian Rupiah per year; (2) the number of workers, measured in individuals; (3) the value of both physical and non-physical investments, also expressed in Rupiah per year; and (4) community participation in development projects, measured in individuals. The dependent variable is the success of village development, measured through economic and social resilience indices. All data were obtained from credible secondary sources, including government institutions and the Central Bureau of Statistics. Data collection was conducted through a literature review, while the analytical technique employed was multiple linear regression using the Ordinary Least Square (OLS) approach. The analytical model was developed in the form of a double logarithmic regression (log-log model) to address the nonlinearity of the data. This model was chosen because it

allows the interpretation of coefficients as elasticities, providing a deeper understanding of the impact of each independent variable on village development..

### 3. RESULTS AND DISCUSSION

#### Data analysis

#### Multiple Linear Regression Analysis Results

**Table 2.** Results of Multiple Linear Regression Analysis.

No	Variable	Coefficient	Std. Error	t-Statistic	Prob.
1	C	-12718645	2499569	-5,088334	0.0000
2	LNx1	0.677797	0.447447	1,514810	0.1424
3	LNx2	0.049680	0.013159	3,775501	0.0009
4	LNx3	1.870349	0.840403	2.225540	0.0353
5	LNx4	1.411311	0.309840	4.554972	0.0001

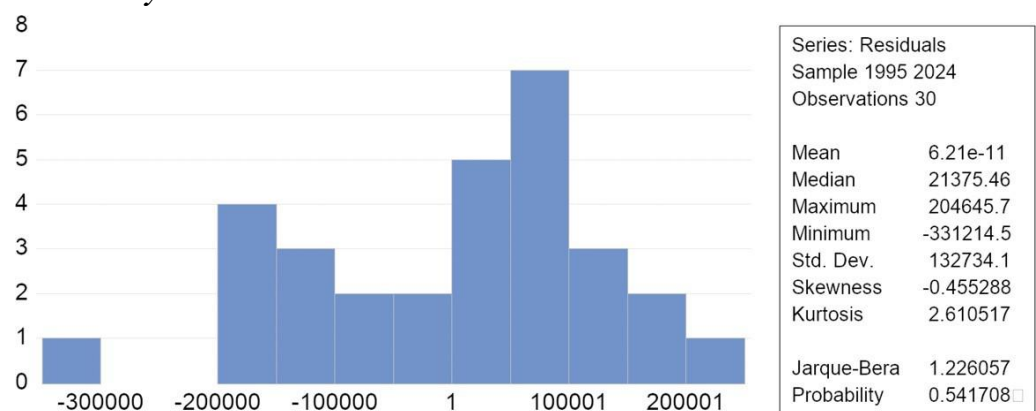
Source: Processed data, 2025.

From the results of multiple linear regression analysis on Table 2, then the following equation can be made.

$$\text{LNY} = -12718645 + 0.677797 \text{ LNx1} + 0.049680 \text{ LNx2} + 1.870349 \text{ LNx3} + 1.411311 \text{ LNx4} \dots (4.1)$$

#### Classical Assumption Test Results

##### Normality Test



**Figures 1.** Normality Test.

Source: Processed data, 2025

##### Multicollinearity Test

**Table 3.** Multicollinearity Test Results Coefficientsa.

No	Model	Tolerance	VIF
1	C		
2	LNx1	0.544	1,836
3	LNx2	0.314	3,174
4	LNx3	0.216	4,622
5	LNx4	0.186	5,363

Source: Processed data, 2025

The results of the multicollinearity test show that none of the independent variables contain multicollinearity. Each variable has a tolerance value greater than 0.10 and a VIF value less than 10, so it can be concluded that this model does not experience or does not experience symptoms of multicollinearity.

### Heteroscedasticity Test

**Table 4.** Results of Heteroscedasticity Test.

<i>F-statistic</i>	2,289190	<i>Prob. F(4,25)</i>	0.0880
<i>Obs*R-squared</i>	8.042413	<i>Chi-Square Prob.(4)</i>	0.0900
<i>Scaled explained SS</i>	5,900017	<i>Chi-Square Prob.(4)</i>	0.2067

Source: Processed data, 2025

The test results in Table 4 show that the probability value of Obs\*R-squared of 0.09 is greater than the significance level of 0.05. Thus, it can be concluded that there are no symptoms of heteroscedasticity in the regression model used.

### Autocorrelation Test

**Table 5.** Autocorrelation Test Results.

dL	dU	DW	4-dU	4-dL
1,1426	1,7386	1.8688	2,2614	2,8574

Source: Processed data, 2025

The results of the Durbin-Watson test shown in Table 4.9, obtained a DW value of 1.8688. For the number of observations of 30 and the number of independent variables of 4, the lower limit value (dL) is 1,1426 and the upper limit (dU) is 1.7386. So according to the decision making, namely  $1.7386 < 1.8688$ , the regression used.

### Model Feasibility Test (F Test)

**Table 6.** F Test Results.

No	Information	Value
1	<i>F-Statistic</i>	100.0702
2	<i>Prob(F-statistic)</i>	0,000000

Source: Processed data, 2025

Table 6 shows the test of the simultaneous influence of the variables of village institution income, workforce, investment, and community participation on the success of the development of Kesiman Kertalangu Village. This test is conducted to determine the extent to which the independent variables together can explain variations in the success of development in Kesiman Kertalangu Village. Simultaneous testing is also important in identifying synergies between factors that contribute to the overall development process.

### Human Resource Planning in Enhancing Competitive Advantage

Table 6 shows the test of the simultaneous influence of the variables of village institution income, workforce, investment, and community participation on the success of the development of Kesiman Kertalangu Village. This test is conducted to determine the extent to which the independent variables together can explain variations in the success of development in Kesiman Kertalangu Village. Simultaneous testing is also important in identifying synergies between factors that contribute to the overall development process.

In this study, the hypothesis formulation begins with the null hypothesis ( $H_0$ ):  $\beta_1 = \beta_2 = \beta_3 = 0$ , indicating that the income of village institutions (X1), workforce (X2), investment (X3), and community participation (X4) do not have a significant simultaneous influence on the success of the development of Kesiman Kertalangu Village (Y). The alternative hypothesis ( $H_1$ ) posits that at least one of the coefficients ( $\beta_i$ ) is not equal to zero, meaning that at least one of the variables significantly influences the success of the development in Kesiman Kertalangu Village. The real level, or significance level, is set at 5 percent with a confidence level of 95 percent ( $\alpha = 0.05$ ).

The testing criteria are based on the probability value: if the probability is greater than 0.05,  $H_0$  is accepted and  $H_1$  is rejected. Conversely, if the probability is smaller than 0.05,  $H_0$  is rejected and  $H_1$  is accepted. Based on the calculation from the Eviews 12 program, as shown in Table 4.5, the F-statistic value obtained is 100.0702 with a probability value of 0.0000.



Since the F-statistic value is 100.0702 and the probability is 0.0000, which is smaller than the significance level of 0.05, it can be concluded that the variables of village institution income (X1), workforce (X2), investment (X3), and community participation (X4) simultaneously have a significant influence on the success of the development of Kesiman Kertalangu Village. Thus, the null hypothesis is rejected, and the alternative hypothesis is accepted.

### Hypothesis Test Results (t-test)

**Table 7.** t-Test Results (Hypothesis Test).

No	Variables	Regression Coefficient	Mark	Probability	Conclusion
			t count		
1	Village institution income (X <sub>1</sub> ) → Village Development Success (Y)	0.677797	1,514810	0.1424	Positive and insignificant influence
2	Labor force (X <sub>2</sub> ) → Village development success (Y)	0.049680	3,775501	0.0009	Positive and significant impact
3	Investment (X <sub>3</sub> ) → Success Village development (Y)	1.870349	2.225540	0.0353	Positive and significant impact
4	Community participation (X <sub>4</sub> ) → Village Development success (Y)	1.411311	4.554972	0.0001	Positive and significant impact

Source: Processed data, 2025.

### Dominant Influence Test Results

**Table 8.** Results of the Dominant Influence Test.

No	Variables	Coefficient	Ranking
1	X1	0.677797	3
2	X2	0.049680	4
3	X3	1.870349	1
4	X4	1.411311	2

Source: Processed data, 2025.

Based on Table 8, it is known that investment (X3) has a coefficient value of 1.870349 which is greater than other variables. So it can be concluded that the investment variable (X3) has the most dominant influence on the success of the development of Kesiman Kertalangu Village during the period 1995-2024. In other words, the increase in investment obtained by the

government, private sector, and local communities contributed significantly to the success of the development of Kesiman Kertalangu Village in terms of availability and access to health, infrastructure, and financial institutions.

## 4. DISCUSSION

The results of the first analysis show that the income level of village institutions has a positive but insignificant effect on the success of the development of Kesiman Kertalangu Village in 1995-2024. This means that the higher the income level of village institutions, the greater the success of the development of Kesiman Kertalangu Village, but this result is not statistically significant. This shows that although the income of village institutions contributes to development, in the data analyzed, the contribution is not yet strong enough. Based on research findings, this is due to limited institutional capacity in managing village businesses professionally. This is supported by research conducted by Herawati and Setyowati (2021) which shows that weak BUMDes governance causes its contribution to village development to be less than optimal. The amount of income of village institutions does not

have a significant effect if it is not managed with efficiency and transparency. According to research by Efendi and Poernomo (2021), weak village institutions are often the main obstacle in transforming income into real development. Ineffective institutions tend to have low planning, management, and supervision capacities, so that available funds cannot be utilized optimally to support the real contribution of village institution income to development. Allocating funds is an important thing to do to improve the economy of a region (Yeimo and Ayuningsasi, 2022).

The results of the second analysis show that the workforce has a positive and significant effect on the success of the development of Kesiman Kertalangu Village in 1995-2024. This means that the greater the number of workers, the greater the development will be. The same thing was found in research conducted by Siregar and Ayuningsasi (2025) that high labor absorption will have an impact on increasing development in a region. The workforce coefficient is 0.049680. This means that every one percent increase in the workforce will have an impact on increasing village development by 0.049680 percent, assuming that the variables of village institution income, investment, and community participation are in a constant condition or do not experience any changes. This shows that the increase in the number of working population, both inside and outside the village, significantly contributes to improving the quality of life and welfare of the community, as well as strengthening the economic structure of the village. This variable illustrates that the existence of a productive workforce is one of the keys to accelerating village development. According to Siregar and Ayuningsasi (2025), the increasing absorption of labor will increase the development of a region.

The workforce is not only a driver in economic activities, but also plays a role in the implementation of village development programs that are physical and non-physical. High labor productivity, especially if supported by adequate skills and education, can accelerate the achievement of village development goals, such as improving community welfare and empowering the local economy.

The results of the third analysis show that investment has a positive and significant effect on the success of the development of Kesiman Kertalangu Village in 1995-2024. The investment coefficient is 1.870349. This means that every one percent increase in investment will have an impact on increasing village development by 1.870349 percent, assuming that the variables of village institution income, workforce, and community participation are in a constant condition or do not experience any changes. The investment in question can include infrastructure development, improving productive economic facilities, or investing in the tourism sector based on local culture. Thus, the encouragement of capital inflow or development spending becomes very crucial in accelerating village growth.

This means that increasing the amount of investment from the government, private sector, and local communities will have a direct impact on increasing the success of the development of Kesiman Kertalangu Village. With investment, it can open up opportunities for collaboration between villages and external parties, such as private investors, financial institutions, and local governments, in order to increase the competitiveness and economic potential of the village. The results of this study are reaffirmed by the research of Damanik and Pangaribuan (2020) which stated similar results that investment can encourage villages to increase the socio-economic capacity of the community and create new business opportunities that support the growth of village development.

The results of the fourth analysis show that community participation has a positive and significant influence on the success of the development of Kesiman Kertalangu Village in 1995-2024. The community participation coefficient is 1.411311. This means that every one percent increase in community participation will have an impact on increasing village development by 1.411311 percent, assuming that the variables of village institution income, workforce, and investment are in a constant condition or do not experience any changes. This means that the higher the level of community involvement in various aspects of village development, the greater the positive impact on the success of the development of Kesiman Kertalangu Village.

Community participation can be reflected in various forms, such as involvement in development planning deliberations (*musrenbang*), mutual cooperation, supervision of the use of village funds, and contributions of energy, thoughts, and materials in the implementation of

development programs. High participation also shows a sense of ownership and shared responsibility in advancing the village. Community participation encourages the realization of participatory, inclusive and sustainable development, because the resulting policies are more in line with the needs and aspirations of local communities.

The results of the simultaneous analysis show that the income of village institutions (X1), labor (X2), investment (X3), community participation (X4) have a significant effect on the success of the development of Kesiman Kertalangu Village during the period 1995-2024. The results of this analysis indicate that village development is not only determined by a single

factor, but is the result of the integration and interaction between various important elements in the social and economic life of the village community. When the income of village institutions increases, the village has a greater budget capacity to finance development programs. At the same time, increasing the number and quality of the workforce will support the effectiveness of the implementation of these programs. Furthermore, the entry of investment will strengthen the local economic sector and expand employment opportunities, while high community participation will ensure that development is carried out inclusively and in accordance with the real needs of the community.

The results of the dominant influence test show that the investment variable (X3) has a coefficient value 1.870349 which is greater than other variables. So it can be concluded that the investment variable (X1) has the most dominant influence on the success of the development of Kesiman Kertalangu Village during the period 1995-2024. The increase in village income will be able to accelerate the achievement of development indicators such as infrastructure improvement, community empowerment, and increasing the economic welfare of village residents. In addition, incoming investment allows the village to drive the local economic sector and increase the income of the Kesiman Kertalangu Village community.

## 5. CONCLUSION

Based on the results of the previous discussion and description, the following conclusions can be drawn. Simultaneously, village institution income, workforce, investment, and community participation have a significant influence on the success of the development of Kesiman Kertalangu Village. Partially, the income of village institutions has a positive but not significant effect on the success of the development of Kesiman Kertalangu Village. Labor has a positive and significant effect on the success of the development of Kesiman Kertalangu Village. Investment has a positive and significant effect on the success of the development of Kesiman Kertalangu Village. Community participation has a positive and significant effect on the success of the development of Kesiman Kertalangu Village. The investment variable is the variable that has the most dominant influence on the success of the development of Kesiman Kertalangu Village.

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