

IMPLEMENTATION OF VILLAGE FUND POLICY IN IMPROVING COMMUNITY EMPOWERMENT ACTIVITIES IN SURABAYA CITY

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Abstract

This study examines the implementation of the Village Fund Policy in Surabaya City in encouraging increased community empowerment activities through physical development. Using a qualitative descriptive research method, this study analyzes the implementation of the Village Fund starting from the planning stage, implementation, mentoring, and evaluation of development activities at the village level. The results show that the utilization of the Village Fund is focused on the development of environmental infrastructure such as drainage channels, paving neighborhood roads, neighborhood association halls, and other social facilities that provide direct benefits to the community. Although the implementation still faces challenges such as work delays due to weather factors, inconsistencies in physical progress, and suboptimal work quality, the Village Fund continues to have a positive impact on community empowerment. This study concludes that the successful implementation of the Village Fund in community empowerment is highly dependent on strengthened planning, effective mentoring, and increased supervision so that development can proceed sustainably and on target.

Keywords: Village Funds, Policy Implementation, Community Empowerment.

A. INTRODUCTION

Development is essentially a process of planned and deliberate change aimed at realizing better and more sustainable living conditions for the community. Development aims not only to increase economic growth or provide physical infrastructure but also to improve the community's quality of life. Physical development remains a basic need because it is directly related to environmental quality, accessibility, mobility, and comfort, and is a crucial prerequisite for social and economic activities. The modern development paradigm emphasizes that the community is no longer merely the object of development, but rather plays a role as both the subject and the main actor in every stage of development (Jaelani & Istiqomah, 2024).

Regional development is a sustainable process and demands the readiness of local governments to provide basic infrastructure while improving the social welfare of the community. As one of Indonesia's major metropolitan cities, Surabaya faces increasingly diverse development dynamics due to population growth, urbanization, and community diversity, which give rise to various issues, such as disparities in infrastructure quality between regions, environmental issues, and demands for improved public services. Therefore, development policies are required to focus not solely on the provision of physical infrastructure but also to encourage active community involvement so that development implementation truly aligns with their needs.

Within the framework of regional autonomy, the government has broader authority to plan, implement, and evaluate development tailored to the potential and characteristics of each region. Regional autonomy provides opportunities for local governments to formulate

development policies that better align with community needs. However, the implementation of regional autonomy also presents challenges, particularly related to limited fiscal capacity, increasing development financing needs, and demands for accountability and transparency in managing regional finances. Therefore, the government is required to manage financial resources in an innovative, adaptive, and accountable manner so that development can be equitable and provide tangible benefits to the community (Setiawan et al., 2024).

One regional government policy to address these challenges is the Village Fund policy, which is funding provided by the central government through the State Budget (APBN) and then distributed to villages as a form of support for local government. These funds are used to finance village infrastructure development activities and community empowerment activities. Regulations regarding the Village Fund were first stipulated in Law Number 12 of 2018 concerning the 2019 State Budget and Law Number 20 of 2019 concerning the 2020 State Budget (Noviyanti & Suryani, 2025). Furthermore, based on Minister of Finance Regulation Number 8/PMK.07/2020, village funding also comes from the Additional General Allocation Fund (DAU), demonstrating the central government's commitment to supporting regional governments' efforts to improve the quality of public services.

The implementation of the Village Fund is based on several regulations, including Minister of Home Affairs Regulation Number 130 of 2018, which regulates the physical development of villages and community empowerment. Article 3, paragraph 1, explains that the implementation of village infrastructure development is intended as a form of basic social service that directly impacts the community's standard of living and quality of life. Through this program, the government seeks to encourage development while optimizing community empowerment as a step towards achieving prosperity. In addition, Surabaya Mayoral Regulations No. 68 of 2019 and No. 28 of 2023 regulate Guidelines for the Implementation of Village Infrastructure Development Activities and Community Empowerment. These regulations serve as guidelines for the management of Village Funds to ensure orderly, transparent, and accountable implementation, tailored to the characteristics and priority needs of the communities in each region.

In Surabaya, the use of Village Funds is directed towards community empowerment activities implemented in physical development projects, such as paving drainage channels with a cover system in residential areas. This development is not only intended to improve accessibility and sanitation for residents, but also serves as a means of empowerment through the involvement of Community Groups (Pokmas) from low-income communities to provide economic and social benefits. The implementation of Village Funds emphasizes not only achieving physical output but also participatory development planning and implementation processes. Communities are actively involved in determining development activities based on needs through the Village Musrenbang forum and implementing a self-management-based implementation scheme. This aligns with the concept of empowerment, which positions communities as key actors in development, not simply recipients of benefits.

Community participation in the implementation of Village Funds is expected to foster a sense of ownership and increased responsibility for development outcomes. Therefore, Village Funds play a role not only in encouraging infrastructure development but also in strengthening community participation at the village level (Firzatulloh & Widiyarta, 2025). The implementation of this policy continues to face various challenges, as the effectiveness of the Village Fund is largely determined by the quality and mechanisms of its implementation. Therefore, this study aims to assess the extent to which the implementation of the Village Fund policy in Surabaya has been able to encourage increased community empowerment activities through physical development that can have a long-term impact on community welfare.

B. LITERATURE REVIEW

Public Policy Concept

Public policy is a tool for the government to govern and achieve development goals in various sectors. This policy not only serves as a guideline for the decision-making process but also serves as an instrument for responding to and resolving various problems faced by society. The process of formulating, implementing, and evaluating public policy involves various actors, from the government and legislative bodies to active public participation (Iriawan, 2024). Public policy can be understood as a series of decisions concerning the public interest, formulated in a planned, systematic, and measured manner by the government, involving relevant stakeholders in specific fields, to achieve predetermined objectives (Mansur, 2021). The success of public policy is greatly influenced by the policy's ability to be implemented effectively and responsive to community needs.

Policy Implementation

Policy implementation plays a crucial role in the public policy process, as a policy or program will only provide benefits if it is effectively implemented. Policies formulated with clear objectives require an implementation process to achieve the desired impact. Implementation is understood as the interactive process between policy objectives and the various actions taken to achieve them, involving actors, procedures, and implementation techniques in an integrated manner. In principle, policy implementation is a series of steps or methods taken to translate policy objectives into practice. From the perspective of cyclical theory, implementation occupies a crucial position as the next stage after a policy is legally established through legislation. Implementation also serves as a link between policy formulation and desired outcomes, translating abstract ideas, plans, or decisions into concrete actions on the ground. Without effective implementation, a well-designed policy will remain merely an administrative document and unable to provide tangible benefits in resolving public problems or improving community welfare (Purna, 2025).

Village Funds

Village Funds are funding provided by the central government through the State Budget (APBN). Funds allocated by the central government through the APBN (State Budget) provide support to local governments in meeting funding needs at the village level, particularly for the development of facilities and infrastructure and financing community empowerment activities. Regulations regarding Village Funds were first stipulated in Law Number 12 of 2018 concerning the 2019 State Budget and Law Number 20 of 2019 concerning the 2020 State Budget, which serve as the legal basis for the distribution of Village Funds nationally. Furthermore, based on Minister of Finance Regulation Number 8/PMK.07/2020, village funding sources come not only from the Regional Budget (APBD), but also from Additional General Allocation Funds (DAU) as a manifestation of the central government's commitment to increasing village capacity to implement development and community empowerment.

Community Empowerment

Community empowerment is the process of developing individuals and groups to become more independent and prosperous through capacity building, including knowledge, skills, and awareness in utilizing existing resources (Harini et al., 2023). In addition to mentoring, empowerment is also realized through the provision of development assistance aimed at supporting various community activities, such as the construction of facilities and infrastructure that support social, economic, and cultural activities. This form of assistance not only improves the quality of physical facilities but also encourages active community participation in planning and utilizing these development projects.

C. RESEARCH METHODOLOGY

This study applies a qualitative descriptive approach that aims to provide an in-depth overview of the implementation of the Village Fund Policy in encouraging community empowerment activities through physical development in the City of Surabaya. The focus of the research is directed at the implementation of the Village Fund which includes the stages of planning, implementation, mentoring to evaluation of development activities at the village level. The research data sources include primary data obtained from the results of the 2025 village physical development mentoring through the field observation stage and secondary data collected through documentation studies and literature studies such as laws and regulations related to the Village Fund, implementation reports, and relevant scientific journals. Data collection techniques are carried out through observation and documentation, while data analysis is carried out using qualitative descriptive analysis techniques by organizing, grouping, and interpreting data based on the research theme.

D. RESULT AND DISCUSSION

Implementation of Village Fund Policy in Surabaya City

Public policy implementation is a crucial stage in the policy process because only through implementation can goals and results, both outputs and outcomes, be realized (Sutmasa, 2021). Policy implementation is understood as a broad concept, positioned not merely as a legal administrative tool but also as a complex phenomenon, both as a process and as a policy outcome. In principle, policy implementation is a series of methods or steps taken to ensure the achievement of formulated policy objectives (Mansur, 2021). From the perspective of policy cycle theory, implementation occupies a strategic position as a link between policy formulation and outcome achievement, namely by translating abstract plans or decisions into concrete actions on the ground (Purna, 2025).

The implementation of the Village Fund Policy in Surabaya City is a manifestation of the local government's efforts to optimize public services. The Village Fund is designed as a regional fiscal policy instrument aimed at implementing infrastructure development as a means and infrastructure that encourages community empowerment. The implementation of this policy focuses not solely on how the budget is managed, monitored, and utilized effectively to meet the real needs of the community, in accordance with the concept of public policy that emphasizes responsiveness to the public interest (Iriawan, 2024).

Based on the results of the 2025 assistance program for village physical development, the implementation of the Village Fund in Surabaya City was carried out through structured stages, starting from planning, implementation, and evaluation of activities. During the planning stage, villages prepare activity proposals through the Development Planning Deliberation (Musrenbang) forum, which involves the community, community organizations, and village officials. This mechanism demonstrates that the implementation of the Village Fund policy uses a participatory approach in determining development priorities, ensuring that activities are more aligned with community needs and issues.

The implementation phase of the Village Fund policy is supported by intensive mentoring mechanisms from the Surabaya City Government through the Subdivision of Government Administration and Regional Autonomy, along with relevant Regional Apparatus Organizations (OPDs), such as the Regional Office, Subdistrict, Village, and the District Attorney's Office. Mentoring is carried out through coordination meetings, direct monitoring of construction sites, and evaluation of work results. The presence of various OPDs in this mentoring process reflects the efforts of local governments in implementing the principles of good governance, especially in the aspects of accountability and transparency in regional financial management.

Forms of Community Empowerment Activities

The infrastructure development aspect of the implementation of the Village Fund in Surabaya encompasses a series of local government strategies to promote equitable development and improve public facilities at the village level. The Village Fund aims to accelerate the equitable distribution of infrastructure development, including facilities and infrastructure, while simultaneously enhancing community empowerment to support public welfare (Pattylima et al., 2023). The primary focus of the Village Fund utilization in Surabaya is directed towards community empowerment activities, including infrastructure development and improvements whose impacts are directly felt by the community, such as the construction of U-Ditch drainage channels, paving neighborhood roads, constructing neighborhood association (RW) halls, and fencing cemeteries. These diverse activities demonstrate the government's efforts to improve the quality of public facilities while strengthening community capacity, in line with community empowerment, which focuses on enhancing the ability of individuals and groups to manage resources independently (Harini et al., 2023).

The construction of U-Ditch drainage channels is the most dominant development in the utilization of the Village Fund in Surabaya. It is a response to the problems of waterlogging and poor environmental drainage systems, which impact public comfort and health and can reduce the risk of flooding in densely populated areas. Village Funds are also used for the construction of environmental paving to improve accessibility and mobility for residents, as well as the construction of RW halls and cemetery fences as facilities to support social and community needs. In the implementation of development, several villages use citizen involvement through Community Groups (Pokmas) as activity implementers, where the involvement of local residents as laborers not only accelerates the implementation of development but also provides economic benefits for the community so that physical development through Village Funds not only produces infrastructure but also encourages social and economic empowerment.

Challenges in Implementing the Village Fund Policy

Although the implementation of the Village Fund Policy in Surabaya City is supported by regulations and a robust mentoring system, fieldwork findings indicate that its implementation still faces a number of challenges that impact the effectiveness and quality of development. These challenges primarily relate to technical aspects of implementation, time management, and work quality.

Delays in Work Implementation Due to Weather Factors

Delays in work implementation are the most frequently encountered challenge in the implementation of the Village Fund, particularly for physical construction activities in open spaces such as drainage and paving. Weather factors, particularly heavy rainfall, hamper the work process in the field, preventing the implementation schedule set in the work plan from being optimally met. This situation impacts the delay in subsequent work stages, including the evaluation process and final completion of development. Delays in implementation due to weather factors indicate that planning for activity implementation timelines still requires a more comprehensive consideration of environmental risks to ensure more adaptive and effective development.

Mismatch between Physical Progress and Work Plan

The next challenge is the mismatch between physical progress in the field and the established work plan. The assistance results revealed a deviation between the target progress and actual work completion for several development activities. This situation indicates that physical progress monitoring and evaluation mechanisms still need to be tightened to ensure that development remains on track with the established plan.

Suboptimal Work Quality

At several construction sites, work still requires improvement in terms of neatness, compliance with technical specifications, and final completion. Suboptimal work quality can potentially reduce the useful life of the infrastructure and create future problems.

The Impact of the Village Fund Policy on Community Empowerment

Community empowerment through infrastructure development funded by the Village Fund in Surabaya City has an impact on economic growth and improving the quality of public facilities in each region. Good infrastructure not only serves as a physical facility but also plays a role in improving social welfare by increasing community interaction and facilitating public access to basic services (Amrie & Nur, 2024). Despite challenges in its implementation, the Village Fund continues to have a significant impact on community empowerment in Surabaya City, across physical, social, and economic aspects.

From a physical perspective, the development of environmental infrastructure such as drainage, paving, and neighborhood association (RW) halls improves the quality of residential environments and supports community social and economic activities. Better infrastructure provides comfort, improves accessibility, and reduces the risk of environmental problems such as waterlogging. From a social perspective, the implementation of the Village Fund encourages active community involvement in the development process. Citizen involvement in the planning, implementation, and supervision of development positions the community as the subject of development, not merely the beneficiary, thereby raising awareness of the importance of maintaining constructed facilities. From an economic aspect, involving the community as a workforce in development activities provides direct benefits in the form of additional income and employment opportunities, especially for low-income communities, and can provide work experience and skills that can be utilized in subsequent development activities.

E. CONCLUSION

The implementation of the Village Fund Policy in Surabaya has been successful, demonstrating the Surabaya City Government's strategy of encouraging community empowerment through physical development at the village level. By utilizing the Village Fund, sourced from the State Budget (APBN) through the Additional General Allocation Fund (DAU) and the Regional Budget (APBD), the local government has been able to implement the construction of environmental facilities and infrastructure, such as drainage channels, neighborhood road paving, neighborhood association (RW) halls, and other social facilities, which directly improve the quality of residential environments and support community socio-economic activities.

However, the implementation of the Village Fund in Surabaya still faces several challenges that impact the effectiveness and quality of development. These challenges include delays in work implementation due to weather factors, inconsistencies in physical progress with established work plans, and suboptimal work quality at some construction sites. This situation demonstrates that the success of the Village Fund implementation is determined not only by budget availability but also by the quality of planning, effective mentoring, and supervision throughout the development process.

The Surabaya City Government needs to continue improving the management of the Village Fund to make it more adaptive and sustainable. This effort can be implemented by improving the capacity of village officials and Community Groups (Pokmas), strengthening support from various regional agencies, and optimizing monitoring and evaluation. These steps are crucial to ensuring development runs on schedule, meets technical standards, and provides sustainable benefits to the community. With proper management of Village Funds, community

involvement, and a responsible approach, this policy can be a crucial tool in promoting equitable development, strengthening community empowerment, and improving the welfare of Surabaya residents.

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