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Effectiveness of the Village Fund in Improving Community Welfare through Community Empowerment Activities in Ketitang Village, Temanggung, 2017–2021

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Abstract

The Village Fund is meant to improve rural welfare through development and community empowerment, yet little is known at village level about whether empowerment spending leaves lasting results. This study examines how effective the Village Fund was in empowering the community of Ketitang Village, Temanggung Regency, in 2017–2021, and what stood in the way of welfare. Using socio-legal research, it reads village budgets, work plans and interviews through Soerjono Soekanto's five factors of legal effectiveness and analyses them qualitatively. Empowerment received 10.7 to 13.8 per cent of the Fund each year. All five sampled programmes were carried out, but participation then declined: only 17 of the 60 people who began the four group programmes remained, most waste bins are neglected, and no one now produces batik for sale. The legal provisions and facilities were adequate. The obstacles were poorly targeted programmes, low community awareness and consistency, and a habit of joining because others do, compounded by weak links to markets and follow-up. The programmes have therefore not been effective. Villages should assess needs and markets before choosing programmes, select participants by clear rules, and provide at least twelve months of mentoring, with monitoring indicators in the village work plan.

Keywords

Effectiveness; Empowerment; Welfare; Village; Governance; Participation

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Introduction

Indonesia consists of provinces, regencies and cities that are autonomous legal communities with the right, authority and duty to manage their own affairs.[1] In recognition of villages, the Village Law (Law No. 6 of 2014) clarified their functions and authority and strengthened villages and their people as subjects of development, and it mandates the central government to allocate a Village Fund to every village.[2] Village government has a big part in development, and the more Village Fund is transferred, the greater the accountability for it.[3][4] The Village Fund is prioritised to finance village administration, development, guidance and community empowerment,[5] and is distributed by regencies according to the number of villages, with population (30 per cent), area (20 per cent) and poverty (50 per cent) weights, adjusted for geographic difficulty. Village financial management is to follow transparency, accountability and participation under Ministry of Home Affairs Regulation No. 113 of 2014.[6] The Village Fund began in 2015 under Law No. 6 of 2014 and Government Regulation No. 60 of 2014; Minister of Villages Regulation No. 16 of 2018 prioritises it for development and community empowerment (Article 4(1)). Community empowerment helps people develop their own abilities so as to manage problems and decisions independently; its scope, in Ministry of Home Affairs Regulation No. 114 of 2014, Article 6, includes training in economic enterprise, appropriate technology, education and training of officials and the village council and capacity building of groups of women, farmers, the poor, craftspeople, youth and others.[7]

In Ketitang Village, Jumo, Temanggung, the village received a Village Fund of IDR 755 to 984 million a year from 2017 to 2021 and spent between 10.7 and 13.8 per cent of it on community empowerment (Table 1).[8] The funded programmes were carried out in line with the village work plan (RKPDes), but the RKPDes did not

[1] Rahmat Junaidi, "Pengaturan Executive Review terhadap Peraturan Daerah Kabupaten/Kota" (2019), online: <https://jdih.kalteng.go.id>.

[2] Undang-Undang Nomor 6 Tahun 2014 tentang Desa.

[3] G F Panuluh, Pengaruh Akuntabilitas, Transparansi, dan Partisipasi terhadap Pengelolaan Dana Desa di Kecamatan Dolopo Kabupaten Madiun (2021) [thesis].

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[5] L D Amalia, S N Sarfiah & G Jalunggono, "Efektivitas Pelaksanaan Penggunaan Anggaran Dana Desa dalam Program Pembangunan dan Pemberdayaan Masyarakat di Desa Greges, Kecamatan Tembarak, Kabupaten Temanggung Tahun 2015-2018" (2018) 1:1 DINAMIC: Directory Journal of Economic 42–54.

[6] M N Mukmin & S Maemunah, "Pengelolaan Dana Pemerintah Desa: Kajian pada Kecamatan Babakan Madang, Sukaraja dan Ciawi" (2019) 4:2 Jurnal Akunida 73, doi:10.30997/jakd.v4i2.1558.

[7] Mujianto, "Modul KKN Tematik Desa Membangun Pemberdayaan Masyarakat Desa" (2019) 1:2 Modul KKN Tematik Desa Membangun Pemberdayaan Masyarakat 1–20.

[8] Data of the Ketitang Village Government, Jumo, Temanggung (2017–2021).: village budgets (APBDes) and work plans (RKPDes).

accommodate what villagers wanted, and the results of village meetings sometimes differ from the plan drafted by the village head.

Table 1. Village Fund and community empowerment budget, Ketitang Village, 2017–2021 (IDR)

Year	Village Fund	Empowerment budget	Share
2017	772,809,000	89,774,000	11.6%
2018	754,760,000	97,453,000	12.9%
2019	944,544,000	118,750,000	12.6%
2020	984,416,000	135,813,000	13.8%
2021	973,682,000	103,951,000	10.7%

Source: Ketitang Village Government. Shares are the empowerment budget divided by the Village Fund.

Evidence on the effect of the Village Fund is mixed. Longitudinal data from forty villages suggest that the Village Law can make village governments more responsive, although substantial risks and obstacles remain.[9] Later studies find that the achievement figures of the Fund are not correlated with poverty reduction[10] and that its potential is not fully realised because of limited local capacity, weak coordination and officials' overestimation of the effectiveness of their own empowerment agendas.[11] Case studies have assessed the effectiveness of the Fund for development and empowerment in Greges Village, Temanggung,[12] and in Talawaan District, North Minahasa,[13] and the management of village funds in three districts of Bogor Regency;[14] its effects on employment and village-owned enterprises have also been examined.[15]

A gap remains in programme-level evidence: what happened to participants once the training ended, and which legal and social factors explain it. This study offers a year-by-year view of one village, following one sampled programme for each year of 2017–2021 and reading the outcomes through Soekanto's five factors of legal effectiveness, which brings the duties of the village government and the village council into the explanation of why participation fell.

The data cover the five budget years 2017–2021, for which the village budgets, work plans and participation records were examined; later years are not examined. Ketitang Village, Jumo, lies in Temanggung Regency, which is separate from

[9] H Antlöv, A Wetterberg & L Dharmawan, "Village Governance, Community Life, and the 2014 Village Law in Indonesia" (2016) 52:2 Bulletin of Indonesian Economic Studies 161, doi:10.1080/00074918.2015.1129047.

[10] S A Imawan & E A Purwanto, "Governing Village Fund in Indonesia: Is It Eradicating Poverty?" (2020) 4:1 Policy & Governance Review 14, doi:10.30589/pgr.v4i1.169.

[11] C Anam, M Plaček, V Valentinov & C Del Campo Campos, "Village funds and poverty reduction in Indonesia: new policy insight" (2023) 1 Discover Global Society 14, doi:10.1007/s44282-023-00016-6.

[12] Amalia, Sarfiah & Jalunggono, *supra* note 5.

[13] Antou, Rumante & Maramis, *supra* note 4.

[14] Mukmin & Maemunah, *supra* note 6.

[15] B Arifin et al, "Village fund, village-owned-enterprises, and employment: Evidence from Indonesia" (2020) 79 Journal of Rural Studies 382, doi:10.1016/j.jrurstud.2020.08.052.

Magelang, where the authors' university is based. The study asks (1) how effective the Village Fund was in empowering the community of Ketitang Village in 2017–2021, and (2) what hindered the pursuit of welfare through these programmes. Its purpose is to assess the effectiveness of the programmes and to recommend how the Fund can produce lasting results.

Research Method

This is socio-legal (sociological juridical) research that concentrates on the effectiveness of the Village Fund, the factors that hinder it, and whether effective management of the Fund affects the empowerment of Ketitang's people as seen or felt by the community. Primary data were collected by interviews with the village government and with villagers involved in the programmes. Secondary data came from a literature and document study: the village budget (APBDes) and the Village Government Work Plan (RKPDes) for each year, and records of participation in the programmes. One programme was sampled for each year (Table 2); together the sampled programmes account for IDR 162.4 million of the IDR 545.7 million spent on empowerment in 2017–2021 (29.8 per cent). The data were analysed qualitatively against Soekanto's five factors of legal effectiveness: the law, the law enforcers, facilities, society and culture. Continuation in Table 2 is the number of participants still active divided by the number at the start of the programme; for housing renovation in 2017 it is the share of houses completed.

Results and Discussion

The Programmes and Their Outcomes

The village's empowerment spending in 2017–2021 covered nutrition services, health education, housing renovation, disaster training, a waste-processing training, women's group training, local-arts training, goat rearing, batik, soap-making, cooperative visits and capital for the village enterprise (BUMDes), and, in 2021, rabbit breeding, women's empowerment training and investment support. One programme was sampled for each year (Table 2): housing renovation in 2017 (IDR 50 million; five participants; three houses renovated and two renovated but not finished); waste-processing training in 2018 (IDR 36 million; 20 participants; five remaining); batik training in 2019 (IDR 13.5 million; 15 participants; five remaining); advanced batik in 2020 (IDR 35.5 million; ten participants; five remaining); and rabbit breeding in 2021 (IDR 27.391 million; 15 participants; two remaining). In the waste programme the villagers were given organic and non-organic bins and training in making crafts and compost, but the programme ran only a few months,

nobody now produces and sells crafts, and many bins are neglected and broken. In the batik programme, villagers received good-quality equipment, the batik was of good quality but marketing was limited, and no one now produces batik. The rabbit programme provided rabbits, cage capital and feed; villagers were enthusiastic, but they returned to farming because of cost, difficulty of care and low returns.

Table 2. Sample empowerment programmes, Ketitang Village, 2017–2021

Year	Programme	Budget (IDR)	Participants at start	Remaining	Continuation (%)
2017	Housing renovation (RTLH)	50,000,000	5	3 houses	60%
2018	Waste-processing training	36,000,000	20	5	25%
2019	Batik training	13,500,000	15	5	33.3%
2020	Advanced batik	35,500,000	10	5	50%
2021	Rabbit breeding	27,391,000	15	2	13.3%

Source: Ketitang Village Government; percentages recalculated from the reported figures.

Continuation is a crude measure of effectiveness. It records whether people stayed in a programme, not whether their income, skills, group formation or access to markets improved; none of these was measured, and for 2017 the figure shows the completion of houses, not participation. The figures should therefore be read only as an indicator of sustained participation.

Read together, the figures show weak durability. Of the 60 people who started the four group programmes, 17 (28.3 per cent) remained. The sampled programmes took between 11.4 and 55.7 per cent of each year's empowerment budget, so they are a substantial but not complete view of the village's empowerment spending. Spending per participant who remained was IDR 2.7 million for the 2019 batik training, IDR 7.1 million for advanced batik, IDR 7.2 million for waste processing and IDR 13.7 million for rabbit breeding. Continuation also overstates the results: five of ten participants remained in advanced batik, yet no one now produces batik for sale, so they remain participants and not producers. The 2020 advanced batik programme cost 2.6 times as much as the 2019 batik training (IDR 35.5 against 13.5 million), although the account of the batik programme reports limited marketing.

Soekanto's Five Factors

Following Soekanto,[16] five factors are considered in turn. Law: the Village Law, Ministry of Home Affairs Regulations No. 113 and No. 114 of 2014, Government Regulation No. 60 of 2014, and Minister of Villages Regulations No. 16 of 2018 and

[16] Soerjono Soekanto, Faktor-Faktor yang Mempengaruhi Penegakan Hukum (Jakarta: Rajawali Pers, 2015).

No. 17 of 2019 support empowerment, and Regulation No. 16 of 2018, Article 4(1) and (3), prioritises the Village Fund for it. The legal basis is therefore adequate. Law enforcers: in Soekanto's scheme these are the parties who carry the rules into practice. For Village Fund rules that role falls on the village government, which plans, funds and runs the programmes, with the village council (BPD) as overseer, so the village government is treated here as the law enforcer. It facilitates what villagers want, through outreach after village meetings and training until villagers understand, but villagers are not consistent. Facilities: the village office has a village hall, four computers, one toilet and officials for each task, and the programmes supplied equipment, capital and quality seed. Society: community awareness and consistency are low; skills lie in farming; some villagers see programmes as orders, not responsibilities. Culture: villagers join because others join, so participants are the same few people, not chosen by need or target.

The record points to the design of the programmes as well as to the community. Waste crafts, batik and rabbit breeding were chosen for a farming community. The account of the programmes shows limited marketing for batik, a waste programme that ran for only a few months, and rabbit breeding that villagers left because of cost, difficulty of care and low returns. Participants were not chosen by need, and the programmes were not matched to villagers' skills or to markets. These are shortcomings of planning and follow-up, for which the village government is responsible, and not only of villagers' awareness. Facilities were adequate as to equipment, capital and seed; what the account does not show are the facilities that carry an empowerment programme to results, namely a training venue, marketing channels and mentors.

The Village Law places duties on the village government that bear on this. Village planning is to be settled through village deliberation, and priorities are to rest on an assessment of what the community needs (Articles 54 and 80). The village council (BPD), which the account of the village does not mention, takes part in that deliberation and oversees the performance of the village head (Articles 54 and 55). That the RKPDes did not accommodate villagers' wishes, and that meeting results differ from the head's draft, suggests that these provisions were not fully applied.

Hindrances

Three hindrances were identified: law enforcement, in that the village government facilitates programmes well but they are not well targeted and participants should be chosen better; society, in that awareness of welfare is low and participants are inconsistent; and culture, in that villagers join because others do and not because of need. Taken programme by programme (Table 3), the fall in participation is

explained mostly by cost, returns, time and markets, not by attitude alone. The causes in Table 3 are those given in the account of each programme; those who dropped out were not interviewed, so the causes are not confirmed by them.

Table 3. Programmes, reported causes of failure and remedies

Programme	What happened	Reported cause	Remedy
Housing renovation (2017)	Three of five houses completed; two renovated but not finished	Reason not reported	Schedule with progress checks; report the reasons for delay
Waste-processing training (2018)	Ran a few months; five of 20 remain; crafts no longer made or sold; bins neglected and broken	Short programme; no market for crafts; little follow-up on the bins	Longer mentoring; a buyer for crafts and compost, for example through the village enterprise (BUMDes); bin maintenance
Batik training and advanced batik (2019–2020)	Good equipment and quality; five of 15 and five of 10 remain; no one now produces for sale	Limited marketing; no market analysis reported	Market assessment before training; group formation; marketing through the BUMDes
Rabbit breeding (2021)	Two of 15 remain; villagers returned to farming	Cost, difficulty of care and low returns	Check returns beforehand; start with a pilot group; mentoring on feed and care

Comparison with Earlier Research

The results agree with the national picture that spending is not the same as results. Imawan and Purwanto find that the achievement figures of the Village Fund are not correlated with poverty reduction.[17] In Ketitang every sampled programme was carried out and paid for, yet 17 of 60 participants remained and no one produces batik for sale. Implementation and expenditure therefore cannot stand as evidence of effectiveness.

Anam and others trace the unrealised potential of the Fund to limited local capacity, weak coordination and officials who overestimate the effectiveness of their empowerment agendas.[18] Ketitang fits this account. The village government regards its facilitation as good, with outreach and training until villagers understood, but the programmes were not matched to villagers' skills or to markets, and no monitoring of who continued is reported.

Antlöv and others see the promise of the Village Law in citizens who can press village governments to respond.[19] In Ketitang that channel worked weakly: the RKPDes did not accommodate villagers' wishes and the results of village meetings differed from the head's draft. This supports an explanation that starts with planning and participation, and not only with the attitudes of villagers.

A programme-level view adds what aggregate indicators cannot show, namely where effectiveness is lost: after the training, when participants had to turn skills

[17] Imawan & Purwanto, *supra* note 10.
[18] Anam et al, *supra* note 11.
[19] Antlöv, Wetterberg & Dharmawan, *supra* note 9.

and equipment into income. In terms of Soekanto's factors, the first (the law) was satisfied, and the shortfall lay in the others: implementation by the law enforcer, the capacity of society to sustain what it was given, and a culture of joining without need.[20]

Conclusion

The Village Fund was not effective in empowering the community of Ketitang in 2017–2021 through the sampled programmes. Empowerment took 10.7 to 13.8 per cent of the Fund each year and all five sampled programmes were carried out, but only 17 of the 60 people who started the four group programmes remained, no one now produces batik for sale and most waste bins are neglected. Legal provisions and facilities are adequate. The hindrances are programmes that were poorly targeted, low community awareness and consistency, and villagers' culture of simply following others, to which weak links to markets and follow-up add. Planning, the choice of participants and mentoring lie with the village government as well as with villagers.

Recommendations

For the village government and the village council (BPD): (1) carry out a needs and market assessment before choosing a programme; (2) adopt a rule for selecting participants by need and ability, so that the same few people do not join every programme; (3) provide follow-up mentoring for at least twelve months; (4) help participants form groups and link them to the village enterprise (BUMDes) for marketing; and (5) set monitoring indicators in the RKPDes, such as the number of continuing participants, income and sales. For the regency government: support village planning with technical guidance and mentors, and monitor the use of the Village Fund against the same indicators.

Limitations

The study covers one village, one sampled programme a year, a crude measure of success (continuation) and no interviews with those who dropped out. Its findings cannot be generalised to other villages, and years after 2021 are not examined.

Ethics and Data Availability

This socio-legal study involved no intervention and no sensitive personal data. Interviewees took part voluntarily and gave informed consent, and individuals are

[20] Soekanto, *supra* note 16.

not named. The supporting data (village budgets, work plans and participation records) are held by the Ketitang Village Government and are available from the authors on reasonable request.

Use of Generative AI

Generative AI was used only to improve the language of this article (grammar, clarity and style). The authors reviewed the output and are responsible for the content of the article.

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The authors declare no conflict of interest. This research received no external funding.

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