

Analysis of the utilization of Village Funds in community economic empowerment in Mimika Village, West Mimika District, Mimika Regency

Novita Ilona Wamaer¹, Hasan Basri Umar², Yundy Hafizrianda³

Univesitas Cenderawasih, Jayapura, Indonesia^{1,2,3}

novitailona51@gmail.com¹



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Abstract

Purpose: This study aims to analyze the utilization of Village Funds in community economic empowerment in Mimika Village, West Mimika District, Mimika Regency

Research methodology: The research method used is a descriptive method with a qualitative approach. Data collection was conducted through interviews, and the analysis method employed is the Miles and Huberman model.

Results: The analysis shows that Village Funds in Mimika Village have been effective in empowering the local economy, particularly in the sectors of agriculture, fisheries, and livestock. The participatory approach to planning (via RKPDes), transparent budget allocation, and community involvement in implementation have led to significant improvements in production and income. The formation of collaborative business groups, procurement of tools, feed, and seeds, along with marketing innovations, have further enhanced productivity and sustainability.

Conclusions: Village Funds function as a strategic instrument for driving local economic development and improving the quality of life of rural communities. Their proper management, aligned with local needs and potentials, contributes to measurable improvements in economic indicators such as production and income levels.

Limitations: Despite the success, challenges remain particularly in coping with market price fluctuations. The study may also be limited in its scope due to the use of qualitative methods and focus on a single village, which may affect generalizability.

Contribution: This study provides practical insights into how Village Funds can be effectively utilized for community-based economic empowerment. It offers a replicable model emphasizing participatory planning, transparent governance, and local capacity-building, which can be adapted by other villages seeking sustainable economic development.

Keywords: *Utilization, Village Fund, Empowerment, Community Economy*

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1. Introduction

Village Funds are a government program and concept aimed at strengthening development and welfare in rural areas in Indonesia (Permatasari et al., 2021). The Village Fund program started in 2015 as a response to the need to reduce development disparities between urban and rural areas and to increase community participation in local development processes (Antlöv, Wetterberg, & Dharmawan, 2016).

Based on the development outcomes to be achieved while considering the limitations of available resources, the direction and utilization of these resources should be efficient and effective, accompanied by strict supervision and control from higher-level officials as well as local authorities in accordance with applicable regulations. General administration is closely related to regional governance tasks in all sectors, which lead to expenditures and generate revenues to cover those routine expenditures (Neri, Cubi-Molla, & Cookson, 2024)

According to the Indonesian Ministry of Finance Regulation Number 145 of 2023 regarding the Management of Village Funds, Village Funds are part of the Transfer to the Regions (TKD) intended for villages to support funding for governance, development, community empowerment, and social affairs (Jenar, Nurlaela, Sabil, Ganmawati, & Ma'ani, 2024). Village Funds are sourced from the State Budget (APBN) and are transferred through the Regional Revenue and Expenditure Budget (APBD) at the regency/city level to finance governance, development, community welfare, and empowerment (Rakhman, 2019).

Regarding economic empowerment, Village Funds can also be used to support programs that empower rural economies, such as the development of Micro, Small, and Medium Enterprises (MSMEs) (Latif, Heriyanto, Mardiana, & Dewi, 2023), skills training, and the development of the agricultural and livestock sectors (Achmad, Nurwati, & Sidiq, 2023). Social development, Village Funds can be used to improve access to education, healthcare, and other social services in villages (da Costa Freitasl & da Costa, 2022). This aims to improve the quality of life of rural populations and reduce social disparities. Community empowerment, one of the main goals of the Village Fund, is to encourage active community participation in the planning and implementation of development in the village (Arifa, 2019). The community can play a role in determining development priorities that align with the village's needs and potential (del Arco, Ramos-Pla, Zsembinszki, de Gracia, & Cabeza, 2021). Poverty alleviation, through various programs supported by Village Funds, is expected to help reduce poverty in villages and improve the standard of living for rural communities (Putra, 2022).

To improve village development through economic empowerment, especially local economies, proper financial management is required, particularly in managing Village Funds. The right to manage finances is outlined in the Ministry of Home Affairs Regulation Number 20 of 2018 on Village Financial Management, which explains that village financial management includes planning, implementation, administration, reporting, and accountability for village finances. Transparent, accountable, and participatory management of Village Funds benefits the empowerment of the rural economy, especially in agriculture, livestock, and fisheries.

Utilization is the core value of an entity or action. When something is considered useful, it means it has the potential to provide benefits, meet needs, or solve problems. Utility is an important measure in assessing whether something is valuable or not. Utility can vary in different contexts. What is considered useful in one situation might not be as useful in another. Therefore, utility is a multi-dimensional concept that must be understood in a specific context. Mbaru, Hicks, Gurney, and Cinner (2021), utilization indicators are parameters, signs, or indicators used to measure, assess, or evaluate the extent to which a program, project, policy, or action provides benefits or positive impacts in a specific context. These utilization indicators include improvement rates, satisfaction zones, participation levels, quality of life indices, social welfare indicators, performance indices, change duration, operational efficiency, and environmental indices.

In addition, 3 percent of the total Village Funds are allocated for village government operations. This allocation covers administrative activities and other operational functions that support public services and efficient village management. Village Funds are also used to support the following programs (Kolopakings, 2016): a) Enhancing Villages' Adaptability to Climate Change; b) Strengthening villages in facing climate change, such as sustainable natural resource management and disaster control; c) Promotion and Basic Health Services in Villages; d) Focus on reducing stunting and improving access to healthcare services for rural communities; e) Labor-Intensive Development Projects; f) Utilization of Information Technology for Digital Villages.

However, the implementation of Village Funds also faces several challenges, such as ineffective and non-transparent management, potential misuse of funds, and the need for technical support to plan and implement development programs effectively. Therefore, strict supervision, active community involvement, and transparency in managing the funds are critical for the success of the Village Fund program. According to research by (Fathurrahman, Maulani, Suprihati, & Samanto, 2022), constraints in Village Fund management include low-quality human resources, inadequate systems, leadership issues, lack of socialization and communication, and low community participation. Research by (Ginting, Widianingsih, Mulyawan, & Nurasa, 2023) indicates that the use of Village Funds does not align with community expectations and the intended purpose of Village Fund allocation. Furthermore, research by Amrin, (2022) in Village Fund management shows non-compliance with indicators, such as spending before the Village's Annual Budget (APBDesa) is set, expenditures that include binding staff costs, and office operational expenses.

One key aspect of this regulation is the recognition of the diversity of villages in Indonesia, where each village has distinct characteristics, customs, and indigenous rights. Village governments are given more significant authority to manage their resources, including managing village finances derived from the State Budget (APBN), tax revenue shares, and financial assistance from local governments. Moreover, this law also regulates village deliberations as a forum for public participation in decision-making. Village governments are required to involve the community in planning, implementing, and overseeing development to ensure it meets the needs and aspirations of residents.

The Minister of Home Affairs Regulation of the Republic of Indonesia Number 20 of 2018 and the Minister of Home Affairs Regulation Number 20 of 2018 regarding Village Financial Management, referring to these regulations, the Mimika Regency Government through the Regent Regulation Number 9 of 2022 on Village Financial Management in the 2022 fiscal year, explains that Village Funds (DK) are sourced from the State Budget (APBN) and are allocated to villages through the Regional Revenue and Expenditure Budget (APBD) to finance governance, development, community welfare, and empowerment (Rumbou, Jeddawi, & Madjid).

In (MIMIRA & TENGAH, 2023), the village financial management includes planning, implementation, administration, reporting, and accountability for village finances. The management of Village Funds through community empowerment can empower the local economy, particularly in agriculture, livestock, and fisheries in Mimika Village, Mimika Barat District, Mimika Regency. Therefore, good management of Village Funds that is transparent, accountable, and participatory is needed for the benefit of community economic development, reflected in improvement rates, satisfaction zones, participation levels, quality of life indices, social welfare indicators, performance indices, change duration, operational efficiency, and environmental indices. To address the issues outlined, the author is interested in conducting research entitled “*Analysis of the Utilization of Village Funds in Community Economic Empowerment in Mimika Village, Mimika Barat District, Mimika Regency*”.

2. Literature Review

2.1. Village Funds

The Law Number 6 of 2014 concerning Villages explains that a village is a legal community unit with boundary areas that have the authority to regulate and manage government affairs and the interests of the local community based on community initiative, indigenous rights, and/or traditional rights recognized and respected in the governance system of the Republic of Indonesia. In this context, the village is a legal community unit that has a specific territorial boundary and authority to govern and manage local government affairs, based on community initiatives and traditional rights recognized in the country's governance system.

According to Wasistiono dan Tahir dalam Simbolon et al (2021:9), a village is a community unit or community of people who live and settle in an area where they know each other well, and their way of life is relatively homogeneous, largely depending on nature's benevolence. According to Wasistiono dan Tahir dalam Rauf dan Munaf (2015:9), a village is a legal community unit based on customary law that settles within specific territorial boundaries; has strong bonds, either through kinship or shared

interests in politics, economics, social affairs, security, and so on; has an elected management structure, owns a certain wealth, and has the right to manage its own household. According to Baratha in Rauf dan Munaf (2015:9), a village, or by its original name, which is of the same level, is a legal community unit based on its original structure and is a "legal entity" and also a "government body" that is part of a sub-district or surrounding area. The village, or as it is known by its original name, which is a legal community unit based on its original structure, is a legal entity that also functions as a government body. This village is located as part of a sub-district or surrounding area, indicating that the village is not only a legal entity but also plays a role as a governmental unit integrated into the sub-district or surrounding region's structure.

According to the Mimika Regent Regulation Number 14 of 2023 on the Procedures for Distribution and Determination of Village Fund Details for Each Village in Mimika Regency for the 2023 Fiscal Year, a village is a legal community unit with boundary areas that has the authority to regulate and manage government affairs and the interests of the local community based on community initiative, indigenous rights, which are recognized and respected within the governance system of the Republic of Indonesia. According to Ever in Widjaja (2013:2), a *kampung* (village) can be interpreted as an original and traditional village that will evolve and merge into one part while still maintaining its village characteristics. A *kampung*, in this context, can be understood as a village that retains its originality and is traditionally oriented, although it has developed and integrated into part of a city. In this transformation process, a *kampung* continues to preserve its distinctive characteristics, so even though it has become part of a city, its uniqueness and traditional heritage remain preserved and valued.

2.2. Village Financial Management

The Indonesian Ministry of Finance Regulation Number 62 of 2023 on budget planning, budget implementation, and financial reporting explains that an Information System is a system developed, managed, and/or created by the Ministry of Finance to facilitate the processes of planning, budgeting, reporting, accountability, and/or monitoring and evaluating the budget, which is part of the national financial management system. Additionally, the Indonesian Ministry of Home Affairs Regulation Number 73 of 2020 on financial management supervision explains that the Village Financial Oversight Information System refers to the information on the oversight of village finances that covers planning, implementation, and reporting of financial oversight of village management electronically.

The Indonesian Ministry of Finance Regulation Number 145 of 2023 on the management of Village Funds explains that the Village Fund Need Indication refers to the estimated funds needed for Village Fund program implementation. This indication includes all aspects requiring financing, such as infrastructure projects, social programs, and other needs relevant to the development and welfare of communities at the village level.

2.3. Community Economy

The community economy refers to the economic activities taking place at the community level, including in villages, towns, or regions. The community economy includes the production, distribution, and consumption of goods and services by individuals, households, economic groups, and organizations within a community. The community economy contributes to the welfare and economic development of a country. The development of an inclusive, sustainable, and equitable community economy is an important goal in development. Through various policies and programs that support economic empowerment, the state can create better conditions for its people to achieve economic welfare.

2.4. Perceived Usefulness

Attitude toward using is defined as the belief that using a system can enhance performance (Shun Wang et Al dalam Rithmaya, 2016). According to Yahyapour (Rithmaya, 2016), Putilization can be measured by improving productivity, making work more effective, and jobs completed faster. Utilization is the core of the value of an entity or action. When something is considered useful, it means it has the potential to provide benefits, meet needs, or solve problems. Utility is an important benchmark in determining whether something is considered valuable or not. Utility can vary in different contexts.

Something considered beneficial in one situation may not be as beneficial in another. Therefore, utility is a multi-dimensional concept that must be understood in a specific context.

Utilization always refers to positive impact or added value. This means something is considered useful when it can improve quality of life, achieve goals, minimize losses, or provide effective solutions. Utilization assessments are often subjective. What is seen as beneficial by one individual may differ from another's view. Therefore, an individual's perception of utility is greatly influenced by personal values, preferences, and needs. Utilization can also be linked to sustainability. Something is considered useful when its benefits are not only short-term but also long-lasting for both individuals and the environment. The concept of utility also often involves social considerations. Actions or decisions are often evaluated based on their positive or negative impact on society or certain groups. Utility can become an important factor in decision-making processes that affect many people.

2.5. Hypothesis

The preliminary hypothesis of this research is that the utilization of Village Funds contributes to the improvement of economic empowerment in the village of Mimika, Mimika Barat District, Mimika Regency.

3. Methodology

3.1. Research Location

This research was conducted in Kampung Mimika, Mimika Barat District, Mimika Regency, and the object of the research is the utilization of Village Funds in empowering the local economy.

3.2. Types and Sources of Data

3.2.1. Types of Data

The types of data used in this study are as follows:

- a. Quantitative Data is data presented in numerical form. The quantitative data in this research are the Village Fund budgets allocated for the community economic empowerment program in Kampung Mimika. Data on the population and area size supporting this research are also included.
- b. Qualitative Data is data presented in non-numerical form. The qualitative data in this study include interviews with village officials, consisting of the village head, village secretary, finance officer, and treasurer who manage the Village Fund budget and program in Kampung Mimika, as well as interviews with the community members who have benefited from the Village Fund in terms of economic empowerment in Kampung Mimika and general data on Kampung Mimika.

3.2.2. Data Sources

- a. Primary Data refers to data directly obtained from respondents. The primary data in this study are from the village officials of Kampung Mimika who manage the Village Fund budget and program, as well as community members who have benefited from the Village Fund in the local economic empowerment in sectors such as agriculture, fisheries, and livestock.
- b. Secondary Data refers to data obtained from records and data available from relevant agencies. The secondary data in this research are from the government of Kampung Mimika, as the Village Fund manager.

3.3. Population and Sample

The population refers to the total number of respondents being studied. In this study, the population is the community in Kampung Mimika. A sample is a subset of the population. In this study, the sampling method used is purposive sampling. Purposive sampling is a non-random sampling technique in which the researcher selects the sample based on specific characteristics relevant to the research objectives, which are expected to answer the research questions. The sample consists of 9 village officials, including the village head, village secretary, public affairs and village development officers, program facilitators (agriculture, livestock, fisheries), and heads of the program (agriculture, livestock, fisheries), as well as 6 community members who have received Village Fund assistance, consisting of 2 members from farming groups, 2 from livestock groups, and 2 others. Thus, the total sample size is 15 people.

3.4. Data Collection Method

The data collected in this research consist of both primary and secondary data, gathered through several methods, including:

1. Interviews involve direct face-to-face interaction with respondents to collect necessary data and information using structured interview guidelines related to Village Fund management in improving the economy of Kampung Mimika.
2. Documentation involves collecting data by recording data that is already available (printed and visualized) in offices or agencies related to the research. In this study, documentation is used to gather data from the government of Kampung Mimika regarding the management of Village Funds.

3.5. Analysis Method

The analysis method used in this research is the Miles and Huberman analysis method with a phenomenological approach. Miles and Huberman's analysis method is divided into flow models and interactive models. The flow model is used for collecting and analyzing data in the context of social or behavioral research, while the interactive model is used to help the researcher organize, analyze, and understand qualitative data in the research context (Eatough & Smith, 2017). According to Turchin (Shteynberg, 2024), phenomenology describes phenomena in human thought constructs that present a collective agreement, showcasing the highest achievement of a human being and self-awareness, which further develops into what is often referred to as intellectual, particularly in scientific knowledge. To understand the benefits of Village Funds in empowering the economy of the community in Kampung Mimika, Mimika Barat District, Mimika Regency, the author uses the interactive method.

According to Miler and Huber (Umar & Sidiq, 2019) the steps in using Miles and Huberman's analysis are as follows:

1. Data Reduction

Data collected from the field is often voluminous, so it needs to be recorded carefully and in detail. As mentioned, the longer the researcher is in the field, the more complex and complicated the data will become. Therefore, data analysis through data reduction needs to be carried out promptly. Reducing data means summarizing, selecting key points, focusing on important aspects, identifying themes and patterns, and discarding irrelevant data. The reduced data will provide a clearer picture, making it easier for the researcher to continue data collection and retrieve the data when needed. Data reduction can be assisted with electronic tools such as mini computers, focusing on certain aspects. Field notes are complex, sometimes unclear, and often contain a mix of uppercase, lowercase letters, numbers, and symbols that are still disorganized and hard to understand. By reducing the data, the researcher will summarize the key and important data, categorize it by uppercase, lowercase, and numbers, and discard unnecessary symbols. In certain social situations, the researcher may focus on data such as students from poor families, their daily work, and their homes. In the management field, the researcher may focus on monitoring, examining the individuals who are supervisors, their working methods, workplace settings, interactions between supervisors and the supervised, and the results of supervision. In education, after entering the school setting as a research site, the researcher will focus on students with high intelligence, categorizing them by learning styles, social behavior, interactions with family and environment, and behavior in class. In data reduction, every researcher is guided by the objectives to be achieved. The primary goal of qualitative research is to find new insights. Therefore, the researcher should focus on things considered unfamiliar, unknown, and lacking patterns, as these are the areas that need to be explored in data reduction. Similar to research in a forest, unknown trees, plants, and animals should be observed. Data reduction is a sensitive thinking process that requires intelligence, flexibility, and deep insight. For novice researchers, discussions with friends or experts can help refine the data reduction process. Through these discussions, the researcher's perspective will evolve, and they will be able to reduce data to yield valuable findings and significant theory development.

2. Data Display

After data is reduced, the next step is to display the data. In quantitative research, data can be presented in tables, charts, etc. In qualitative research, data can be presented as brief descriptions, diagrams, relationships between categories, and other similar formats. Miles and Huberman state, "The most frequent form of display data for qualitative research in the past has been narrative text." Narrative text

is the most commonly used way to present data in qualitative research. Displaying the data helps make sense of what is happening, plan future work based on the understanding gained. When displaying data, in addition to narrative text, it can also take the form of graphs, matrices, and others. To check whether the researcher understands the displayed data, the following question should be answered: "Do you understand what is displayed?" Once the researcher has reduced the data to uppercase, lowercase, and numbers, the next step is to display the data. The data is then arranged into a sequence that is understandable. After thorough analysis, it turns out there is an interactive relationship between the three groups. In practice, this is not as simple as the illustration, because social phenomena are complex and dynamic, meaning that what is found in the field may evolve as data develops over time. Thus, the researcher must continuously test if the data collected still supports the hypothesis, which will develop into grounded theory. Grounded theory is an inductively derived theory based on data found in the field and is tested through continuous data collection (Verdinelli & Scagnoli, 2013).

3. Conclusion Drawing/ Verification

The third step in (Huberman & Miles, 1983) qualitative data analysis is drawing conclusions and verification. The initial conclusions presented are provisional and will change if strong evidence is found in subsequent data collection. However, if the conclusions made initially are supported by valid and consistent evidence when the researcher returns to the field, then these conclusions are credible. In qualitative research, the conclusions may answer the research questions from the start, but they might not, as the research problem is flexible and will develop as the study progresses in the field. The expected conclusion in qualitative research is new findings that were not available before. These findings can be descriptions or depictions of objects that were previously unclear, causal or interactive relationships, hypotheses, or theories. If the data display is supported by solid data, then it can be used to draw credible conclusions.

4. Operational Definitions

1. Usefulness refers to the belief of the government of Kampung Mimika that the Village Fund can accelerate the empowerment of the community.
2. Increase in figures refers to concrete numbers that illustrate the improvement or positive changes in the income of farmers, livestock keepers, and fishermen in Kampung Mimika from the Village Fund.
3. Satisfaction zone refers to the community's satisfaction assessment in Kampung Mimika regarding the economic empowerment program funded by the Village Fund.
4. Participation rate refers to the level of community involvement in the economic empowerment program in Kampung Mimika funded by the Village Fund.
5. Quality of life index refers to the measurement of the quality of life or happiness of farmers, livestock keepers, and fishermen in Kampung Mimika as a result of the Village Fund.
6. Social welfare refers to the parameters measuring the social welfare of the community in Kampung Mimika from poverty, income inequality index, and unemployment rate with the Village Fund program.
7. Performance index refers to the measurement of the performance of the Village Fund budget for sectors such as agriculture, fisheries, and livestock in Kampung Mimika.
8. Duration of change refers to the measurement of how long the benefits from the Village Fund program take to have an impact on farmers, livestock keepers, and fishermen in Kampung Mimika.
9. Sustainable growth refers to the measurement of economic, social, or environmental growth that is sustainable, considering the long-term impact of the Village Fund program.
10. Village Fund refers to the budget allocated for community empowerment programs and development equity in Kampung Mimika.
11. Community economy refers to the economic activities occurring within the community of Kampung Mimika.
12. Village or other similar names refer to a legal community unit with the authority to manage and regulate the interests of the local community based on origin and local customs recognized within the national government system and located in a district or city area.
13. Village refers to a legal community unit that manages government affairs, with the authority to regulate and manage local community interests based on community initiative, ancestral rights,

and/or traditional rights recognized and respected within the system of the Unitary State of the Republic of Indonesia.

4. Result and Discussion

4.1. Research Findings

The following are the research findings to answer the objectives of this study regarding:

4.1.1. The Benefits of Village Fund for Community Economic Empowerment

The benefits of the Village Fund for community economic empowerment in Kampung Mimika can be observed in 4 aspects: deliberation, activity planning, activity implementation, and capacity building.

1) Deliberation

From the interviews conducted in Kampung Mimika, the benefits of the Village Fund for community economic empowerment can be seen through the deliberation process involving various informants. This deliberation serves as a platform for the community to identify needs and development priorities, including the utilization of the Village Fund for economic sectors such as agriculture, fisheries, and livestock.

Informant 01 (T. U), as the Village Head, stated that during the community deliberation, the identified needs included infrastructure improvement, access to education, and healthcare. The main priorities were road construction, provision of clean water, and economic empowerment programs. The deliberation process was conducted openly, involving the Village Consultative Body (BPD), the village government, and local residents. Supporting factors included support from the local government and active community participation, though challenges such as lack of participation and differing opinions often arose.

Informant 02 (B. O), the Village Secretary, added that the deliberation focused on basic infrastructure development such as roads and provision of clean water, as well as economic empowerment programs. The process was participatory and involved community leaders and local residents. Supporting factors included the presence of experienced facilitators and community awareness of the importance of participation, while challenges included time limitations and differing opinions.

Informant 10 (I. K), Head of the Maju Bersama Farmer Group, explained that during the deliberation, local economic potentials such as vegetable and fruit farming were identified. The main needs were access to capital and training, with local market opportunities yet to be fully utilized. Support from the local government was very helpful, although limited access to technology posed a challenge. Informant 12 (A. K), Head of the Sejahtera Fishermen Group, highlighted the potential of fisheries identified during the deliberation, including fish farming and seafood processing. The main needs were training in farming techniques and market access. Support from the local government was meaningful, but a lack of marketing knowledge remained a challenge.

Informant 14 (L. E), Head of the Sukses Bersama Livestock Group, revealed that deliberations identified livestock farming potentials such as cattle, chicken, and goat farming, along with milk processing. The main needs were training in feed management and animal health. Government support was very helpful, although limited access to quality feed was a barrier. From these informants' information, it is evident that deliberation plays an important role in identifying the needs and priorities of economic empowerment in Kampung Mimika. This process involves active community participation and stakeholders' engagement, with support from the local government. However, challenges such as lack of participation, differing opinions, and limited resources still pose obstacles. Nevertheless, the deliberation process has successfully set up economic empowerment programs funded by the Village Fund, such as the development of agriculture, fisheries, and livestock, which ultimately contributed to increased community income.

2) Planning

The results of interviews with village officials and the community in Kampung Mimika indicate that the planning process starts with a community deliberation involving various stakeholders, including the Village Consultative Body (BPD), the village government, community leaders, and local residents. In this deliberation, needs and priorities are identified, such as the development of basic infrastructure (roads, clean water supply), improvement of health facilities, education, and economic empowerment programs in agriculture, fisheries, and livestock. Informants such as T. U (Informant 01) the Village Head, B. O (Informant 02) the Village Secretary, and L. A (Informant 03) the Head of General Affairs and Development, mentioned that the outcomes of this deliberation are then formulated into a clear and measurable Village Government Work Plan (RKPDs), with a focus on activities that directly impact the well-being of the community.

Subsequently, the preparation of the RKPDs is carried out through a series of deliberations involving all elements of the community. Activities included in the RKPDs cover infrastructure development, health programs, education, and economic empowerment, such as farmer training, procurement of farming tools, fish farming development, and livestock processing. Informants M. O (Informant 04) and P. W (Informant 05) emphasized that each activity is organized with specific goals and clear success indicators, making it possible to measure its impact. The budget for these activities is determined based on priorities agreed upon in the RKPDs and allocated in the Village Revenue and Expenditure Budget (APBDes), according to the available needs and funding sources. This was explained by informants K. Y (Informant 06) and B. U (Informant 07).

Supporting factors in planning include accurate data on community needs, support from the local government, and active community involvement. However, challenges such as limited funds, sudden policy changes, and the lack of human resource capacity in planning activities are also faced, as revealed by informants F. K (Informant 08) and B. U (Informant 09). Additionally, informants I. K (Informant 10) and A. K (Informant 12) highlighted the importance of transparency and accountability in the management of village funds, which is manifested through the publication of information and regular reports to the community. From this planning process, it is evident that village funds play an important role in empowering the economy of Kampung Mimika by supporting activities aimed at increasing production and income, such as the development of agricultural, fisheries, and livestock businesses. Participatory and structured planning ensures that village funds are used effectively to achieve sustainable village development goals.

3) Implementation

The results of interviews regarding the implementation of activities show that the activities are carried out according to the plans outlined in the RKPDs, involving an implementation team composed of village officials and community representatives selected based on expertise and experience in related fields such as agriculture, fisheries, or livestock. Informants T. U (Informant 01), B. O (Informant 02), and L. A (Informant 03) mentioned that the implementation process is monitored by the village government and the community to ensure that the activities proceed as expected.

In the implementation, steps to ensure transparency and accountability are applied, such as the publication of information regarding the procurement of goods or services and regular reports to the community. This was revealed by informants M. O (Informant 04) and P. W (Informant 05), who emphasized the importance of transparency in the use of village funds to build trust within the community. Supporting factors for the implementation include government support, active community participation, and training for the implementation team, as conveyed by informants K. Y (Informant 06) and B. U (Informant 07).

However, several challenges also emerged during the implementation, such as delays in the delivery of goods, technical problems, and a lack of coordination among parties. Informants F. K (Informant 08) and B. U (Informant 09) cited that bad weather often hampers agricultural and fisheries activities. Despite this, the implementation of economic empowerment programs, such as the development of agricultural, livestock, and fisheries businesses, has shown positive results. For example, informants I.

K (Informant 10) and A. K (Informant 12) reported increased production and income for the community after the implementation of activities funded by the village funds. Overall, the implementation of activities with village funds has contributed to the economic empowerment of the community in Kampung Mimika through increased production, business development, and income. Despite facing challenges, the participatory and transparent approach in the implementation ensures that the benefits of village funds are genuinely felt by the community.

4) Capacity Building

From the interviews, it is apparent that capacity building is one of the key strategies for empowering the economy of the community in Kampung Mimika through the Village Fund. Several informants provided important testimonies about how training and mentoring have improved the community's ability to manage businesses and optimize the use of village funds. Informants T. U (Informant 01), B. O (Informant 02), and L. A (Informant 03) explained that the training provided includes village financial management, project management, and technical skills such as agriculture, livestock, and fisheries. This training is not only intended for village officials but also involves community groups, such as farmers, fishermen, and livestock keepers. M. O (Informant 04) added that the training materials were tailored to the specific needs of the village, such as more productive fish farming techniques or efficient livestock feed management (Zulkifli, Ariyanto, Sunaryo, & Hamirul, 2024).

P. W (Informant 05) and K. Y (Informant 06) highlighted the positive impacts of the training. They gave examples of how financial management training helped the community understand transparent and accountable budgeting, making the management of village funds more effective. In addition, technical training such as organic fertilizer production or fisheries processing has increased the added value of local products, which has ultimately increased community income.

However, some challenges were also faced in the capacity-building process. B. U (Informant 07) and F. K (Informant 08) revealed that time limitations and the low interest of some community members in participating in training became obstacles. There were also challenges regarding access to advanced training or more modern technology, as mentioned by I. K (Informant 10) and A. K (Informant 12). Despite this, support from the local government and partner institutions, such as the provision of experienced facilitators and relevant training materials, helped overcome some of these obstacles. B. U (Informant 09) and L. E (Informant 14) provided real examples of how capacity building has changed the mindset and economic practices of the community. For example, livestock keepers who previously only sold raw milk are now able to process it into products like yogurt or cheese, thus increasing its market value. Similarly, fishermen have now learned digital marketing techniques to expand their market reach for their catch. (Ningsih & Zaidi)

From the overall testimonies of the informants, it can be concluded that capacity building through training and mentoring has provided significant benefits for the community of Kampung Mimika. The community has not only become more skilled in managing economic businesses but also more independent in optimizing the use of village funds. Although challenges remain, the ongoing efforts in capacity building show great potential for fostering more inclusive and sustainable village economic growth.

4.1.2. Benefits of Village Funds to Increase Production and Income from Community Economic Enterprises

From the interviews, it can be analyzed that the utilization of village funds has had a positive impact on the production and income of community economic enterprises in Kampung Mimika. Here is an explanation based on the information provided by several informants: Informant 01 (T. U, Village Head) stated that the utilization of village funds has increased production, especially in agriculture and small businesses. Productivity has improved, and the community's income has also risen. Supporting factors include the training provided, access to markets, and support from the government. Challenges faced include market price fluctuations, natural disasters, and lack of access to technology.

Informant 05 (P. W, Fisheries Program Assistant) explained that village funds have been used for fish farming development and training for fishermen. This has resulted in increased fish catches and seafood processing businesses. Fishermen's income has risen, especially due to better access to markets. However, challenges such as market price fluctuations and natural disasters still affect the results. Informant 07 (B. U, Agricultural Program Implementation Team Leader) revealed that the utilization of village funds in the agriculture sector has increased the production of vegetables and food crops. Farmers' income has increased significantly, and some families are even able to sell products to outside regions. Supporting factors include agricultural training and government support, while the main challenge is unpredictable weather and market competition.

Informant 10 (I. K, Head of Maju Bersama Farmers Group) mentioned that village funds were used for procuring farming tools and training, which resulted in a 30% increase in organic vegetable production. The income of farmer group members also increased, and they started establishing partnerships with local restaurants. The challenges faced included limited access to technology and marketing information. Informant 12 (A. K, Head of Sejahtera Fishermen Group) reported that village funds helped fishermen increase the production of fresh and processed fish, with a 50% increase in income. Partnerships with restaurants and local markets were supportive, though competition with external products remains a challenge.

Informant 14 (L. E, Head of Sukses Bersama Livestock Group) explained that village funds were used for procuring animal feed and vaccines, which increased milk and meat production by 40%. Livestock keepers' income rose, although high feed prices remain a barrier. Overall, the utilization of village funds has driven increased production and income for the community in various economic sectors such as agriculture, fisheries, and livestock. Training, market access, and government support have been key success factors, while challenges such as price fluctuations, natural disasters, and limited technology need to be addressed to maximize the impact (Permatasari et al., 2021)

5. Conclusion and Recommendation

5.1. Conclusion

Based on the analysis of the utilization of Village Funds in community economic empowerment in Kampung Mimika, Mimika Barat District, Mimika Regency, the following conclusions can be drawn:

1. The village fund has provided significant benefits for the economic empowerment of the community in Kampung Mimika, Mimika Barat District. This initiative demonstrates how collaboration between the government and the community can generate effective solutions to improve local welfare and productivity.
2. The management of village funds in Kampung Mimika has successfully increased production and income from community economic enterprises. This shows that with proper planning, appropriate training, and good cooperation, the community can utilize existing resources to achieve success in their businesses.

5.2. Recommendation

Based on the analysis and discussion regarding the utilization of Village Funds for community economic empowerment in Kampung Mimika, Mimika Barat District, the following recommendations are provided:

1. To enhance the effectiveness of village funds in Kampung Mimika, it is necessary to increase community participation in deliberations, including involving marginalized groups such as women and youth. Ongoing training programs covering managerial skills and digital marketing are crucial to improving competitiveness. Transparency in the use of village funds should be strengthened through digital platforms, while business diversification can help mitigate economic risks. Collaboration with external institutions and the development of supporting infrastructure are also essential to improve market access. In addition, risk mitigation systems and regular evaluations of the implemented programs will help ensure that village funds provide maximum benefits to the community.
2. To improve the effectiveness of village fund management in Kampung Mimika, it is important to strengthen training and mentoring for business group members to better understand business

management, marketing, and the latest technologies. Additionally, improving access to quality raw materials and support for product marketing, including broader cooperation with local markets and restaurants, is necessary. Encouraging innovation in product development and utilizing digital technology for promotion will also help expand market reach, thereby further increasing community income in a sustainable manner.

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