

Analysis of Village Fund Utilization for Community Empowerment in the Agricultural Sector: a Case Study of Haruru Village, Amahai District, Central Maluku Regency

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ABSTRACT

KEYWORDS

Utilization,
Empowerment,
Village Funds,
Agricultural Sector,
Haruru Village

This study aims to analyze the process of utilizing Village Funds and the factors influencing their use in community empowerment in Haruru Village. Using the purposive sampling method, the study found that the village government has implemented the principles of transparency and participation in the planning and management of Village Fund allocations. Village Funds play a pivotal role in promoting sustainable rural development and improving community welfare through empowerment programs. However, disparities in fund allocation and utilization remain a challenge in many Indonesian villages. This study aims to analyze the utilization process of Village Funds and identify the factors influencing their effectiveness in community empowerment programs in Haruru Village, Amahai District, Central Maluku Regency. Using a qualitative descriptive method, data were collected through interviews, observation, and documentation involving village officials and community members. The findings reveal that the Haruru Village government has implemented the principles of transparency, participation, and accountability in managing Village Fund allocations, which positively impact community participation and local capacity building. Nevertheless, challenges such as limited human resources and inadequate monitoring mechanisms still hinder optimal fund utilization. This research underscores the importance of strengthening administrative capacity, participatory planning, and evaluation systems to ensure that Village Funds effectively contribute to inclusive and sustainable community empowerment.

INTRODUCTION

Haruru Village, Amahai District, Central Maluku Regency is one of the villages that receives village funds from the State Revenue and Expenditure Budget (APBN). Every year, the budgeting of the Village Fund in Haruru Village in Community Empowerment is always different; this indicates that the budgeting is carried out annually to meet the needs of the community. Based on the initial research conducted by the author, information obtained from the community illustrates that the use of Haruru Village Funds, Amahai District, Central Maluku Regency for the 2020 fiscal year still faces several obstacles related to the process of utilizing village funds in the field of Community Empowerment (Afanasyev & Shash, 2025; Göksu et al., 2025; Pierre & Diaby, 2025; Zare & Anderson, 2025).

Since the enactment of Undang-Undang No. 6 Tahun 2014 tentang Desa in 2015, the Indonesian government has committed to accelerating village development and community empowerment through the Program Dana Desa (Village Fund, VF). This program allocates significant state budget transfers directly to villages, aiming to strengthen local governance, enhance public services, and reduce rural poverty (Ardiana & Tjukup, 2018; Haidin, 2017; Karmila et al., 2024; Kusnadi, 2015; Timotius, 2018). However, multiple studies have pointed

to persistent weaknesses in governance, accountability, and outcome effectiveness—such as limited community participation in decision-making, low transparency in fund management, and a mismatch between allocation and actual empowerment results (Begho & Daubry, 2025; Kumari et al., 2025; Motamed et al., 2025; Triatmo et al., 2025; Worku & Mekoya, 2025).

From 2020 to 2025, the Haruru Village Revenue and Expenditure Budget is Rp. 2,000,000,000, with approximately 92.5% or around Rp1.85 billion allocated to community empowerment. Activities in the agricultural sector include the distribution of seeds in the form of cloves and coconuts amounting to Rp. 500,000,000. Therefore, it is necessary to implement good village fund governance so that the programs created can be on target and have an impact on the empowerment of village communities (Haeril et al., 2025; Masdjojo et al., 2025; Nurita et al., 2025; Setiyawati et al., 2025; Sutikno et al., 2025).

Two previous studies provide important theoretical foundations for understanding Village Fund (VF) governance in Indonesia but leave key areas underexplored. Madyan et al. (2020) examined VF governance in East Java and found that public participation and transparency levels remained low, indicating that village governance mechanisms were still far from ideal. However, their study adopted a macro perspective without analyzing specific budgeting processes or empowerment-related allocations. Similarly, Nasution, Muda, and Barus (2025) investigated the relationship between good governance and VF utilization across 241 villages in North Tapanuli Regency and concluded that participation, accountability, and responsiveness influence the effectiveness of fund management. Nonetheless, their analysis focused mainly on the general concept of “good governance,” overlooking year-to-year budget realization dynamics and the unique challenges faced by rural or island-based villages.

This study aims to analyze the utilization process of the Village Fund and the factors influencing its use in community empowerment in Haruru Village, with particular focus on annual budgeting variation, local governance dynamics, and implementation challenges. Theoretically, it contributes to the growing literature on decentralized financial governance and community empowerment in developing regions. Practically, it offers recommendations to strengthen transparency, participation, and accountability in VF management—providing valuable insights for policymakers and village administrators to enhance program effectiveness and community welfare outcomes.

METHOD

The research was conducted in June–July 2025. The methods used are a combination of qualitative and quantitative. The research sample of 30 respondents was selected using the purposive sampling technique, namely people who knew or were directly involved in the empowerment activities of the Village Fund. Primary data were obtained through observations, interviews, and questionnaires, while secondary data were obtained from village documents, regulations, and literature. Data analysis was carried out descriptively, simple tabulation, and data reduction to identify key themes.

RESULTS AND DISCUSSION

Utilization of Village Funds in Haruru Village

Table 1. Utilization of Village Funds in Haruru Village

Indicators of Village Fund Utilization	Categories/Answers	Quantity (n)	Percentage (%)
Knowing the Village Fund program	Yes	28	93,3
	No	2	6,7
How to find out the Village Fund program (<i>you can choose more than 1</i>)	Socialization from the village government	22	73,3
	Information from neighbors/family	10	33,3
	Media massa (radio, koran, internet)	5	16,7
	Others (e.g. farmer group meetings)	3	10,0
Have been involved in the planning/implementation of the Village Fund program	Yes	20	66,7
	No	10	33,3
Form of involvement (<i>if answering Yes to point 3</i>)	As a member of the committee	8	26,7
	As a trainee	12	40,0
	As a beneficiary	15	50,0
	Others (e.g., helping with the distribution of fertilizers or seeds)	4	13,3

Source: Haruru Village Office, 2025

Based on Table 1. respondents (93.3%) in Haruru Village were aware of the existence of the Village Fund program. This shows that the level of public awareness of village development policies is already high. Most (73.3%) knew about the program through direct socialization from the village government, either in the form of meetings, RT meetings, or official announcements. Others (33.3%) get information from neighbors or family, and a small part through mass media such as radio or the internet (16.7%). There are also 10.0% of respondents who know about this program through farmer group meetings, which shows that the agricultural sector is an effective way to disseminate information in this village.

Regarding involvement, 66.7% of respondents stated that they had participated in the planning or implementation of the Village Fund program. The most form of involvement was as a beneficiary (50.0%), for example clove, nutmeg, or oil palm seedlings. In addition, 40.0% had participated as training participants, 26.7% were members of the organizing committee, and 13.3% were involved in other activities such as helping with the distribution of fertilizers or agricultural facilities. These results indicate that the Village Fund in Haruru Village is not only understood by the community, but also encourages active participation, especially in the agricultural sector which is the main economic base. This high level of knowledge and involvement is expected to support the sustainability of empowerment programs in the village.

Table 3. Empowerment of Village Funds (Clove and Coconut Seeds) in the Empowerment of the Haruru Village Community

Community Empowerment Indicators	Yes (n/%)	No (n/%)	Total
Village funds contribute to improving community welfare	27 (90,0%)	3 (10,0%)	100%
Village Fund increases community participation in village activities	26 (86,7%)	4 (13,3%)	100%
Village Fund Improves the Community's Ability to Manage Finances	24 (80,0%)	6 (20,0%)	100%

Source: Haruru Village Office, 2025

Based on Table 2. Most of the respondents stated that the use of Village Funds in Haruru Village has made a real contribution to community empowerment. As many as 90.0% of respondents acknowledged the improvement of community welfare, which can be seen from the increase in family income, the fulfillment of basic needs, and the availability of facilities and infrastructure to support the agricultural sector such as cloves, nutmeg, and palm oil. Furthermore, 86.7% of respondents assessed that the Village Fund increased community participation in village activities, such as mutual cooperation, development planning meetings, and productive trainings. The high participation rate shows that the community feels owned and actively involved in the village development process.

In addition, 80.0% of respondents stated that Village Funds improve their ability to manage finances, both in the context of agricultural businesses and other small businesses. The training and mentoring programs provided help the community manage capital, record sales results, and plan expenses more effectively. These findings indicate that the Village Fund in Haruru Village not only facilitates physical development, but also encourages changes in community behavior and capacity, thus having a positive impact on the sustainability of village development.

Table 3. Evaluation of the Village Fund Program (Clove and Coconut Seeds) by the Haruru Village Community

Indicators of Evaluation of the Village Fund Program	Categories/Answers	Quantity (n)	Percentage (%)
Assessment of the effectiveness of the Village Fund program in improving community welfare	Highly effective	8	26,7
	Effective	16	53,3
	Less effective	5	16,7
	Ineffective	1	3,3
Things that need to be improved (can choose more than 1)	Transparency of the use of funds	12	40,0
	Community participation in planning	15	50,0
	Capacity of the village government in managing funds	10	33,3
	Others (e.g., increasing agricultural assistance)	8	26,7
	Total	30	100,0

Source: Haruru Village Office, 2025

Based on Table 3. The majority of respondents (53.3%) considered that the Village Fund program was effective in improving community welfare. As many as 26.7% even considered it very effective, especially in programs that support the agricultural sector such as clove, nutmeg, and oil palm seedlings. Meanwhile, 16.7% of respondents considered the program still ineffective, and 3.3% considered it ineffective. Regarding aspects that need to be improved, most respondents (50.0%) emphasized the importance of increasing community participation in the planning process so that the programs carried out are truly in accordance with the needs of residents. Furthermore, 40.0% suggested increasing the transparency of the use of funds, for example through the regular publication of budget reports.

In addition, 33.3% of respondents considered that the capacity of the village government in managing Village Funds needs to be strengthened, both in terms of administrative management and technical implementation. As many as 26.7% mentioned additional needs in the agricultural sector, such as increasing fertilizer assistance, agricultural tools, and improving road access to land. Overall, these results show that the Village Fund program in Haruru Village has received positive appreciation from the community, but there is still room for improvement, especially in community involvement and management transparency, so that the benefits can be more optimal and even.

Table 4. Utilization of Village Funds (Clove and Coconut Seeds) in Haruru Village

Indicators of Village Fund Utilization	Categories/Answers	Quantity (n)	Percentage (%)
Knowing the Village Fund program	Yes	28	93,3
	No	2	6,7
How to find out the Village Fund program (<i>you can choose more than 1</i>)	Socialization from the village government	22	73,3
	Information from neighbors/family	10	33,3
	Media massa (radio, newspaper, internet)	5	16,7
	Others (e.g. farmer group meetings)	3	10,0
Have been involved in the planning/implementation of the Village Fund program	Yes	20	66,7
	No	10	33,3
Form of involvement (<i>if answering Yes to point 3</i>)	As a member of the committee	8	26,7
	As a trainee	12	40,0
	As a beneficiary	15	50,0
	Others (e.g., helping with the distribution of fertilizers or seeds)	4	13,3

Source: Haruru Village Office, 2025

Based on Table 4. respondents (93.3%) in Haruru Village were aware of the existence of the Village Fund program. This shows that the level of public awareness of village

development policies is already high. Most (73.3%) knew about the program through direct socialization from the village government, either in the form of meetings, RT meetings, or official announcements. Others (33.3%) get information from neighbors or family, and a small part through mass media such as radio or the internet (16.7%). There are also 10.0% of respondents who know about this program through farmer group meetings, which shows that the agricultural sector is an effective way to disseminate information in this village.

Regarding involvement, 66.7% of respondents stated that they had participated in the planning or implementation of the Village Fund program. The most form of involvement was as a beneficiary (50.0%), for example clove, nutmeg, or oil palm seedlings. In addition, 40.0% had participated as training participants, 26.7% were members of the organizing committee, and 13.3% were involved in other activities such as helping with the distribution of fertilizers or agricultural facilities. These results indicate that the Village Fund in Haruru Village is not only understood by the community, but also encourages active participation, especially in the agricultural sector which is the main economic base. This high level of knowledge and involvement is expected to support the sustainability of empowerment programs in the village.

Factors Affecting the Utilization of Village Fund Allocation (ADD) in Haruru Village, Central Maluku Regency, Amahai District

- (a) Tropical climatic factors with sufficient rainfall help the growth of plant types, especially those with humidity and heat. The soil in this region is generally fertile, allowing the cultivation of food crops such as rice, corn, or tubers. Access to water sources is also an important support, both rainfall and local rivers or springs, although simple irrigation systems may still be needed. In addition, the availability of local labor, mutual cooperation habits, and support from the village government and agricultural extension workers also strengthen productivity.
- (b) The supporting factors of the form of land form of farmer groups in Haruru Village are closely related to the physical and social conditions of the area. In general, relatively flat or light undulating land forms are very supportive of agricultural activities because they facilitate soil management, planting, and irrigation systems. In Haruru Village, this type of land allows for a clear division of land between members of farmer groups and makes it easier to work in management.

In addition, the integration of land locations between members in one area is also an added value, because it facilitates coordination, the use of shared tools, and the distribution of crops. Support from surrounding conditions such as road access to land, water availability, and its proximity to settlements are also important factors that make farmer group land in Haruru more efficient to work together.

CONCLUSION

The findings of this research reveal that the utilization of Village Funds in community empowerment within Haruru Village, Amahai District, Central Maluku Regency, has primarily focused on the agricultural sector through programs such as the distribution of clove and coconut seeds, improvement of production facilities, and other activities supporting farmers' welfare. These initiatives demonstrate that the Village Fund directly contributes to increasing agricultural productivity and local community welfare. However, several challenges persist,

including limited access to modern technology, inadequate infrastructure, and weak product marketing. This study concludes that effective community empowerment requires not only financial allocation but also the integration of technological support and capacity-building programs. Future research should expand this study by examining comparative village-level fund utilization across multiple regions to identify best practices and explore digital governance mechanisms for monitoring fund effectiveness and ensuring sustainable rural empowerment.

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