

ABSTRACT

This study investigates how village fund shapes modern slavery in East Sumba villages. Village fund, which was intended as an institutional intervention in rural areas, changed function into being a tool that perpetuates modern slavery. The existing social hierarchy as shown by the segregation of the *Ata* by the *Maramba* highlights the misuse of the village fund. Political economy perspective is used as conceptual framework to understand resource distribution and exploitation. Using qualitative method, integrating primary and secondary data through interview, direct observation, and document analyses, this study adds a crucial layer to the existing academic discourse on Village Fund dynamics in Indonesia, particularly in East Sumba. Through the resource distribution, it has become apparent that the fund has been recycled by the elites to accumulate more wealth, while the *Ata* can only use the remaining fund for subsistence. It has become apparent that land reformation is indispensable and should be followed by the remodeling of social structures within East Sumba, to dismantle existing hierarchical systems that perpetuate inequality and exploitation.

Keywords: Modern Slavery, Village Fund, East Sumba, Political Economy Perspective, Elite Accumulation, Slave Subsistence.