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Fiscal Capacity of Negeri Governments in South Leitimur District, Ambon City: A Per-Unit and Per-Resident Analysis of Village Transfers

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Abstract

Negeri, the customary villages of Ambon City, depend on two main transfers: the Village Fund Allocation (ADD) from the city budget and the Village Fund (Dana Desa) from the national budget. This article examines how these transfers are distributed among the eight negeri of South Leitimur District compared with the other desa and negeri of Ambon, and what that distribution implies for their fiscal capacity. Fiscal capacity is assessed both per government unit and against fiscal need, measured by population and poor population. The study uses a descriptive quantitative analysis of the 2025 allocations to all 30 desa and negeri, taken from Mayor Regulation Number 34 of 2024 and the Ministry of Finance's per-village Dana Desa data, together with population and poverty data by desa and negeri and the 2025 negeri budgets of five South Leitimur negeri. It also includes a coded analysis of seven regulations governing negeri finances. The eight South Leitimur negeri received Rp23.06 billion, 20.94 percent of the city total, but an average of Rp2.88 billion each, 21.5 percent below the city mean. Per resident, the picture reverses: they received Rp1.58 million per resident and Rp22.6 million per poor resident, against city averages of Rp0.42 million and Rp5.5 million, and seven of them hold the seven highest per-resident allocations in the city. Their budgets are nevertheless dominated by fixed commitments. The flat basic allocation makes up 76.8 percent of their ADD, and the salaries and allowances of officials and the Saniri absorb about 71 percent of ADD in the sampled negeri. South Leitimur negeri therefore do not have the weakest fiscal capacity relative to need. They have the smallest budgets per government, most of which are committed before any discretionary choice is made. The article recommends publishing the performance scores and the geographic difficulty index, cooperation instruments among the eight negeri, and clear budgetary rules for adat institutions.

Keywords: Fiscal Capacity, Fiscal Equalisation, Village Fund Allocation, Negeri, Ambon City.

INTRODUCTION

Law Number 6 of 2014 on Villages established two main sources of village revenue from higher levels of government: the Village Fund (Dana Desa) from the national budget and the Village Fund Allocation (Alokasi Dana Desa, ADD), which regencies and cities must provide from their share of fiscal balance transfers (Republik Indonesia, 2014). The law was amended by Law Number 3 of 2024, which reaffirmed village authority over these finances (Republik Indonesia, 2024). Villages may also receive a share of regional taxes and levies, financial assistance from the province or regency/city, and their own-source revenue (Pendapatan Asli Desa, PADes). Minister of Home Affairs Regulation

Number 20 of 2018 requires villages to plan, implement, administer, report and account for all these revenues in a transparent, accountable and participatory manner (Kementerian Dalam Negeri, 2018).

In Ambon City, most villages are negeri, customary communities whose governments combine statutory village administration with adat institutions such as the raja (head of the negeri government) and the Saniri Negeri, the negeri's deliberative body. Regional Regulation Number 8 of 2017 governs negeri, Regional Regulation Number 9 of 2017 formally recognises 22 negeri in the city, and Regional Regulation Number 10 of 2017 regulates the appointment, election and dismissal of negeri government heads (Pemerintah Kota Ambon, 2017a, 2017b, 2017c). Of the 30 villages that receive ADD and Dana Desa, 22 are negeri and 8 are desa. All units in Nusaniwe and South Leitimur are negeri, while the desa are in Sirimau (one), Baguala (four) and Teluk Ambon (three). Since 2024, the city legislature has been revising the negeri regulations, with debates over the term of the raja, the role of ruling lineages and the relative budgets of the Saniri and administrative staff (Antara, 2024).

The public finance literature defines fiscal capacity as a government's ability to raise or command resources relative to its expenditure needs, not as the volume of resources alone (Boadway & Shah, 2009). Intergovernmental transfers are justified partly as equalisation, closing the gap between the fiscal capacity and the fiscal need of subnational governments, and their equity is therefore judged per resident or per unit of need rather than per government (Bird & Smart, 2002; Boadway & Shah, 2009). Bird and Smart (2002) also note that transfer design creates incentives, and that formula grants based on objective indicators are preferable to discretionary ones. A recurring problem with equal per-unit components, such as a flat basic allocation, is that they reward fragmentation: the more units a territory has, the more it receives, regardless of population or need.

Indonesian village transfers combine these elements. Lewis (2015) showed that the Dana Desa formula, by giving a large equal share to every village, produced very high per capita transfers to small villages and weak links to poverty. He argued that a needs-based formula would be more equitable. Antlöv et al. (2016) noted that the 2014 Village Law greatly increased village resources while leaving open questions about capacity and accountability. Empirical work on village fund management has focused on accountability and on the people who manage the funds. A national survey found that the competence of village officials, leadership, internal control and external pressure all affect accountability (Diansari et al., 2023), and an ethnographic study showed that formal procedures can coexist with elite dominance over village resources (Sidik & Habibi, 2024). In Ambon, studies have reported delays in disbursement and the need for training in the Village Financial System (Siskeudes) in Negeri Amahusu (Nunumete et al., 2025), incomplete compliance with financial regulations in Desa Wayame (Husein & Latue, 2022), and low community participation in Desa Poka (Suyetno, 2024).

This article distinguishes two dimensions of fiscal capacity. The first is resources relative to need, measured per resident and per poor resident, which tests whether transfers are equitable. The second is discretionary capacity, the part of a government's budget that is not committed to fixed costs or earmarked uses, which determines whether a government can plan, invest and pay for skills. A small negeri can rank high on the first dimension and low on the second, because some costs of government, such as a raja, a secretary and a Saniri, do not fall with population.

South Leitimur District, on the southern coast of Ambon Island, consists entirely of negeri: Ema, Hatalai, Hukurila, Hutumuri, Kilang, Leahari, Naku and Rutong (Pemerintah Kota Ambon, 2024). A search of Google Scholar, Garuda, the Universitas Pattimura repositories and the PUBLICUS and other Unpatti journals (2015–2026), using "Leitimur Selatan" combined with "alokasi dana desa", "dana desa", "keuangan negeri" and "APBNegeri", found 14 studies of the district, mostly on tourism, sasi and adat institutions. Two examined negeri administration in Hutumuri and Naku, but none analysed ADD, Dana Desa or negeri finances. The distribution of transfers to these negeri, and how it compares with other villages in the city, has therefore not been analysed.

This article addresses that gap. It asks: (1) how much the negeri of South Leitimur received through ADD and Dana Desa in 2025, per unit and relative to population and poverty, compared with other desa and negeri in Ambon; (2) how the structure of these allocations differs, including the components of ADD and Dana Desa and the share committed to fixed costs; and (3) how the regulatory framework shapes the use of these funds by negeri governments. The article contributes the first systematic comparison of transfer allocations across all 30 desa and negeri in Ambon, per unit and per resident. It

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also provides evidence that the flat basic allocation dominates the ADD of small negeri, and a framework that separates resources relative to need from discretionary capacity.

METHODS

This study used a descriptive quantitative analysis of secondary data combined with a coded analysis of regulatory documents. The unit of analysis is the desa or negeri. The population is all 30 desa and negeri in Ambon City that receive ADD and Dana Desa, of which the eight negeri of South Leitimur District form the focal group. Because the analysis covers every unit and most figures can be traced to public documents, it can be largely reproduced; the population worksheet and negeri budgets were obtained from the DPMD.

Four datasets were used. First, ADD data for fiscal year 2025 were taken from the attachment to Mayor of Ambon Regulation Number 34 of 2024, enacted on 9 October 2024. It sets the total ADD at Rp76,329,129,900 and specifies, for each desa or negeri, a basic allocation (alokasi dasar), a performance allocation (alokasi kinerja) and a formula allocation (alokasi formula). The formula allocation is distributed according to population (10 percent), poor population (40 percent), area (10 percent) and a geographic difficulty index (40 percent) (Pemerintah Kota Ambon, 2024). The body of the regulation was also read for the criteria of the basic and performance allocations. Second, Dana Desa data for 2025 were taken from the per-village allocation published by the Ministry of Finance (Kementerian Keuangan, 2024), which separates the basic, affirmative, performance and formula allocations. The per-village totals were checked against a compilation by the Supreme Audit Agency's Maluku office (BPK Perwakilan Provinsi Maluku, 2025), which gives a city total of Rp33,818,029,000, and against a news agency report (Antara, 2025).

Third, population and poor population by desa and negeri for 2024 were obtained from the city's ADD calculation worksheet, provided on request by the Community and Village Empowerment Agency (DPMD). The worksheet uses civil registration (Dukcapil) population data and the poor population recorded in the national socio-economic data (DTSEN). Its area figures were also used. Population totals were checked against BPS district publications (Badan Pusat Statistik Kota Ambon, 2025). The worksheet does not contain the geographic difficulty index scores, and the DPMD stated that they are calculated by a separate team. Fourth, the 2025 negeri budgets (APBNegeri) of five South Leitimur negeri (Ema, Hatalai, Hutumuri, Naku and Rutong) were obtained from the DPMD to measure other revenue sources and fixed spending commitments. The other three negeri had not yet submitted their budgets to the DPMD when the data were requested. ADD data for 2021–2024 were taken from the corresponding mayoral regulations to check whether South Leitimur's share is stable.

Data quality was checked in three ways. First, for each desa or negeri, the basic, performance and formula allocations were confirmed to sum to the stated ADD. Second, the sum of all ADD rows was confirmed to equal the regulation's total, and the sum of all Dana Desa rows was confirmed to equal the published total; both matched exactly. Third, the names of desa and negeri were matched across datasets.

Descriptive statistics were calculated for each district, including totals, shares, means, the share of the basic allocation in ADD and ranks. Allocations were then expressed per resident and per poor resident, following the equalisation literature (Boadway & Shah, 2009). Inequality across the 30 units was measured with the coefficient of variation and the Gini index, both per unit and per resident. Pearson correlations between the formula allocation and the formula inputs (population, poor population and area) were calculated to test whether the formula works as intended. With 30 units, these statistics describe the whole population and are not used for inference.

Seven regulations bearing on negeri finances were analysed: Law 6/2014 and its amendment, Government Regulation 43/2014 as amended by Government Regulation 11/2019, the three 2017 regional regulations on negeri, Mayor Regulation 34/2024 and the Ministry of Villages regulation on Dana Desa priorities for 2025 (Kementerian Desa, Pembangunan Daerah Tertinggal, dan Transmigrasi, 2024). Each provision on negeri revenue or spending was coded into six categories: revenue sources, allocation criteria, fixed income and allowances of officials, financing of the Saniri, financing of adat activities, and earmarking. Provisions were coded by the first author and checked by the second, and

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disagreements (three of 41 provisions) were resolved by discussion. Reports of the 2024 revision process were used as supporting evidence.

RESULTS AND DISCUSSION

Results

Allocations per Unit and per Resident

In 2025, the 30 desa and negeri of Ambon City received Rp110.15 billion in combined ADD and Dana Desa, of which ADD accounted for 69.3 percent. Table 1 summarises allocations by district. South Leitimur contains the largest number of units, eight of 30, and received Rp23.06 billion, or 20.94 percent of the city total. Per unit, it is the least-funded district. The average allocation per negeri was Rp2.88 billion, 21.5 percent below the city average of Rp3.67 billion. Sirimau, with its large urban units such as Batu Merah, averaged Rp5.10 billion. Per resident, the order reverses. South Leitimur's 14,630 residents make up 5.5 percent of the population of the 30 units, but received 20.9 percent of the transfers: Rp1.58 million per resident, 3.8 times the city average of Rp0.42 million and 7.7 times the Sirimau average. Per poor resident, South Leitimur received Rp22.6 million against a city average of Rp5.5 million. South Leitimur's share of ADD has been stable over time, between 20.4 and 21.1 percent each year from 2021 to 2025.

Table 1. ADD and Dana Desa Allocations by District, Ambon City, 2025

District	Units (negeri/ desa)	ADD (Rp bn)	Dana Desa (Rp bn)	Mean per unit (Rp bn)	Basic share of ADD (%)	Population	Per resident (Rp '000)	Per poor resident (Rp mn)
Nusaniwe	5/0	13.00	5.49	3.70	68.8	35,030	528	7.6
Sirimau	3/1	12.94	7.47	5.10	57.9	99,700	205	2.3
Baguala	2/4	15.50	7.10	3.77	71.3	60,000	377	5.3
Teluk Ambon	4/3	17.57	8.00	3.65	73.1	54,360	470	8.2
South Leitimur	8/0	**17.32**	**5.75**	**2.88**	**76.8**	14,630	1,577	22.6
Ambon City	22/8	**76.33**	**33.82**	**3.67**	**70.3**	263,720	418	5.5

Note: Figures may not sum to totals because of rounding (the Dana Desa column sums to 33.81). Population is for the 30 desa and negeri only, excluding kelurahan. Source: Authors' calculation from Pemerintah Kota Ambon (2024), Kementerian Keuangan (2024) and the DPMD ADD calculation worksheet.

Figure 1 shows both views for all 30 units. Panel (a) ranks them by combined allocation and shows its components. The seven smallest recipients in the city are Rutong (Rp2.69 billion), Latta and Negeri Lama in Baguala, Leahari, Naku, Kilang and Hukurila. The best-funded negeri in the district, Hutumuri, received Rp3.26 billion, still below the city average. The largest recipient, Negeri Batu Merah in Sirimau, received Rp8.40 billion, 3.1 times as much as Rutong. Panel (b) shows that, per resident, the seven smallest South Leitimur negeri hold ranks 1 to 7 in the city, from Rutong (Rp2.74 million) to Kilang (Rp1.88 million). Hutumuri, the most populous negeri in the district, ranks 16th, and Batu Merah ranks last at Rp0.11 million.

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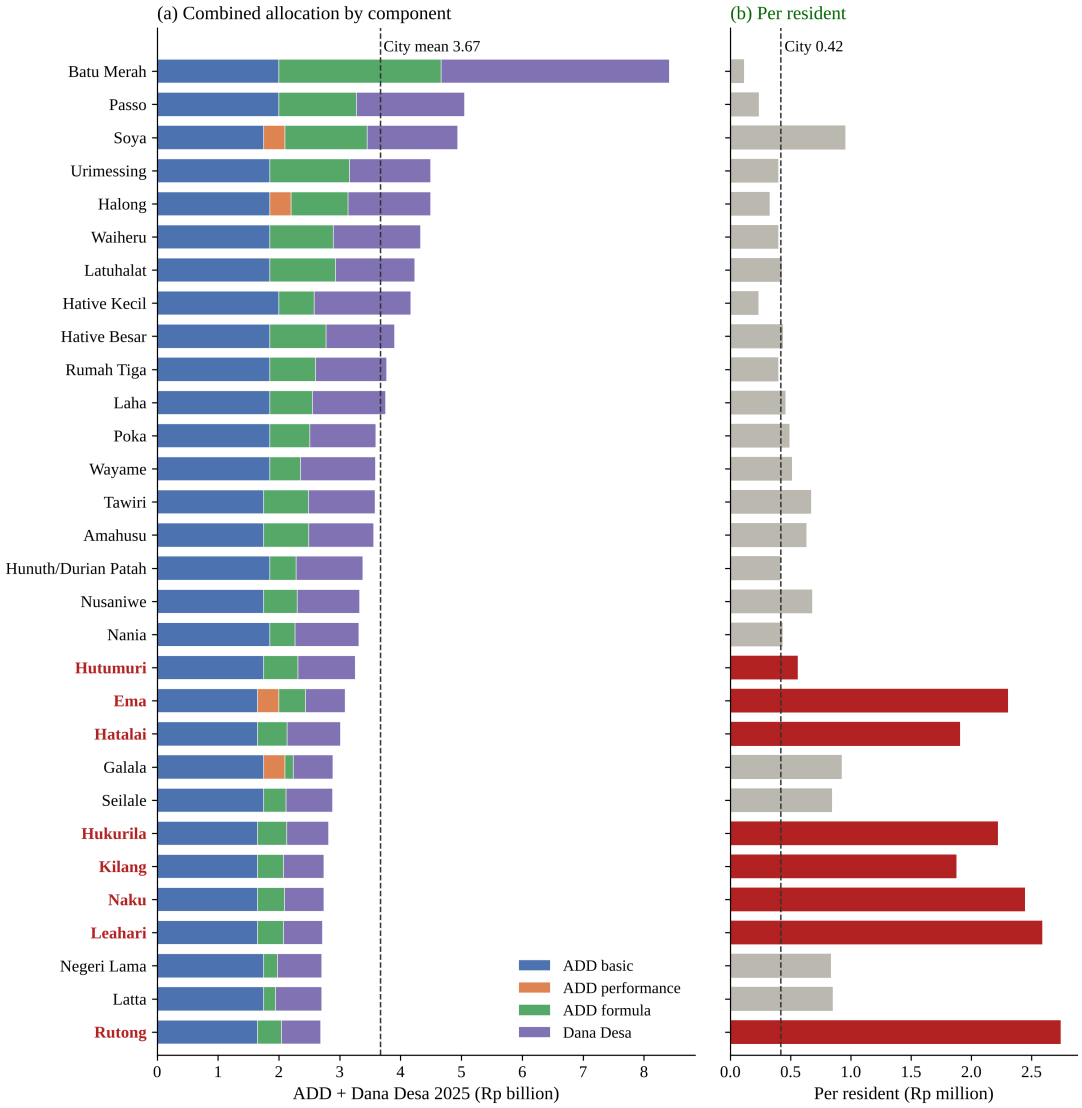


Figure 1. ADD and Dana Desa Allocation by Component and per Resident, by Desa/Negeri, Ambon City, 2025

Note: South Leitimur negeri in bold red. Source: Authors' calculation from Pemerintah Kota Ambon (2024), Kementerian Keuangan (2024) and the DPMD ADD calculation worksheet.

Table 2 reports inequality measures. Per unit, transfers are fairly equal: the Gini index of combined allocation is 0.14. The basic allocation varies little (coefficient of variation 0.07), and the formula allocation (0.64) and Dana Desa (0.51) vary more. Per resident, inequality is much higher (Gini 0.42), and it runs in favour of small units: the correlation between population and allocation per resident is −0.45. The formula allocation is closely related to its inputs: its correlation with population is 0.85, with poor population 0.83 and with area 0.64. The population, poverty and area components of the formula therefore appear to work as designed. South Leitimur receives low formula amounts per negeri because its negeri have small populations and few poor residents, not because the formula ignores them: per resident, South Leitimur receives Rp251,000 in formula allocation against a city average of Rp81,000.

Table 2. Inequality of Allocations Across the 30 Desa and Negeri, 2025

Measure	Coefficient of variation	Gini index
ADD basic allocation per unit	0.07	0.03
ADD formula allocation per unit	0.64	0.33
Dana Desa per unit	0.51	0.23

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Measure	Coefficient of variation	Gini index
Combined allocation per unit	0.30	0.14
Combined allocation per resident	0.83	0.42
Combined allocation per poor resident	0.82	0.41

Source: Authors' calculation from Pemerintah Kota Ambon (2024), Kementerian Keuangan (2024) and the DPMD ADD calculation worksheet.

Structure of Allocations and Committed Spending

The basic allocation is set at one of four levels, from Rp1.65 billion to Rp2.00 billion. The body of Mayor Regulation 34/2024 sets these levels by population class: Rp1.65 billion for units with fewer than 3,000 residents, Rp1.75 billion for 3,000–6,999, Rp1.85 billion for 7,000–14,999 and Rp2.00 billion for 15,000 or more. This explains why Hutumuri, with 5,830 residents, received Rp1.75 billion while the other seven negeri, all with fewer than 1,600 residents, received Rp1.65 billion. Table 3 shows that South Leitimur negeri sit at the lower end of every variable component. Their mean formula allocation of Rp458 million was the lowest of any district, against a city mean of Rp709 million, and their mean Dana Desa of Rp719 million was also the lowest, against a city mean of Rp1.13 billion. Six of the 10 smallest Dana Desa allocations in the city went to South Leitimur negeri. The Ministry of Finance data show that all eight received only the basic and formula components of Dana Desa, with no affirmative or performance allocation. As a result, the basic allocation accounted for 76.8 percent of ADD in South Leitimur, the highest share of any district, compared with 57.9 percent in Sirimau.

Table 3. Allocations to South Leitimur Negeri, 2025 (Rp million)

Negeri	Basic	Performance	Formula	Dana Desa	Total	City rank (of 30)
Hutumuri	1,750.0	0.0	563.6	945.3	3,258.9	19
Ema	1,650.0	350.0	436.1	652.2	3,088.3	20
Hatalai	1,650.0	0.0	489.1	872.1	3,011.2	21
Hukurila	1,650.0	0.0	483.2	686.9	2,820.1	24
Kilang	1,650.0	0.0	427.5	662.6	2,740.1	25
Naku	1,650.0	0.0	447.6	641.4	2,738.9	26
Leahari	1,650.0	0.0	426.6	642.3	2,718.9	27
Rutong	1,650.0	0.0	391.6	646.5	2,688.2	30

Note: Rank 1 is the largest combined allocation. Totals for Naku and Rutong differ from the sum of their components by Rp0.1 million because of rounding in the source. Source: Authors' calculation from Pemerintah Kota Ambon (2024) and Kementerian Keuangan (2024).

Table 4 sets these allocations against need. All eight negeri receive more per resident and per poor resident than the city average, and the seven small negeri are the seven most generously funded units in the city on both measures. The explanation lies in the flat basic allocation. Because every unit receives at least Rp1.65 billion, regardless of size, small negeri receive high per-resident amounts. This is the same effect that Lewis (2015) found for the equal share of Dana Desa.

Table 4. Need-Adjusted Allocations to South Leitimur Negeri, 2025

Negeri	Population	Poor population	Per resident (Rp '000)	Per poor resident (Rp mn)	City rank per resident
Hutumuri	5,830	348	559	9.4	16
Ema	1,340	121	2,305	25.5	4
Hatalai	1,580	139	1,906	21.7	6
Hukurila	1,270	103	2,221	27.4	5
Kilang	1,460	51	1,877	53.7	7
Naku	1,120	83	2,446	33.0	3
Leahari	1,050	88	2,589	30.9	2
Rutong	980	86	2,743	31.3	1
City (30 units)	263,720	19,871	418	5.5	—

Source: Authors' calculation from Pemerintah Kota Ambon (2024), Kementerian Keuangan (2024) and the DPMD ADD calculation worksheet (population and poor population, 2024).

The negeri budgets show how much of these resources is already committed. In the five APBNegeri obtained, revenue-sharing of regional taxes and levies averaged Rp96 million, own-source revenue Rp18 million, and financial assistance from the province or city was nil. Together these sources made

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up 3.8 percent of negeri revenue, so ADD and Dana Desa account for over 96 percent. The fixed income (penghasilan tetap) and allowances of the raja and negeri officials, the allowances and operations of the Saniri, and office operations averaged Rp1.57 billion. This is 71 percent of ADD and 94 percent of the basic allocation. Government Regulation 43/2014, as amended by Government Regulation 11/2019, requires the fixed income of village heads and officials to be budgeted from ADD (Republik Indonesia, 2019). The basic allocation therefore functions mainly as a payroll transfer. Dana Desa is also earmarked: for 2025, at least 20 percent must go to food security and up to 15 percent may go to direct cash assistance (BLT Desa), alongside national priorities such as stunting prevention (Kementerian Desa, Pembangunan Daerah Tertinggal, dan Transmigrasi, 2024). In the five negeri, after fixed commitments and the earmarked Dana Desa shares, an average of Rp1.13 billion, about 38 percent of transfer revenue, remained for discretionary development and capacity building.

The performance allocation of Rp350 million was awarded to four of the 30 desa and negeri: Galala and Soya in Sirimau, Halong in Baguala and Ema in South Leitimur. Ema is the only negeri in South Leitimur to receive it, and the allocation lifted Ema from the lower group of the district to second place within it. The body of Mayor Regulation 34/2024 states that the performance allocation is given to the desa or negeri judged best by the DPMD on the timeliness of budget adoption and accountability reports and on budget realisation in the previous year. It does not specify indicator weights, and neither the regulation nor any mayoral decree publishes the scores or the ranking. The criteria are therefore known in general terms, but negeri cannot see how they were assessed.

Regulatory Framework

Table 5 summarises the coded provisions. National rules define revenue sources, require fixed income to be paid from ADD and earmark Dana Desa. The city regulation sets allocation criteria. The 2017 regional regulations establish negeri as customary institutions with their own governance structures: they recognise 22 negeri, set rules for the selection of negeri heads and specify that the Saniri Negeri forms the election committee, while election costs are shared between the negeri budget and the city budget (Pemerintah Kota Ambon, 2017b, 2017c). However, none of the 41 coded provisions sets how the routine budget of the Saniri or adat activities is to be financed, or how it relates to the national limits on the use of ADD and Dana Desa. The 2025 ADD regulation distributes most of the city's transfer through the basic allocation, Rp53.65 billion of the Rp76.33 billion total, with Rp1.40 billion (1.83 percent) allocated for performance (Pemerintah Kota Ambon, 2024). The revision of the negeri regulations that began in 2024 raised questions about the budget of the Saniri compared with that of administrative staff (Antara, 2024).

Table 5. Coded Provisions on Negeri Finances

Category	Regulations and content	Implication for negeri
Revenue sources	Law 6/2014 (as amended by Law 3/2024): Dana Desa, ADD, revenue-sharing, financial assistance, PADes	Non-transfer sources are 3.8% of revenue in sampled negeri
Allocation criteria	Mayor Regulation 34/2024: basic (population class), performance, formula (four indicators)	Flat basic allocation favours small units per resident; geographic difficulty scores not published
Fixed income and allowances	Government Regulation 43/2014 as amended by Government Regulation 11/2019: fixed income budgeted from ADD	Basic allocation functions as payroll transfer
Saniri financing	Regional Regulations 8/2017 and 10/2017: Saniri role and election committee; election costs shared with city	Routine Saniri budget not regulated
Adat activities	Regional Regulation 8/2017: recognition of adat institutions	No financing rule
Earmarking	Ministry of Villages Regulation 2/2024: ≥20% food security, ≤15% BLT Desa, national priorities	Narrows discretionary use of Dana Desa

Source: Authors' coding of the regulations listed (41 provisions).

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Discussion

The first research question concerned the size of allocations. Measured per government, South Leitimur negeri are among the least-funded villages in Ambon. Measured against need, they are the best funded. This is the main finding of the analysis. It shows that South Leitimur negeri cannot be said to have the weakest fiscal capacity once fiscal capacity is understood, as in the public finance literature, as resources relative to need (Boadway & Shah, 2009). Ambon's transfer system, like the Dana Desa design analysed by Lewis (2015), equalises across governments rather than across residents. It therefore produces large per-resident transfers to small negeri and small ones to populous urban units such as Batu Merah. Whether this is fair is a policy question, but on the evidence here, residents of South Leitimur are not disadvantaged by it in per-resident terms.

The second question concerned the structure of allocations, and here the constraint on South Leitimur negeri is real. Each negeri must maintain a raja, officials and a Saniri whatever its size. These costs are largely fixed, so small negeri spend most of their budget on them. In the sampled negeri, fixed commitments absorbed 71 percent of ADD. After the Dana Desa earmarks, less than two-fifths of transfer revenue remained for discretionary use. Low discretionary capacity, rather than low resources, is the more precise description of their position. This matters because training in Siskeudes and accounting is one of the needs identified in another Ambon negeri (Nunumete et al., 2025), and because competence and internal control shape accountability (Diansari et al., 2023).

The low formula allocations to South Leitimur are explained by its small populations and poverty counts, which carry 50 percent of the formula weight. Yet South Leitimur is a hilly, coastal and relatively remote district, and geographic difficulty carries another 40 percent. With 27.6 percent of the area of the 30 units, the district might be expected to receive more of the formula allocation per negeri than it does. Because the geographic difficulty scores are not published and were not available from the DPMD, this study cannot test how the index is constructed. Publishing the index is therefore a priority both for further research and for the city's transparency.

The performance allocation is small and opaque. It represents 1.83 percent of the city's ADD, and its general criteria are stated but the scores are not published. A performance allocation can strengthen incentives only if governments know how it is earned. Transparent scores would also reduce the risk, identified elsewhere, that formal procedures favour already advantaged actors (Sidik & Habibi, 2024). This study provides no evidence that a larger performance share would improve management, so it does not recommend increasing it before the criteria and their effects are made transparent.

The third question concerned the regulatory framework. The 2017 regulations give negeri a distinctive institutional identity but do not say how the routine costs of the Saniri and adat activities should be financed. Combined with the national rule that fixed income is paid from ADD, this leaves negeri to fund adat institutions from the same small discretionary margin. A proposition for future research follows: in negeri with small budgets, spending on adat institutions and on administrative capacity compete directly, and the 2024 revision debates (Antara, 2024) reflect this competition. Testing this proposition requires itemised APBNegeri data for all negeri and fieldwork on budget decisions.

This analysis has several limitations. It includes other revenue sources only for five of the eight South Leitimur negeri, and not for units in other districts. Its need measures, population and poor population, omit the cost of service delivery in remote areas, and the geographic difficulty index could not be examined. Multi-year data were used only for ADD shares, not for Dana Desa or per-resident amounts. The population data come from the city's worksheet rather than an independent survey. Finally, the study measures resources rather than how well they are managed. Field research in South Leitimur is needed to establish how negeri governments use these resources and how the Saniri exercises oversight.

CONCLUSION

Conclusion

South Leitimur negeri receive the smallest transfers per government in Ambon, but not the smallest relative to need. In 2025, the district's eight negeri received about one-fifth of the city's village transfers, an average of Rp2.88 billion each, 21.5 percent below the city mean. Per resident and per poor resident,

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however, they received several times the city average, and seven of them were the most generously funded units in the city. Their constraint lies in discretionary capacity. The flat basic allocation makes up 76.8 percent of their ADD, most of it is committed to officials' fixed income, allowances and the Saniri, and Dana Desa is earmarked. Only Negeri Ema received a performance allocation, whose scores are not published. The regulatory framework recognises negeri as customary institutions but does not say how adat institutions are to be financed.

Recommendation

The Ambon City Government is advised to publish the performance scores and the geographic difficulty index used in the ADD formula. Before considering any change in the size of the performance allocation, it should evaluate its effects. It is also advised to support cooperation among the eight negeri under the existing legal instruments. These include inter-village cooperation agreements (kerja sama antar-desa) under the Village Law and Minister of Home Affairs Regulation 96/2017, and a joint village-owned enterprise (BUM Desa bersama) under Government Regulation 11/2021. Such cooperation could share costs that small negeri cannot carry alone, such as a financial administration officer or Siskeudes training (Kementerian Dalam Negeri, 2017; Republik Indonesia, 2021). Finally, the revised negeri regulations should clarify how the Saniri and adat activities are financed. Future research should extend the analysis over several years, include all revenue sources for every unit, and examine through fieldwork how negeri governments and the Saniri plan, manage and oversee these funds.

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