

# Rural Development in Community Empowerment Through the Governance of Village-Owned Enterprises (BUMDes)

## *Pembangunan Pedesaan dalam Pemberdayaan Masyarakat Melalui Tata Kelola Badan Usaha Milik Desa (BUMDes)*

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### Abstract

Sustainable national development is an important part of rural development that plays a role in empowering rural communities. In an effort to build Indonesia from villages, among others, village-owned enterprises are needed, which are supported by the legislation of Law Number 6 of 2014 concerning villages. It is hoped that BUMDes will be in favor of the community through the provision of socio-economic services. Meanwhile, BUMDes aims to seek profits by offering goods and services to the market. The existence of BUMDes is expected to increase the economic potential of the community through the principles of BUMDes governance. The principles of BUMDes governance are being cooperative, participatory, emancipatory, transparent, accountable, and sustainable. The objectives of this study are (1) to explore rural development in community empowerment through the governance of Village-Owned Enterprises in Mandau District, Bengkalis Regency. (2) To explain the factors that support and hinder rural development in the governance of Village-Owned Enterprises in Mandau District, Bengkalis Regency. The principle of BUMDes management in Mandau District, Bengkalis Regency, shows that cooperatively it has not been optimal in carrying out good cooperation in business development; participatorily, not all components seen in BUMDes have voluntarily provided support and contributed to the progress of BUMDes business; emancipatively, it can be seen that BUMDes managers lack female management members; in terms of transparency, there is still a lack of information disclosure and reporting submitted. Accountably, it is assessed that the resource capacity of BUMDes managers, lack of understanding of the role and vision and mission of BUMDes, in a sustainable way, has not been oriented towards the sustainability of BUMDes institutions and businesses. The factors supporting the principle of BUMDes management in Mandau District, Bengkalis Regency in poverty alleviation and village empowerment through BUMDes are very high. with an injection of BUMDes funds from villages, the Regency Budget, the Provincial Budget, and related ministries. Meanwhile, the inhibiting factors are the slow return of the budget lent to the community and the lack of functioning facilities made to bring profits to BUMDes businesses, such as market rentals and pertashops that are less profitable.

### Keywords

Rural Development; BUMDes; Governance; Cooperative; Participatory; Transparency; Emancipative; Accountable; Sustainable.

### Abstrak

Pembangunan nasional yang berkelanjutan merupakan bagian penting dari pembangunan pedesaan yang berperan dalam pemberdayaan masyarakat desa. Dalam upaya membangun Indonesia dari desa, di antaranya dibutuhkan Badan Usaha Milik Desa yang didukung legislasi Undang-Undang Nomor 6 Tahun 2014 tentang Desa. Lembaga sosial yang disebut BUMDes. Diharapkan keberpihakan BUMDes kepada masyarakat, melalui penyediaan pelayanan sosial ekonomi. Sedangkan BUMDes bertujuan mencari keuntungan dengan cara penawaran barang dan jasa ke pasar. Keberadaan BUMDes diharapkan dapat meningkatkan potensi perekonomian masyarakat melalui prinsip-prinsip tata kelola BUMDes. Prinsip tata kelola BUMDes dengan bersikap kooperatif, partisipatif, emansipatif, transparan, akuntabel dan berkesinambungan. Tujuan dari penelitian ini adalah (1) Untuk mengeksplorasi pembangunan pedesaan dalam pemberdayaan masyarakat melalui tata kelola Badan Usaha Milik Desa di Kecamatan Mandau Kabupaten Bengkalis. (2) Untuk mengeksplanasi faktor yang mendukung dan menghambat pembangunan pedesaan dalam tata kelola Badan Usaha Milik Desa di Kecamatan Mandau Kabupaten Bengkalis. Prinsip pengelolaan BUMDes di Kecamatan Mandau Kabupaten Bengkalis menunjukkan secara kooperatif belum optimal dalam melakukan kerja sama yang baik dalam pengembangan usahanya, secara partisipatif belum semua komponen yang terlihat di dalam BUMDes secara sukarela memberikan dukungan dan kontribusi kemajuan usaha BUMDes,



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*secara emansipatif terlihat pengelola BUMDes kurang adanya anggota pengelola perempuan, secara transparansi masih kurangnya keterbukaan informasi dan pelaporan yang disampaikan. Secara akuntabel dinilai kapasitas sumber daya pengelola BUMDes kurangnya pemahaman tupoksi serta visi dan misi BUMDes, secara sustainable belum berorientasi terhadap keberlanjutan lembaga dan usaha BUMDes. Faktor-faktor pendukung prinsip pengelolaan BUMDes di Kecamatan Mandau Kabupaten Bengkalis dalam penanggulangan kemiskinan dan pemberdayaan desa melalui BUMDes sangat tinggi. dengan suntikan dana BUMDes berasal dari dan desa, APBD Kabupaten, APBD Provinsi dan kementerian terkait. Sedangkan faktor penghambat, yaitu lambatnya pengembalian anggaran yang dipinjamkan kepada masyarakat, kurang berfungsinya fasilitas yang dibuat untuk mendatangkan keuntungan kepada usaha BUMDes, seperti sewa pasar dan pertashop yang kurang memperoleh keuntungan.*

#### **Kata Kunci**

*Pembangunan Pedesaan; BUMDes; Tata Kelola; Kooperatif; Partisipatif; Transparansi; Emansipatif; Akuntabel; Berkesinambungan.*

## **1. Introduction**

Village institutions become the foundation of the community in developing the economic potential of the village, in this case, BUMDES (Village-Owned Enterprises) functions to support the community both socially and commercially to improve the welfare of rural communities and seek profits through the benefits of village resources or called Village-Owned Enterprises ([Ridlwan, 2014](#)). The role of BUMDes is to create a good business climate, increase the economic capacity of village communities, expand market access, assist with capital and avoid middlemen. In this case, the village government also plays a major role in supporting the presence of BUMDes as the economic institution closest to the community and making the community aware of the importance of BUMDes in village development ([Rukin, 2021](#)).

Article 33 of the 1945 Constitution and its explanation regarding BUMDes regulates the economy as follows: Paragraph (1) states that the economy must be built as a joint effort with the principle of kinship, Paragraph (2) confirms that branches of production that are very important for the country and that affect the lives of many people must be controlled by the state, Paragraph (3) stipulates that the earth, water, and natural resources contained therein are controlled by the state and used to advance the welfare of the people to the maximum, Paragraph (4) explains that the national economy must be run based on the principles of economic democracy, by prioritizing togetherness, justice, sustainability, environmental care, independence, and maintaining a balance of progress and national economic integration, Paragraph (5) stipulates that the implementation of the provisions in this article will be further regulated through legislation. With the existence of Village-Owned Enterprises (BUMDes), it is expected that the community can obtain a better life guarantee, both in terms of social and commercial aspects. BUMDes is expected to help villages become more independent in managing their businesses and economic activities ([Sulihani et al., 2018](#)).

Law No. 6/2014 on Villages also confirms that the village government's commitment to develop villages to become independent and democratic villages so as to provide new hope for the community and is expected to be able to have APBDes to improve the standard of living of the village community. The establishment of BUMDes is contained in Article 87 paragraph (1) which reads: Villages can establish Village-Owned Enterprises called BUMDes, and paragraph (2) which reads: BUMDes is managed with a spirit of kinship and mutual cooperation, and paragraph (3) reads: BUMDes can run businesses in the economic field of funds or public services in accordance with laws and regulations. Law No. 6/2014 also mentions about Villages in Article 1 paragraph 12 that Village Community Empowerment is an effort to develop community independence and welfare by increasing knowledge,

attitudes, skills, behavior, abilities, awareness, and utilizing resources through the establishment of policies, programs, activities, and assistance in accordance with the essence of the problem and the priority needs of the village community (Dewi, 2014).

Based on the Regulation of the Minister of Villages, Development of Disadvantaged Villages and Transmigration No. 4 Year 2015 Article 4, Village-Owned Enterprises are business entities whose all or most of the capital is owned by the village through direct participation derived from the village's wealth that is separated to manage assets, services, and other businesses that the village can establish BUMDes according to the needs and potentials of the village to improve the welfare of the village community. For this reason, every village government (Rukin, 2021). The formation of villages is determined by village regulations. In his research, Puguh also said that the link between the village government and the community is BUMDes (Budiono, 2015).

Ideally, BUMDes functions as an optimization of village potential in improving community welfare by empowering village economic potential and empowering village communities and village natural resources with the hope that Village-Owned Enterprises can improve the welfare of village communities (Putra, 2015). The PMD Office noted that in March 2021, the money turnover in USP (Savings and Loan Unit) and UEK in Bengkalis Regency amounted to 1,863 trillion with capital participation of 542 billion. The development to date in capital participation has reached 631 billion and the bookkeeping in 2021 is 3.6 billion. Meanwhile, in the acquisition of profits, each management and village government is different. For example, in Bengkalis District with a capital of 111 billion profits of 5 billion, for Banten District with a capital of 68 billion profits of 3.8 billion and Siak Kecil District; with a capital of 83 billion obtained profits obtained reaching 5.5 billion.

Compared to the condition of bankrupt BUMDs, BUMDes can be said to have succeeded in donating PADes with a total amount of Rp1.8 billion, in Siak Kecil District managed to donate funds with 513 million, then Bengkalis donated 348 million, Banten donated 282 million, Bukit Baru contributed 176 million. So, in total, the number of BUMDes in Bengkalis Regency has been formed as many as 136 BUMDes, UEK 19 means that in all villages BUMDes branded outlets have been established. The average profit of each BUMDes is now 200 million times with 136 BUMDes, then the consolidated net profit is Rp27 billion, so this is said to be the great potential of the forerunner of Bank Rakyat Bengkalis (BRB).

This research was conducted in Bengkalis Regency, due to the consideration of the district which has several areas on the island or places that are interspersed or flanked by several districts in Riau Province. Bengkalis and Banten Districts are located on the island of Bengkalis, Rupert and North Rupert Districts are located on Rupert Island. Bukit Batu District, Bandar Laksamana District, Siak Kecil District, Mandau District, Pinggir District, Talang Muandau District and Bathin Solapan District are located on the island of Sumatra. Due to the wide range between sub-districts in Bengkalis Regency, this research was conducted in a sub-district located in the middle of Bengkalis Regency, namely Mandau District. In addition, Mandau District is considered to be the parent sub-district in the Duri region and a source of natural production in the form of crude oil. Mandau District administratively currently has 9 villages and two villages, namely Harapan Baru Village and Bathin Bertuah Village.

The reality at this time is still lacking and not in accordance with the expectations of Village-Owned Enterprises (BUMDes) in encouraging community welfare through their business units. In general, it is due to a still poor understanding of BUMDes as an economic institution. In addition, there is a weak understanding of BUMDes so that the discourse cannot be socialized properly, even the concept of village development which until now is still understood as physical development

under the direction of the above. So, the empowerment program that is discussed is not physically visible and cannot run well.

The formulation of the problems in this study is: 1). How is rural development through BUMDes strategy in community empowerment?, 2). What are the supporting and inhibiting factors in the governance of BUMDes in Mandau District, Bengkalis Regency? Based on the description above, the objectives of this research are: 1). Knowing rural development through BUMDes strategies in community empowerment. 2). Analyze the supporting and inhibiting factors in the governance of BUMDes.

The results of this research are expected to encourage BUMDes Managers and Village Governments as well as village communities to understand rural development through BUMDes strategies in increasing community empowerment and can be used as an example by all villages in Indonesia in implementing good BUMDes governance. The hypothesis in this research is to foster awareness, understanding that is needed in the Management of BUMDes, Village Government and village communities in rural development through the BUMDes strategy will be able to increase the empowerment of village communities.

## 2. Methods

The location of this research was carried out in 2023 in Mandau District, Bengkalis Regency with consideration of districts that provide BUMDesa capital with the maximum number of UED SP beneficiaries of 559,294,500,937. Harapan Baru Village was chosen because of the consideration of the parent village in Mandau District, Bengkalis Regency. This research is the initial research that will examine rural development through the principles of good management of BUMDes. An informant is a person or individual who can provide information to researchers. To select informants, the researcher uses a purposive sampling technique by selecting informants, namely: Village Government, Village Consultative Body as well as managers and members of BUMDes Hikmah Sejahtera Harapan Baru Village, the community and business people related to BUMDes business units.

In general, this study combines two complementary data collection methods, namely literature and in-depth interviews. Primary data was obtained directly from informants such as the Village Government, BUMDes managers, and members of BUMDes Harapan Baru and Batin Betuah as additional informants through in-depth interviews. Meanwhile, secondary data includes information about businesses related to the two BUMDes and the economic potential of the communities in the two villages. The selection of informants was carried out using a purposive sampling technique, which included the Community and Village Empowerment Office of Bengkalis Regency, Mandau Sub-District, Village Government, Village Consultative Body, as well as managers and members of BUMDes Harapan Baru and Batin Betuah, as well as business actors related to BUMDes.

## 3. Results and Discussion

The governance of Village-Owned Enterprises (BUMDes) is an important factor in improving the village economy and achieving sustainable development goals. BUMDes, as seen in various studies as a reference to get novelty from this research. Based on previous literature, it was found that BUMDes are designed to utilize local resources and community participation to encourage economic growth and social welfare. The synergy of BUMDes and Customary Village-Owned Enterprises (BUMDA) in Kutuh Village, Bali, exemplifies a successful dynamic model of government, where adaptability and participatory decision-making have led to economic resilience and self-sufficiency through initiatives in the tourism and agriculture sectors (Yudartha & Agung, 2024). Good governance principles, such as

transparency, accountability, and participatory management, are essential to the success of BUMDE. For example, BUMDes Penggung Lestari's adherence to these principles has resulted in significant asset and revenue growth, demonstrating the importance of professional management and stakeholder trust (Istutik, 2024). However, there are still challenges, such as the problem of non-performing loans (NPLs) at BUMDes Artha Krama Mandiri, which highlights the need to improve credit management practices and governance (Sapitri & Sinarwati, 2024). Financial governance in BUMDes, especially in Lampung Province, also faces challenges due to inadequate implementation of transparency and accountability, which has led to inactivity in some companies (Ekawati & Sari, 2024). The implementation of Good Corporate Governance (GCG) and Accounting Information Systems is very important, as seen in Kacongan Village, where manual systems hinder optimal performance (Hidayati & Hwihanus, 2024). Training and capacity building are needed to strengthen governance structures, as evidenced by the need for systematic planning and community engagement in Tebing Tinggi (Yudi et al., 2024). The role of BUMDes in achieving village SDGs is further enhanced through Pentahelix collaboration, which involves universities, businesses, government, communities, and the media, which has a positive impact on governance and sustainability (Rosiani & Siyami, 2023). Despite these challenges, BUMDes such as Randu Jaya in Alasbuluh Village serve as a benchmark for effective fund management and business development, demonstrating the potential of BUMDes to drive village economic progress (Haq & Zainuri, 2023). BUMDes governance requires a comprehensive approach that integrates the principles of good governance, community participation, and strategic collaboration to achieve their full potential in village development (Febrina et al., 2024).

Village-Owned Enterprises (BUMDes) is a government program formed to improve the welfare of the Village Government and the community's economy. BUMDes also has a role as an instrument to explore the economic potential of villages managed as BUMDes business units. The strategy of BUMDes through the management of BUMDes by implementing the principles of Village-Owned Enterprises in increasing the economic potential of the village, from the principles of BUMDes management, is further discussed below:

### 3.1. Principles of BUMDes Management

#### 3.1.1. Cooperative Principle

The cooperative principle must be carried out by BUMDes, this principle is the key to becoming the social pattern of the village. The cooperative principle is all components involved in BUMDes and is obliged to cooperate in the survival of their business and also carry out development. The principle of cooperative consists of mutual cooperation, and mutual assistance. It means that they must work together and help each other with a professional attitude in developing and running BUMDes.

This social institution is called BUMDes which is on the side of the interests of the community through the provision of social services. Meanwhile, commercial institutions or so-called institutions that aim to make profits through the offering of local resources to the market. Therefore, BUMDes in carrying out their business emphasizes the principle of cooperativeness as a legal entity in accordance with applicable laws and regulations (Wijaya, 2018).

In the effort carried out by BUMDes Harapan Sejahtera at first was to establish the BUMDes which was facilitated by the Bengkalis Regency Government. After that, to develop the BUMDes business, one of them is by providing business capital to the people of Harapan Baru village through the village government. It can be seen in this case that the savings given to the community are budgeted from village funds so that they do not think about returning the capital provided by BUMDes Hikmah



Sejahtera. This condition is what causes the payment or business development process to not run smoothly.

After the existence of a savings and loan business unit, other business units are added. Cooperation built between the Village Government and BUMDes Managers, after that with other parties who can develop existing business units. BUMDes of Harapan Baru Village, Mandau District, Bengkalis Regency shows that the principle of cooperation in running BUMDes Hikmah Sejahtera is by synergizing between the Village Head and Village Apparatus as well as the Village Consultative Body with the Manager of Village-Owned Enterprises. At the beginning it was the establishment of BUMDes, the creation of BUMDes AD/ART. After that, the BUMDes Manager collaborated with business unit business partners in developing the economic potential of BUMDes. The village capital of BUMDes Hikmah Sejahtera Harapan Baru Village can be seen in [Table 1](#).

**Table 1.** BUMDes Hikmah Sejahtera Village Capital Participation

No.	Source	Year	For What Business	Nominal (Rupiah)
1	District Budget	2018	Savings and Loan Business (Asset Investment)	5,364,238,200
2	Regional Budget (Provincial BKK)	2019	Industrial diesel fuel (Pertashop's business transition in 2021)	77,335,842
3	Regional Budget (Provincial BKK)	2020	Cattle delivery (pertashop business transition in 2021)	141,000,000
4	Capital from business profits	2021	Pertashop	32,664,153
5	3rd party	2021	Pertashop	144,796,696
6	Regional Budget (Provincial BKK)	2021	Rice Mill	76,000,000
Total Capital Participation				6,054,370,736
Capital development until the end of 2021				121,870,276
Total Capital + Business Development				6,176,241,012

Source: Treasurer of BUMDes Hikmah Sejahtera, 2021

From the BUMDes Hikmah Sejahtera savings and loan business unit, the community in Harapan Baru Village, Mandau District, Bengkalis Regency felt the loan. However, the repayment of loans from the village community is still felt to be less smooth. To find out the conditions of the arrears of savings and loans of BUMDes Hikmah Sejahtera Harapan Baru Village, see [Table 2](#).

**Table 2.** Number of Arrears of BUMDes Hikmah Sejahtera Reserve Members in 2021

No.	Loan Amount	Arrears Amount			
		1	3	6	12
1	5,000,000	9	3	1	3
2	10,000,000	2	2	1	-
3	20,000,000	-	3	1	1
Sum		11	8	3	4

Source: Treasurer of BUMDes Hikmah Sejahtera, 2021

Based on [Table 2](#), it is seen that the efforts made by BUMDes Hikmah Sejahtera in this case are still difficult to develop. This can be seen from the payment process in the savings and loan program. Because some people are still difficult to work with

and facilitate payments for the smooth running of this program. The government hopes that this program will be carried out smoothly and professionally. So that the welfare of the community can be realized. So, this is strengthened by the statement of the Director of BUMDes Hikmah Sejahtera, namely the effort to provide capital loans carried out by BUMDes Hikmah Sejahtera to provide capital loans to the people of Harapan Baru Village and provide iron tents to help people who have celebrations by providing capital to the community so that the community can continue their business. However, there are still many people who find it difficult to return the capital given to them, so the new BUMDes Harapan Baru program is still difficult to develop.

In providing loans, you should first be given a savings and loan simulation or an understanding of the savings and loan program that will be run for some time, so as to avoid delayed payments. In this case, the public should also be asked professionally to make payments on time in accordance with existing regulations and agreements. So that this program can develop well. Prosperous Hikmah Village-Owned Enterprises have obstacles in the form of a lack of public awareness and lack of socialization carried out by BUMDes. The results of the researcher's observation of its implementation have seen cooperation between BUMDes managers and the village government. And the provision of village budgets for business programs is still minimal.

The following are indicators of the success of the cooperation that has been carried out in the form of savings and loans business carried out by BUMDes that have been carried out, although there are still some people who have not been maximized in the return of capital that has been provided by Hikmah Sejahtera Village-Owned Enterprises. So, it is necessary to hold the cooperation of all parties involved so that BUMDes can develop with and prosper the people of Harapan Baru Village. As the results in the field, actually what is a problem in the savings and loan business of BUMDes Hikmah Sejahtera is the lack of public awareness in paying monthly installments or loan installments. Even though the results of the savings and loans will also be for them. The main purpose of the BUMDes Hikmah Sejahtera savings and loan business is to help the community in an effort to provide capital to them to create or open small and medium businesses in an effort to support the family economy with low-interest and affordable loans. Where with this capital can be established a business properly and be able to develop the business properly so that the business capital can be returned through sales profits. The purpose of the BUMDes Hikmah Sejahtera savings and loan business program is because people lack capital or do not have capital at all to open small businesses to support the family economy so that soft loans with low interest are targeted at underprivileged citizens. But a new problem that has arisen in the savings and loan business of BUMDes Hikmah Sejahtera is the jammed installment payments in the next few months due to the lack of awareness and sense of responsibility of the community to pay monthly installments. They seem to have never borrowed the money and seem ignorant in returning it and when charged the reasons are many and convoluted.

After being traced, it turns out that the problem in the savings and loan business of BUMDes Hikmah Sejahtera Harapan Baru Village is because the money is not intended according to the purpose but is instead used for daily needs so that it is difficult to pay the installments. The BUMDes Hikmah Sejahtera savings and loan program should be utilized or intended according to the purpose, namely opening a small business so that it can be used as a means to improve the family economy, the existence of savings and loans with low interest assistance the community's small businesses can grow rapidly and even become larger than the beginning of the business so that the community's economy becomes better.

### 3.1.2. Participatory Principle

Village-Owned Enterprises need participation from the community because BUMDes are not individuals or groups. In this case, the Passive Principle is needed because this Principle is a component that must be involved in the implementation of BUMDes which must be willing voluntarily without being asked to make a contribution that can encourage the progress of BUMDes business. Participatory means active, so it is hoped that in this principle the community must be willing and willing to encourage business progress as expected.

The results of the study show that the members are still not aware of their respective responsibilities and only rely on the core management, even though they are required for totality in managing this BUMDes Hikmah Sejahtera in order to continue to achieve the desired progress. However, some members still neglect their main task in managing BUMDes, where they only fulfill their responsibilities without any ideas, motivation or innovations in contributing to the development of BUMDes in the future. Seeing this condition, it will be difficult for BUMDes to advance if they only rely on the core management, without any awareness of participating in advancing it.

This condition is also supported by the expression of a member of BUMDes Hikmah Sejahtera who stated that the residents of Harapan Baru village should participate in its management, but this has not gone optimally where when the mutual cooperation of fencing the fish pond which is one of the efforts of the BUMDes who came to Goro at that time was not all residents, where the residents only watched more than those who worked, Their assumption is that there is already a cost, even though their participation and contribution are highly expected for the smooth development of the village.

Community participation in the development of BUMDes Hikmah Sejahtera is still not optimal, such as the lack of community participation when mutual cooperation for the development of one of the BUMDes business fields and public awareness to participate in community service work is still low. Researchers' observations on the development of BUMDes Hikmah Sejahtera have begun to see a good form of cooperation between fellow BUMDes managers and village communities even though it has not been maximized. cooperation between managers and volunteer assistance from the community, although the presence of the community in working together is still minimal and not as optimally as expected.

The indicator of the success of the participatory principle that has been carried out is that the savings and loan business carried out by BUMDes must be carried out according to the terms and conditions. Although there are still a small number of people in the return of capital, it has not been maximized in the return that has been given by the Harapan Baru Village BUMDes. Therefore, strong cooperation with all parties involved is needed so that BUMDes can develop and prosper the community.

Community involvement in the form of active participation of BUMDes Hikmah Sejahtera members is the lack of awareness or understanding of members' duties and responsibilities as administrators, supervisors or as members so that the participation given in managing BUMDes is not optimal.

### 3.1.3. Emancipatory Principle

BUMDes has an emancipatory principle. This principle is a principle that is treated regardless of class, ethnicity, religion. And this principle is the most important and very important principle. Because in BUMDes it is a common interest, not the interest of one person, two people, several people, there should be no discrimination on anything. For this reason, the village community needs to be prepared in advance so that they can accept new ideas.



From the results of the researcher's point of view, the emancipation of the principle of BUMDes management has not been maximized because there are no female BUMDes management members with direct reports from community members where BUMDes managers are all the same and have the same opportunity to participate in managing and enjoying the results as long as they are in accordance with applicable procedures and regulations.

The problem in the emancipatory of BUMDes Hikmah Sejahtera is the lack of balance to all community members in providing opportunities or opportunities for women to become BUMDes administrators due to the limited female human resources they have. This opportunity should be given to community members in the form of opportunities in the management of BUMDes Hikmah Sejahtera. In addition to all members who have been legally elected and decreed by the village government and community members from women representatives in an effort to advance the BUMDes business so that its existence is truly felt by all residents of Harapan Baru village.

The problem in the emancipation of the management of BUMDes Hikmah Sejahtera is due to the lack of community human resources from women or women in supporting the BUMDes program. Starting from low education, low ability in the IT field as well as lack of experience and low curiosity about the management of BUMDes itself. All members and community members should have the same emancipation or opportunity for both men and women in the management of BUMDes Hikmah Sejahtera, as administrators carry out their duties according to their respective capacities and responsibilities and as community members we participate and have the same opportunity as administrators in advancing BUMDes businesses, but the equity is slightly hampered due to the lack of community human resources from women themselves.

#### 3.1.4. Transparency Principle

The Principle of Transparency is an activity that affects the public interest easily and openly. Transparency in the management of BUMDes is very necessary because BUMDes is an institution that moves for the village economy, so the value of diversity and honesty must be increased. The form of BUMDes failure is when BUMDes administrators do not implement the principle of transparency to the public. This resulted in a lot of public speculation, suspicion and ended up in public distrust of BUMDes. If this has happened, it is said that BUMDes has lost its social power.

The main problem in transparency in the financial statements of BUMDes Hikmah Sejahtera is the lack of written information and socialization of management and reporting provided so that there are still various presumptions and negative assumptions from fellow administrators and residents of the village community. As ordinary people, it is appropriate for them to be suspicious and a motion of no confidence. In this case, transparency in the management of BUMDes Hikmah Sejahtera should be displayed by providing information and socialization openly to the public about BUMDes financial statements so that they are known and understood by all village residents.

The problem in the transparency of the management of BUMDes Hikmah Sejahtera is due to the emergence of various presumptions or assumptions of citizens and fellow administrators towards the management and financial reports of BUMDes itself, thus creating a less conducive atmosphere (Rusyan, 2018). This is triggered by the lack of open and easily accessible information for village residents. All members and community members should be able to know transparently about the management and financial reports of BUMDes, so that there are no bad assumptions and cohesiveness is created in advancing the BUMDes business and

making it a support for the progress of the rural economy that is felt by all community members.

### 3.1.5. Accountable Principles

One of the reasons that causes problems in the accountability of BUMDes Hikmah Sejahtera is the lack of human resources for managers and community members in providing opportunities or opportunities due to the limited human resources of BUMDes managers so that the activity administration report takes a long time to complete.

It should be accountable in the management of BUMDes Hikmah Sejahtera that all members have been legally elected and decreed by the village government and community members in an effort to advance the BUMDes business so that its existence is felt by all residents of Harapan Baru village, administrative reporting no longer uses the services of outsiders but is done by the BUMDes manager himself.

The establishment of BUMDes Harapan Baru requires accountability, namely the full responsibility of members according to their respective duties and then aims to provide equal opportunities to all community members to become administrators in turn so that they can experience managing BUMDes and have the opportunity to participate in the programs that are prepared and be able to make administration independently.

Accountability can be shown when the management of BUMDes Hikmah Sejahtera is routine, both from management, reporting and business improvement or progress and as a citizen of the community participates in consuming tools or products produced by BUMDes and has the opportunity to manage BUMDes, then the available turnover and administering all BUMDes activities neatly and continuously.

### 3.1.6. Sustainable Principle

Continuity is one of the goals in today's development, including villages ([Adisasmita, 2011](#)). Even though the village already has Village SDGs, which are called village sustainable development goals, this principle is a component of activities that must be preserved and developed by the village community in the forum of Village-Owned Enterprises ([Raharjo, 2021](#)). From the beginning, sustainability and sustainability with the principle of sustainable must show the sustainability and sustainability of business units so that BUMDes can be realized properly.

This preservation and development activity by the community has a BUMDes forum that should be able to run smoothly because it is expected to become educators and accustom the community to save so that they can fight poverty and have an independent and sustainable attitude and become a driving force (Steam Engine) in eliminating poverty, eliminating unemployment and opening market access. Likewise, there must be someone who buys and accommodates community commodities, one of which is through BUMDes.

Sustainability can be shown when maintaining the existence or safety of all BUMDes Hikmah Sejahtera assets on a regular basis, both from management, reporting and business improvement or progress. As a citizen, the community participates in protecting and saving all assets or tools and products produced by BUMDes and has the opportunity to manage BUMDes. The problem in the sustainable management of BUMDes Hikmah Sejahtera is due to the lack of human resources and public awareness in maintaining the sustainability of assets and supporting the BUMDes program, starting from low education, lack of experience and lack of care. All members and community members should have the same desire to maintain, develop and preserve the BUMDes Hikmah Sejahtera business, as administrators carry out their duties according to their respective capacities and

duties and as community members we participate and maintain integrity and safety and develop all businesses in an effort to advance the BUMDes business.

### 3.2. Supporting Factors and Inhibiting Factors

#### 3.2.1. Supporting Factors

The following supporting factors are closely related to the management of Village-Owned Enterprises (BUMDes):

##### A. Village Government Commitment

BUMDes has a role in the development of businesses and the village economy and requires comprehensive handling, so that in the growth of the community economy can be carried out firmly and in a sustainable manner. The commitment of the village this time can be seen in the development and provision of funds. The role of village government in poverty alleviation is very high through BUMDes, this is evidenced by BUMDes Funds which come from the District Budget, Provincial Budget, relevant Ministries and village funds. In addition, in the implementation of programs, the government supports the improvement of village-level welfare and community-based programs.

The village government establishes and establishes a village business with its management, which is also carried out by the community and capital ownership is also carried out by the village government and the community (Sumodiningrat & Wulandari, 2016). BUMDes is expected to stimulate and spur economic development in rural areas. In accordance with the Regulation of the Minister of Home Affairs Number 39 of 2010 concerning Village-Owned Enterprises, it is explained that the purpose of establishing BUMDes is to strengthen the financial capacity of the village government in running the government and increase community income through various economic activities in the countryside, taking into account the needs and potentials of each village.

##### B. Availability of Potential Natural Resources

Currently, villages have the autonomy to manage their own territory, economy, and community, in accordance with Law of the Republic of Indonesia Number 6 of 2014 concerning Villages. Villages are now given the authority to regulate and develop their economies independently. One way to advance the village economy is to utilize village assets as potential. These assets can be land, ponds, spring water sources, or other natural resources.

The existence of Village-Owned Enterprises (BUMDes) is regulated by the Regulation of the Minister of Villages, Development of Disadvantaged Regions, and Transmigration Number 4 of 2015. This regulation regulates various aspects related to BUMDes, including their establishment, management, and dissolution. The main purpose of this regulation is to improve the economic condition of the village, maximize the use of village assets, and encourage the community to manage the economic potential of the village.

In addition, BUMDes aims to increase business cooperation between villages and/or with third parties, create opportunities and market networks to meet the needs of public services, create jobs, and improve community welfare through improving public services. BUMDes also plays a role in encouraging village economic growth and equity, including increasing community income and village original income.

#### 3.2.2. Inhibiting Factors

The inhibiting factors from the implementation of the principles of the Management of BUMDes Hikmah Sejahtera in Harapan Baru Village are as follows:

#### A. Budget Return Factor

The existence of BUMDes in implementing programs and businesses is highly dependent on the available budget. Business capital is one of the key factors for the continuity and development of BUMDes. If the available funds are limited, the ability of business managers will also be hampered. BUMDes currently faces challenges in returning the budget or capital that has been used, especially in the savings and loan system.

As a result, the development of BUMDes businesses is still limited in accordance with existing capital. The main obstacle faced by BUMDes in managing business programs is the limited budget they have. For the development of BUMDes business for business development, large capital is needed, but budget limitations are one of the inhibiting factors to expand business and increase BUMDes turnover in developing larger businesses.

#### B. Human Resource Factors

Villages that have autonomy have the opportunity to develop according to their potential. Village-Owned Enterprises (BUMDes) play a role as a tool to improve welfare by involving the community in their management. However, the obstacle faced is the still low level of understanding and knowledge of human resources who manage BUMDes, even though community involvement in BUMDes is very open. This effort requires socialization and training in the management of BUMDes that supports the BUMDes business that is being managed.

The management of BUMDes Hikmah Sejahtera still requires support from various parties to improve the quality of the human resources involved. Currently, BUMDes has not succeeded in making a significant impact in improving people's welfare. The cause is limited human resources and lack of sustainable governance. Synergy is needed between BUMDes managers and the community, with active participation in planning, implementation, and evaluation, to ensure that BUMDes can provide greater benefits to the community.

#### C. Non-functioning of BUMDes Facilities

One of the reasons for the non-running of the BUMDes business is the non-functioning or not properly managed BUMDes facilities, for example the football or futsal zoom field is not used or not rented because there are no interested people or tenants playing there so that the facility just fails without producing anything. Even though it has been built so expensive, the results are not customary, as well as the business of buying fresh fruit bunches (buying and selling palm oil) also does not make a big contribution. BUMDes Hikmah Sejahtera should be managed as best as possible so that all forms of businesses that have been made can make money and can provide benefits to village income.

### 4. Conclusion

Based on the results of the research and discussion, it can be concluded that the strategy of Village-Owned Enterprises (BUMDes) in increasing the economic potential of the community is based on the following management principles (1). Principles of BUMDes management: Cooperatively, BUMDes are not fully optimal in building good cooperation for the development and continuity of their business as well as in offering local resources (goods and services) to the market. Participatorily, not all components involved in BUMDes have voluntarily provided support and contributions that can encourage the progress of BUMDes Hikmah Sejahtera business. Emancipatively, it can be seen that BUMDes managers have not been maximized due to the lack of female management members and business units that accommodate the interests or needs of women themselves. In terms of transparency,

there is still a lack of information disclosure and socialization of management and reporting submitted so that there are still negative presumptions or assumptions from fellow administrators and residents of the village community. Accountability is considered not optimal implementation due to the capacity of BUMDes management resources and the understanding of tasks, main and functional tasks, as well as the vision and mission of BUMDes. And sustainably, it has not been oriented towards the sustainability of institutions and businesses, characterized by less developed business units, increasing the income of BUMDes.

Supporting and inhibiting factors for the management of BUMDes Hikmah Sejahtera in Harapan Baru Village, Mandau District, Bengkalis Regency such as cooperative, participatory, emancipatory, transparent, accountable, and sustainable. There are several supporters and inhibitors. The main supporting factor is that the government's commitment to overcoming poverty and empowering villages through BUMDes is very high. This can be seen from the financial support provided by the village, the Regency Budget, the Provincial Budget, and related ministries. However, there are several obstacles, such as the slow return of the budget lent to the community and the less optimal use of facilities built to support the profits of BUMDes, such as the rental market and pertashop which have not provided adequate results.

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