

Short Communication

Strengthening Village–Diaspora Institutional Networks through Remittance-Based Village Fund Governance: A Participatory Community Service Program

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This article contributes to:



Abstract. Collective remittances and diaspora contributions can support village development, but their value depends on transparent governance, financial capability, and clear institutional roles. This community service program strengthened village–diaspora institutional networks by bringing village government representatives, village-enterprise actors, migrant families and returnees, and PCIA Malaysia into a participatory workshop on remittance-based village fund governance. The hybrid workshop was held on 15–16 September 2023 and involved 32 participants (18 men and 14 women). Seven modules addressed village finance governance, diaspora and remittance pathways, financial literacy, micro-business and village-enterprise planning, institutional-network design, social reintegration, and action planning. Evaluation combined pre- and post-workshop assessment, participant reaction surveys, facilitator observation, and review of action-planning outputs. Knowledge indicators improved across the assessed domains: understanding of the village budget cycle and third-party contribution recording increased from 68% to 86%, basic budgeting and saving from 70% to 88%, remittance-channel awareness from 64% to 84%, and bookkeeping/reporting from 66% to 85%; the transparency/accountability attitude score increased from 3.6 to 4.5 out of 5. Participants also produced draft budgets, business canvases, and a preliminary village–diaspora collaboration protocol. The program indicates that diaspora engagement becomes more developmentally credible when contributions are embedded in explicit recording, reporting, communication, monitoring, and dispute-resolution arrangements.

Keywords: Diaspora, Remittances, Village Governance, Institutional Network, Community Service.

1. Introduction

Workers' remittances have long been recognized as a relatively stable external financial flow for migrant-sending countries [1]. Their development effect, however, is not automatic; it depends on the institutional context in which resources are received, managed, and invested [2]. Beyond transfers to individual households, collective remittances can also be mobilized through diaspora organizations for community-level purposes [3]. In Indonesia, the Village Law expanded village authority and fiscal space, creating both opportunities and accountability demands for local development [4]. The legal framework of village governance [5] and the rules on village financial management [6] require that financial resources be planned, recorded, administered, and reported through recognizable procedures. This creates an important institutional question for diaspora contributions: how can resources originating outside the village be connected to local priorities without weakening transparency or generating ambiguity over control and responsibility?

Institutional design is critical because shared-resource arrangements require clear rules, monitoring, and mechanisms for resolving collective-action problems [7]. Accountability also requires an actor to explain and justify conduct to a forum capable of questioning and evaluating that conduct [8]. At the same time, village–diaspora cooperation is relational: trust, networks, and repeated interaction can reduce coordination costs and support collective action [9]. Financial capability remains relevant at both household and organizational levels [10], while enterprise-planning tools can help

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participants convert broad investment ideas into structured propositions and resource requirements [11]. The workshop therefore combined governance literacy, financial literacy, business planning, social reintegration, and institutional-network design. It used adult and experiential learning principles [12], [13] and a four-level evaluation structure [14]. Diaspora associations can act as development intermediaries when their social ties are matched by credible governance arrangements [15], and social-capital research likewise emphasizes the value of linkages that connect communities to broader resources and institutions [16].

2. Method

The program was implemented as a participatory, workshop-based capacity-building activity in collaboration with PCIA Malaysia. Thirty-two participants (18 men and 14 women) represented village governments, village-owned enterprise and community-enterprise actors, diaspora organization members, and migrant families/returnees. Participants were selected purposively because their roles were directly relevant to the governance and use of remittance-based resources. The hybrid workshop was delivered on 15–16 September 2023 at Universitas Muhammadiyah Bengkulu and through Zoom. Seven modules moved from legal and institutional foundations to practical action planning. Table 1 summarizes the workshop architecture and the output expected from each learning domain.

Table 1.
Workshop
learning
architecture

Learning domain	Key content	Expected output
Village finance governance	Budget cycle, third-party grants/donations, recording, reporting, transparency	Shared understanding of lawful and accountable contribution handling
Diaspora and remittances	Individual/collective remittances, diaspora resources, village priorities	Mapping of diaspora resources to development needs
Financial literacy	Budgeting, saving, transfer channels, debt awareness, basic bookkeeping	Simple budgets and financial-risk identification
Enterprise planning	Business Model Canvas, market/resource screening, risk, links with BUMDes	Draft business or village-enterprise models
Institutional network	Roles, memorandum of understanding, reporting, monitoring, dispute resolution	Preliminary collaboration protocol
Reintegration and action planning	Family sustainability, return pathways, responsibilities, timeline	Collaboration roadmap and follow-up actions

Learning was evaluated through pre- and post-workshop questions covering village-budget procedures, budgeting and saving, remittance channels, bookkeeping, and attitudes toward transparency. Reaction was assessed through a participant survey and facilitator observations. Early behavior was examined through the quality of draft budgets, business canvases, and the collaboration roadmap. Longer-term institutional effects were not assumed during the short reporting period and were reserved for follow-up evaluation. Participants were not required to disclose confidential household finances or sensitive village records. Exercises used anonymized cases and illustrative figures, and assessment results were reported in aggregate.

3. Result and Discussion

3.1 Governance and financial-literacy outcomes

The workshop produced consistent improvements across all measured knowledge indicators. Table 2 shows gains of 18–20 percentage points in village-budget

understanding, budgeting and saving, remittance-channel awareness, and bookkeeping/reporting. The attitude score for transparency and accountability increased by 0.9 point on a five-point scale.

The results are important because the program did not frame financial literacy solely as a household skill. Village representatives needed to understand the institutional treatment of external contributions, while diaspora and migrant-family participants needed practical tools for budgeting, transfers, and risk. Bringing these levels together helped participants distinguish household remittances from resources intended for village or collective purposes, reducing ambiguity about which accountability rules should apply.

Table 2. Pre- and post-workshop indicators

Indicator	Pre-workshop	Post-workshop	Change
Understanding village budget cycle and recording of third-party contributions	68%	86%	+18 pp
Understanding basic budgeting and saving	70%	88%	+18 pp
Awareness of safe and affordable remittance channels	64%	84%	+20 pp
Understanding basic bookkeeping and financial reporting	66%	85%	+19 pp
Transparency/accountability attitude	3.6/5	4.5/5	+0.9 point

3.2 From informal goodwill to an institutional protocol

The most distinctive output of the workshop was a preliminary protocol for village–diaspora collaboration. Prior to the activity, discussion tended to focus on the willingness of diaspora members to contribute and the willingness of villages to receive assistance. The workshop shifted attention to the institutional conditions required for trust to be sustained: shared priorities, a written agreement, recording and reporting, designated communication channels, monitoring, dispute resolution, and periodic learning. Table 3 presents the core elements of the protocol. These elements reflect a commons-governance logic in which rules, monitoring, and adaptation support cooperation [7], while the reporting component reflects the importance of answerability in accountability relationships [8]. The protocol therefore turns social trust into a set of operational commitments that can be reviewed rather than assumed.

Table 3. Core elements of the proposed village–diaspora collaboration protocol

Element	Operational meaning	Main actors
Shared purpose and priorities	Contributions are linked to agreed village-development priorities	Village government and PCIA Malaysia
Formal agreement	Written roles, contribution types, duration, and review points	Village government/BPD and PCIA Malaysia
Recording and reporting	Each contribution is documented and periodically reported	Village financial officers and diaspora treasurer
Communication channel	Designated focal persons and scheduled joint review	Both parties
Monitoring and feedback	Community and contributors can review use of resources	BPD, community, PCIA members
Dispute resolution	Agreed procedure for addressing misunderstanding	Both parties with trusted mediation
Learning and adaptation	Periodic review and adjustment of the collaboration	Partners; UMB as facilitator

3.3 Enterprise planning, reintegration, and network formation

Participants also developed micro-business and village-enterprise concepts using structured canvases and screening criteria. The value of this component was not that it produced immediately investable businesses, but that it connected diaspora resources to local demand, available assets, risk, and the possible role of BUMDes or other village enterprises. This made productive investment part of the governance discussion rather than a separate entrepreneurship exercise. The workshop further positioned migrant families and returnees as institutional stakeholders. Their involvement connected collective village planning with household-level reintegration and financial sustainability. This combination is important because diaspora networks can contribute money, knowledge, and social connections, but these resources are most useful when local institutions can absorb them transparently and when households have realistic plans for participation.

3.4 Program evaluation and implications

Participant reaction scores averaged 4.4 out of 5, with practical examples and group exercises identified as useful components. At the learning level, Table 2 demonstrates consistent improvement. At the early behavior level, participants produced draft budgets, business canvases, and a preliminary collaboration roadmap with specific follow-up responsibilities. Longer-term effects—such as formalization of the partnership, adoption of new recording practices, or launch of joint initiatives—were not yet observable and require follow-up, consistent with the staged logic of training evaluation [14]. The broader implication is that village–diaspora collaboration should not rely solely on philanthropy or interpersonal trust. Hometown and diaspora associations can create development opportunities [15], but durable collaboration requires institutionalized rules and linkages. In social-capital terms, the program sought to convert relational ties into bridging and linking arrangements that connect diaspora actors with village governance and community institutions [16]. Future programs should support pilot implementation of the protocol and document how actual contributions are recorded, reported, monitored, and translated into specific initiatives.

4. Conclusion

The participatory workshop strengthened both financial-governance knowledge and the institutional foundations of village–diaspora cooperation. Thirty-two participants improved their understanding of village finance, budgeting, remittance channels, bookkeeping, and transparency, while mixed-group action planning produced a preliminary collaboration protocol. The main contribution of the program lies in shifting the idea of diaspora support from informal goodwill toward accountable institutional cooperation. A credible model requires shared priorities, formalized roles, clear recording and reporting, designated communication, monitoring, dispute-resolution procedures, and periodic adaptation. Follow-up should now test the protocol in actual village–diaspora initiatives and evaluate whether the improved knowledge observed during the workshop leads to sustained governance practice.

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6. Declaration

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analysis, interpretation, and discussion of the results. The authors read and approved the final manuscript.

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