

UDC 332

HOW IMPORTANT IS THE ROLE OF VILLAGE-OWNED ENTERPRISE (BUMDES) FOR VILLAGE COMMUNITIES IN BANGKALAN REGENCY

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ABSTRACT

The purpose of this study based on the background and problems of the research object are as follows: (1) Analyze the magnitude of the Village-Owned Enterprise' (*BUMDes* role in rural economic development in Bangkalan Regency; (2) Analyze the factors strengthening Village-Owned Enterprise (*BUMDes*), which play a role in realizing village independence in Bangkalan Regency. This quantitative research uses a non-parametric statistical analysis approach. Sampling used purposive sampling with two characteristics of respondents, namely the opinion of respondents from the perspective of beneficiaries (community) and *BUMDes* managers. There were 68 respondents from the community and several from *BUMDes* managers and village officials. According to the perspective of beneficiaries (villagers) in Bangkalan Regency, several obstacles have arisen, namely the opportunity to get jobs and to develop businesses for villagers. However, respondents stated benefits related to the existence of *BUMDes* in the village, namely opening new business opportunities and increasing the household income of villagers. The results of interviews with *BUMDes* managers and village officials, especially the village head, stated that the human resources managing *BUMDes* still require an intense mentoring process to plan business units suitable for their villages' potential in Bangkalan Regency. The competence and capacity of *BUMDes* managers need to be given expertise and ability to manage business units by local village assistants and assistance from local governments and academics.

KEY WORDS

BUMDes, rural economic development, local economic potential.

Accelerating rural development is not an easy matter. Facts about poverty in Indonesia are still a rural phenomenon compared to urban areas. Poverty illustrates a situation of various deficiencies, such as limited capital, insufficient knowledge and skills, low productivity, low income, weak exchange rates for the products of the poor, and limited opportunities to participate in development. The number of people living below the poverty line will reach 20.56% in 2020 in Bangkalan Regency. This number increased compared to the previous year, which reached 18.9%. The following is a description of poverty in Bangkalan Regency from 2010 to 2020.

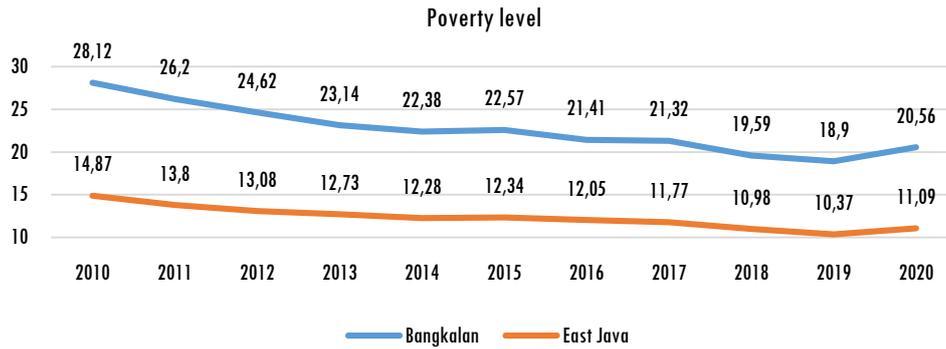


Figure 1 – Poverty Rate in Bangkalan Regency

The graph above illustrates that the trend of poverty shows a downward trend. Nonetheless, poverty is still a common problem that must be resolved in Bangkalan Regency. Compared with the average poverty rate of other districts/cities in East Java province, the poverty rate of Bangkalan district is still far above it.

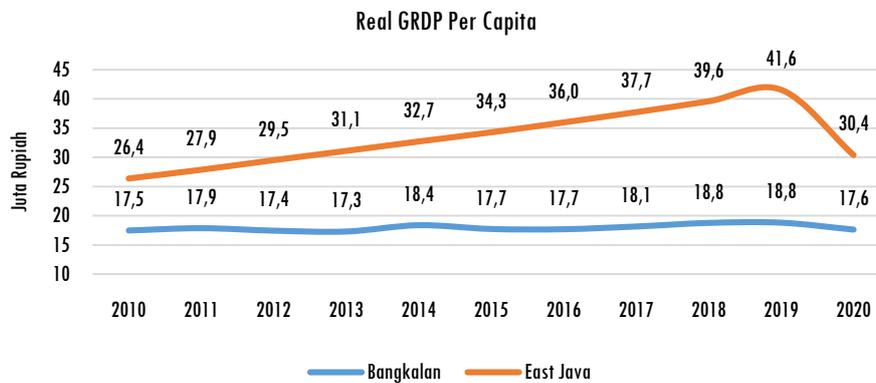


Figure 2 – Real Per Capita GRDP in Bangkalan Regency

The graph above illustrates that the per capita income of the people in Bangkalan Regency from 2010 tends to be stable until 2020, but when compared to the real per capita income of the people of the districts/cities in East Java, they are still relatively below that. It indicates a significant discrepancy between the poverty rate indicator and the real per capita income indicator of the people in Bangkalan Regency compared to the districts/cities in East Java.

Based on regional problems, namely how to increase the real income of the community, especially the village community, and how to reduce the level of poverty in the village, various poverty alleviation programs and programs for developing economic activities for local rural communities continue to be encouraged. It is also in line with the primary goal of inclusive economic development, namely creating broad access and opportunities for all levels of society, increasing welfare equitably and reducing disparities between groups and regions. The latest public policy seen as having a significant contribution to an inclusive and competitive economy is the stipulation of Government Regulation no. 11 of 2021 concerning Village-Owned Enterprise (*Badan Usaha Milik Desa*, often shortened to *BUMDes* or *BUM Desa*). It encourages and stimulates villages to take part in creating productive and profitable jobs according to the primary strategy of inclusive development.

The stimulation in question is through establishing economic institutions that is fully managed by the village community. These economic institutions are no longer established based on government instructions. However, it must be based on the wishes of the village community, which departs from the existence of potential, which, if appropriately managed,

will lead to community economic activity. The economic institution in question is a Village-Owned Enterprise (*BUMDes*). *BUMDes* is a business entity in which all or most of the capital is owned by the village through direct participation from village wealth to manage assets, services, and other businesses for the greatest welfare of the village community. *BUMDes* is expected to support the economy, drive the wheels of the economy, and transform the village economy (Sukasmanto & Matutu, 2016; Yudanto, 2019; Kemendesa, 2019).

Village-Owned Enterprises (*BUMDes*) become a forum for village government and its citizens to proportionally carry out economic empowerment programs at the village level (Maryunani, 2008). The existence of *BUMDes* is expected to be able to encourage and drive the wheels of the village economy. The substance of Village-Owned Enterprises (*BUMDes*) is not new in regulations on village government, but the Village Law emphasizes independence more. The independence in question is a process by the village government and village communities to carry out an activity to meet their needs with their abilities (Ridlwan, 2014).

BUMDes, as a village economic development entity, has also been widely studied and researched empirically and academically with various diverse focuses. Other village communities also experience the benefits of *BUMDes*. Several villages have developed *BUMDes*, which are engaged in managing assets, services, and other businesses for the greatest possible welfare of the community, for example, Karangrejek village with clean water management businesses, Panggungharjo village with garbage services, villages Pujon Kidul with tourist villages, and many other good examples.

Bangkalan Regency is the object of this research. In general, the establishment of *BUMDes* was carried out in the 2016-2018 period as part of the village's endeavour to contribute to driving the economy at the village level. The following table describes the development of the Village-Owned Enterprises (*BUMDes*) classification in Bangkalan Regency.

Table 1 – *BUMDes* data and Developing Village Index (*Indeks Desa Membangun/IDM*) status in Bangkalan Regency

No.	Subdistrict	Number of Villages	<i>BUMDes</i> classification		<i>BUMDes</i> Business Unit
			Developing	Least Developed	
1	Kamal	10	10	0	9 farms, 1 tourism, 2 services, 1 waste processing, 1 rice mill, and 1 shop
2	Labang	13	13	0	11 farms, 3 tourism, 1 water distribution, 1 cattle fattening, 1 screen printing, and 1 shop
3	Kwanyar	16	16	0	15 farms and 1 payment service
4	Modung	17	17	0	17 farms
5	Blega	19	19	0	19 farms
6	Konang	13	13	0	13 farms
7	Galis	21	1	20	20 farms and 1 water distribution service
8	Tanah Merah	23	23	0	22 farms and 1 payment service
9	Tragah	18	18	0	16 farms, 2 farms, 1 soap flower production, and 1 taro rental
10	Socah	11	10	1	10 farms, 1 hand tractor rental, and 1 lawnmower rental
11	Bangkalan	6	5	1	5 farms, 1 kiosk, and 1 tent rental
12	Burneh	11	11	0	11 farms
13	Arosbaya	18	18	0	17 farms and 1 transportation service
14	Geger	13	12	1	12 farms and 1 tourism
15	Kokop	13	12	1	11 farms and 2 lake tourism parks
16	Tanjung Bumi	14	14	0	11 farms, 3 beach tourism, 1 waste processing, 1 agriculture, 1 village market, and 1 savings and loans
17	Sepuluh	15	15	0	15 farms
18	Klampis	22	22	0	21 farms, 1 shop, 1 trade, and 1 shrimp paste, anchovy, and petis production
Jumlah Desa		273	249	24	

Source: Community and Village Empowerment Department (Dinas Pemberdayaan Masyarakat dan Desa/DPMD) data for Bangkalan Regency 2022, data processed.

The recapitulation of *BUMDes* data in Bangkalan Regency illustrates that livestock dominates economic activity within the scope of business units run by *BUMDes* managers. In addition, *BUMDes* managers run tourism business units (tourism villages), waste processing, village market management, tent rental, shops or kiosks, tractor rental services, agriculture, and production of soap, shrimp paste, and *petis*.

The Bangkalan district government made various efforts, namely carrying out activities dealing with empowering village communities. One of them was developing *BUMDes* institutions to improve the economy of village communities by optimizing the use of existing resources owned by local village communities. Based on this, the Bangkalan Regency Government realizes the importance of local economic development through *BUMDes* at the village level. The urgency of the existence of *BUMDes* as an independent village business is paramount, making it interesting to study. The purpose of this study based on the background and problems of the research object are as follows: (1). Analyze the magnitude of the role of Village Owned Enterprises (*BUMDes*) in rural economic development in Bangkalan Regency; and (2). Analyze the factors strengthening village-owned enterprises (*BUMDes*) which play a role in realizing village independence in Bangkalan Regency.

LITERATURE REVIEW

This research is related to rural economic development through *BUMDes* as the strength of rural community economic institutions. Therefore this literature adopts various literature studies consisting of the concept of inclusive economic development, the theory of local economic development, and the conception of knowing Village-Owned Enterprises.

The Concept of Inclusive Economic Development

Inclusive economic development is a model of community economic development that forms broad access and opportunities for the community to access development equitably. Inclusive economic development aims to improve people's welfare to reduce income disparities between community groups.

Inclusive growth is defined as growth that generates economic opportunities and guarantees equitable access for all members of society to the economic opportunities created. Inclusive growth allows all members of society to participate in and benefit from economic growth and development on an equal basis, regardless of socioeconomic background (Hill, Khan, Zhuang 2012). Concerning the aforementioned problems, market mechanisms cannot provide social service facilities for the poor and vulnerable groups. The government's role is needed to overcome market failures by providing adequate social security services.

Efforts to realize inclusive development require the role of the government to provide adequate infrastructure so that economic opportunities can be distributed evenly to various parts of Indonesia. In addition to infrastructure, the government's role is also needed to provide adequate social security/safety nets to reduce the impact of economic turmoil. The existence of this social safety net can guarantee the minimum necessities of life for the poor. In Indonesia, most people are still within the limits of the poverty line. A social safety net for this group is vital when they experience life challenges due to economic uncertainty. Without adequate social security, efforts to eradicate poverty and inequality will be hampered or even fail (Country, 2013).

Local Economic Development Theory

Local economic development (LED) is concerned with local communities working together to achieve sustainable economic growth that delivers economic benefits and improves the quality of life for all. The goal of LED is to create better conditions for economic growth and job creation (World Bank, 2011). In line with that, LED is a local activity that is a participatory development process in local administrative areas through partnerships of public and private stakeholders. The LED approach uses local resources and competitive advantage to create employment opportunities and sustainable economic growth (ILO,

2010). LED, thus, relates to sustainable development in the long term, where it takes time to change local conditions, build capacities, manage participatory processes, and empower stakeholders, especially the poor and marginalized (UN-Habitat, 2009).

The research results of Beyer et al. (2003) in Zambia and Rwanda critique existing development models and propose an economic development framework that can help build and measure partnerships and participation. The new development model is based on the importance of continuing economic growth while creating an equitable distribution of development outcomes down to the local level. Therefore, the local government must design a comprehensive yet flexible strategy that includes public-private partnerships and civil society participation. Again, the essence of local development is partnership and participation. The economic development strategy must include processes to create linkages between stakeholders and a plan to increase economic productivity and diversify the utilization of local resources to build and strengthen local capacity.

The Concept of Knowing Village-Owned Enterprises (*BUMDes*)

Village Owned Enterprises are village business institutions managed by the community and village government to strengthen the village economy and are formed based on the needs and potential of the village (Muammar, 2014). As one of the economic institutions operating in rural areas, *BUMDes* must have differences from economic institutions in general. It is intended so that the existence and performance of *BUMDes* can significantly contribute to improving the villagers' welfare. Besides that, so as not to develop a capitalistic business system in rural areas, which can result in disruption of the values of community life. The main characteristics that distinguish *BUMDes* from commercial, economic institutions in general (Maryunani, 2008) are:

- Business capital comes from the village (51%) and the community (49%) through equity participation (shares or stakes);
- This business entity is owned by the village and managed jointly;
- It is carried out based on the principles of kinship and cooperation and is rooted in the values that develop and live in a society;
- The business fields that are carried out are based on the development of village potential in general and the results of market information that support the economic life of the community;
- The workforce empowered in *BUMDes* is a potential workforce in the village;
- The profits obtained are intended to improve the welfare of the village community and or capital partners;
- Decision-making and problem-solving are carried out through village meetings;
- *BUMDes* regulations are implemented as village policies;
- Facilitated by the Government, Pemprov, Pemkab, and Pemdes;
- Implementing *BUMDes* activities is jointly supervised (Pemdes, BPD, members).

Given the importance of Village-Owned Enterprises (*BUMDes*) for village communities, professional governance regarding the guidelines for establishing *BUMDes* based on laws and regulations is a prerequisite for properly functioning *BUMDes*. Thus, it is important to carry out research/research so that it can analyze the role of Village-Owned Enterprises (*BUMDes*) for village communities in Bangkalan Regency so that they can truly achieve the objectives of establishing the *BUMDes* itself.

BUMDes is an economic institution that has a role in improving the economy of rural communities, Village Original Income (*Pendapatan Asli Desa/PADes*), increasing village potential and business opportunities for village communities. In the implementation of *BUMDes*, there are three main pillars/components which greatly influence:

1. The government, specifically the village government, which has local village-level authority, determines the existence of *BUMDes* through regulations, provides capital (funding), and provides assistance (supervision) as well as control in the form of monitoring and evaluation of *BUMDes*;

2. Managers, as executors in terms of operating business units in *BUMDes*, of course, capability and capacity are needed as *BUMDes* managers. Apart from that, it also contributes to planning, management, and control;
3. Communities, as beneficiaries, play an active role in capital participation as well as play an active role in terms of planning, management, as well as monitoring and evaluation.

METHODS OF RESEARCH

Research Approach and Data Analysis Methods

This study uses quantitative research regarding non-parametric statistical analysis. The use of the sign test in processing observed data is the use of non-parametric statistics whose requirements include: not referring to normal distribution patterns, the scale of data measurement being nominal or ordinal, and not being strict on determining the size of the sample.

Location and Determination of Research Sample

The location of this research was a case study in Bangkalan Regency, considering that this area is the area that is spatially closest to the Suramadu bridge, so it has an impact on changing people's economic activities. *BUMDes* has been 100% formed from 273 villages in Bangkalan Regency. However, its existence has not been seen in increasing village community economic activities, and it is also marked that there is no advanced *BUMDes* classification in villages in the Bangkalan Regency area.

The object determination as sample villages as an integral part of the *BUMDes* existence is selected according to the *BUMDes* classification that was in effect at the time of sampling. The sample is determined by purposive sampling and considering the proportion of village characteristics and the *BUMDes* classification in the village. There are 16 villages in Bangkalan Regency, and 86 samples from the community as beneficiaries of this research.

RESULTS AND DISCUSSION

Processed Data Analysis Sign Test (Sign Test)

This research examines the beneficiary community's perception of the existence of the *BUMDes* institution as a lever for community economic activity at the village level, and the following is a hypothesis that is part of this study, namely:

1. Does the existence of *BUMDes* make it easier for villagers to fulfil their jobs compared to before *BUMDes* existed in their village?
2. Does the existence of *BUMDes* provide business development for villagers compared to before *BUMDes* was established?
3. Is the *BUMDes* Institution able to provide new business opportunities for villagers compared to before the establishment of *BUMDes*?
4. Can *BUMDes* increase household income for villagers compared to before the business activities carried out by *BUMDes*?

Of the four opinions asked of the community as beneficiaries of the existence of *BUMDes* in the village, the results of data processing and hypothesis testing detailed in Table 2.

Recapitulation of the hypotheses along with the sign test value (Z value) and the significance level compared to the error rate (alpha). Statistically, it is stated that if the Z test value is greater than the table Z value, then reject H₀ or accept H₁. Alternatively, in another way, it is stated that if the significance level value is less than the error rate value (alpha 5% = 0.05), then it can be said to reject H₀ or accept H₁. It is statistically significant, meaning there is a difference in the variable value after the *BUMDes* establishment compared to the variable before the *BUMDes* establishment. It implies that the existence of *BUMDes* can provide roles according to the variables perceived by the respondents.

Table 2 – The hypothesis table and the results of the sign test

No.	Indicator	Job Opportunities > Before existed	AfterBusiness BUMDes Before existed	New >After BUMDes	BusinessesIncreasing > Before (<i>rukun</i> Income After BUMDes	Neighborhood > Before (<i>tetangga/RT</i>)
		(a)	(b)	(c)	(d)	
1	Negative Differences ^a	19	37	18	20	
2	Positive Differences ^b	29	23	37	37	
3	Ties ^c	38	26	31	29	
4	Total	86	86	86	86	
5	Z	-1,299	-1,678	-2,427	-2,119	
6	Asymp. Sig. (2-tailed)	0,194	0,093	0,015	0,034	

Source: Processed data.

Discussion on the Role of *BUMDes* in the Perspective of Beneficiaries (Society)

The results of the recapitulation in the table above, it is stated that the opinion on the existence of *BUMDes*, which plays a role in providing positive improvements, is related to community opinion regarding the role of *BUMDes* in opportunities to open new businesses for villagers and the presence of *BUMDes* in increasing the household income of villagers.

Respondents' perspectives as beneficiaries (community) stated that the established *BUMDes* had been able to provide opportunities for villagers to open new businesses, which before the existence of *BUMDes*, so far they had not been able to carry out business activities. However, after the *BUMDes* was established, several villagers were assisted by carrying out economic activities at *BUMDes* locations, especially *BUMDes* that manage tourism villages, such as depositing their processed goods or selling food and drinks at tourism objects managed by *BUMDes*. Carrying out selling activities has an impact on increasing their household income.

Although, there are different cases with conclusions that make the respondent's perception insignificant on two things: the respondent's opinion on the *BUMDes*' role in obtaining employment for villagers and the respondent's opinion on the *BUMDes* existence in the existing business development for villagers. The two perceptions above conclude that the establishment of *BUMDes* in villages has not been able to provide new job opportunities for residents, considering that the business unit managed by *BUMDes* has not provided optimal results, thereby reducing the opportunity for residents to be able to contribute to the workforce in the business unit at the *BUMDes* in question. The scale of *BUMDes*'s economic activity reduces opportunities for productive-age residents to become part of *BUMDes* business unit activities because existing business development opportunities have not been optimized, given that *BUMDes* managers themselves still experience many obstacles. Obstacles that arise include the business unit managed by *BUMDes* not running as expected, no activity indicating the existence of *BUMDes* business units, *BUMDes* managers in the research object being incompetent, lack of ability to develop village potential and support from the village head not optimal. Harun et al. (2021) stated that managing a village through a Village-Owned Enterprise is not easy because it requires knowledge and skills regarding development planning and sensitivity regarding the conditions of the village. The most important thing in village development planning is the initiative of the village head, and the implementation of the village head role is needed by the community (Kusuma and Syahrani, 2016).

The following are the results of interviews with *BUMDes* managers and village officials, especially village heads, in the research object:

- In Kokop District, two villages have *embung* (small lakes), and both are claimed to be *BUMDes* business units. From the picture, it appears that lake tourism which is claimed to be a business unit for Batokorogan Village and Amparaan Village, has no potential prospects for development. The reasons are as follows: there is no access road to the two *embung* (lakes), building a lake tour requires funds and careful planning, the condition of the lake during the dry season for Amparaan village dries up, the location of the lake is in the middle of a forest and quite far from people's homes. Economically, it is not feasible to become a tourist attraction.



Figure 3 – Reservoir in the Batokorogan village

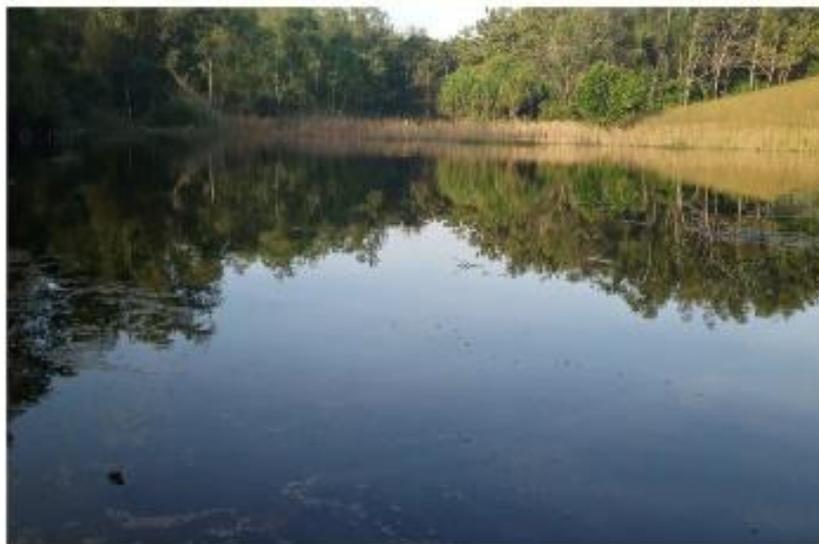


Figure 4 – Reservoir in Amparaan village

- b) So far, most livestock business units in 255 BUMDes have no activities. Key informants gave several reasons, including dying *etawah* (jamnapari or jamunapari) goats. *Etawah* goats were not suitable for breeding in the Bangkalan Regency area because sufficient

grass was not available, and a livestock business unit did not emerge from the villagers' needs (top-down policy). There is no community involvement in raising *etawah*, so the goats' condition worsens. The inclusion of livestock business units in *BUMDes* coincided with establishing the *BUMDes* institution en masse in 2017 in the Bangkalan district, followed by livestock assistance from the PMD Service. However, the socialization process and the practice of keeping *etawah* goats and others were not followed. Also, other non-technical obstacles were encountered by the agency during the implementation of grant funding in the form of livestock. It led to faults and an error in implementing the grant, so several agencies were entangled in legal cases due to this *etawah* goat grant.

- c) The livestock business unit from the interview stated that the *etawah* goat farm was not developing because many *BUMDes* managers did not understand how to raise *etawah* goats properly, so many died, were sold or otherwise. However, several livestock business units still exist because livestock has been diverted to local goats or cattle.
- d) Business units still running today are businesses that are carried out other than animal husbandry. The business unit that manages village tourism, such as the Blue Lake Beach, is a *BUMDes* that has successfully utilized village asset land as a tourism vehicle.

The interview results above strengthen the diversity of *BUMDes* management in Bangkalan Regency. Livestock business units (especially those raising *etawah* goats) are not planned according to the needs of the local village community. The implication of the uniformity of business units without mapping the local potential of the village makes planning messy, causing the implementation of these business units not to be as expected.

The following is a reference for factors used to start with proper planning, run *BUMDes* with proper management, and carry out the control process by offering the necessary evaluation again. The management of Village-Owned Enterprises will be successful if there is close cooperation between the village government and the community through *BUMDes* (Endah, 2019). Meanwhile, according to Susanto, 2019 is through a conceptual approach to managing *BUMDes* by implementing efficient management without abandoning the meaning of local community wisdom. Many positive impacts can be obtained by involving the community and actively participating in community empowerment. The community becomes capable of carrying out program planning, can read situations and conditions, can recognize local potential and determine goals, has experience and knowledge (Widiasturi, 2019, Priambodo, 2015), and active participation has an impact on poverty alleviation (Suharto, 2018). The role of creative and innovative village heads in carrying out community empowerment can also influence the success of *BUMDes* (Suhayati, 2021). Meanwhile, Nugroho's (2018) research suggests that the formation and grouping of MSME clusters in the village will facilitate *BUMDes* work in providing assistance and performance evaluation.

Based on research related to assistance, such as that conducted by Ridzal (2020), community assistance activities need to be carried out regularly to manage and make the most of *BUMDes* and create an independent and prosperous village through *BUMDes*. It aligned with Wahyuningsih (2020), who stated that it needs assistance for *BUMDes* business management, financial administration, and business assistance which can be carried out in parallel with the implementation of various programs.

The study by Nurhasan (2020) explained that evaluation is needed in all activities carried out by *BUMDes* so that all business units can run according to what was previously planned. Furthermore, information from monitoring results is used to evaluate whether the program being implemented has obtained appropriate results or vice versa (Kunja, 2019). According to Zuliah (2010), in supporting regional development, village community involvement is vital from the initial stages, namely planning, implementation, and monitoring to evaluation.

Prabowo et al. (2021) stated that the negative things about *BUMDes* capital due to the lack of socialization carried out by the village government so that from 2015 to 2019, village capital was only focused on physical development without forming *BUMDes* which should have been formed long ago. The obstacle for *BUMDes* in empowering the community is that there is still a lack of community participation in advancing business units managed by *BUMDes*, as well as the lack of capital owned by *BUMDes* (Pangestu, 2020). Juanda et al.

(2016) stated that the implementation of community empowerment was not optimal. The less optimal aspects include policy accuracy, target accuracy, and process accuracy.

Research Results Contribution

Theory Contribution

Based on the research findings, the theoretical implications of this research can be explained as follows:

1. The main objective of the theory of local economic development is how to stimulate local employment opportunities in certain sectors to improve people's welfare by using human and natural resources. Each region has a location-specific economic growth pattern following the region's characteristics and the potential of its resources. Therefore, in planning for local economic development, it is necessary to identify the region's economic, social and physical characteristics, including its interaction system with other regions. Thus the local economic development strategy does not necessarily apply to other regions. The establishment and management of Village Owned Enterprises (*BUMDes*) is an embodiment of village productive economic management as part of the implications of the theory of local economic development, which is carried out in a cooperative, participatory, emancipatory, transparent, accountable, and sustainable manner. Therefore, serious efforts are needed to manage these business entities effectively, efficiently, professionally, and independently.
2. The concept of Inclusive Economic Development is an integral part of the existence of *BUMDes* in the village. *BUMDes* in the village certainly contribute greatly to encouraging an increase in community economic activities. In the end, it is aligned with the main objectives of inclusive economic development, namely creating broad access and opportunities for all levels of society, increasing welfare equitably, and reducing disparities between groups and regions.

Practical Contribution

Based on the research findings, the practical implications of this research can be explained as follows:

1. Increasing *BUMDes* planning capabilities that need to be carried out in mapping village potential to determine *BUMDes* business units that suit community needs. The steps for mapping the potential of the village are as follows: Conducting data collection and initial study of available potential data to determine objects that can be developed; Conducting field surveys to collect data that will be used as material in mapping potentials and problems as well as the facilities that will be implemented; Determine the priority scale of the potential to be developed according to the needs, costs and benefits of mapping village potentials; Formulate a priority design or plan that is oriented towards empowering the community to "develop an independent village build upon rural areas" based on its real conditions; Implement designs or strategic plans that have been produced as *BUMDes* business units that promise to improve the village economy; Involve community participation proportionally. It is necessary so that each development program gets full community support, from data collection, assessment, project work, and utilization to maintenance.
2. *BUMDes* managers are expected to enhance further various training pieces related to business development and the mental development of business actors in the village. *BUMDes*, as a village economic institution responsible for implementing business partnerships, should be provided with an understanding of community empowerment so that they know what they have to do to empower the community.
3. *BUMDes* assistance is carried out continuously and in stages through the following steps: Building commitment. At this stage, the Facilitator and *BUMDes* are involved in matters surrounding efforts to bring together ideas (ideas); Organizing, where *BUMDes* and Facilitators have started the process of formulating ideas, compiling a need of assessment, developing a shared vision, mission, and plan; Cooperation in

cohesiveness in realizing the plans that have been prepared is marked by interaction in a tangible form; Termination for *BUMDes* as the final part of the mentoring process where *BUMDes* can take active initiatives in solving the problem; Consultation between *BUMDes* and Facilitator on an ongoing basis. *BUMDes* assistance is helping the village's economic institutions to solve the various problems they face according to the development level of the *BUMDes*. Therefore, determining a *BUMDes* companion should pay attention to the following: Village officials and *BUMDes* administrators must ensure, organizationally and managerially, the presence of the companion; Recruitment of companions can be carried out by the *BUMDes* or the village itself. It will make it more likely that *BUMDes* will meet the expectations and proper qualifications. It only remains to make legality that shows the decision to appoint a companion is under the rules and policies; Considering that *BUMDes* is based on village assets and potential, the companion must not only have a strong business vision but also must have social analysis skills and potential mapping; The companion must have human relations skills or good communication skills so that they can mingle with residents, motivate and demonstrate how the program builds the *BUMDes* business; *BUMDes* Facilitators must be able to stimulate community participation in building and running *BUMDes* productively; and the companion must understand the rules or regulations related to the management of village and *BUMDes* funds so that the implementation of the assistance program does not violate the rules.

4. Village Economic Development through *BUMDes* must collaborate on the three main pillars/components above, namely the government, managers, and the community actively according to needs (potential for local wisdom) so as to be able to present a climate that can guarantee the goals achievement of the *BUMDes* existence in Bangkalan Regency, namely being able to improve the economy village communities, increasing Village Original Income (*PADes*), increasing village potential and increasing business opportunities for village communities.

CONCLUSION AND SUGGESTIONS

Based on the discussion of this study, it can be concluded as follows:

1. The existence of *BUMDes* in several villages, which represent research objects in Bangkalan Regency, is still not fully able to overcome the economic problems of rural communities. From the perspective of beneficiaries (villagers), several obstacles arise, namely the opportunity to get work opportunities for villagers and the opportunity to develop villagers' businesses. However, respondents stated benefits related to the existence of *BUMDes* in the village, namely opening new business opportunities for villagers and providing increased household income.
2. The results of interviews with *BUMDes* managers and village officials, especially the village head, stated that the human resources managing *BUMDes* still require an intense mentoring process to plan business units that follow the potential of their villages in Bangkalan Regency. The competence and capacity of *BUMDes* managers need to be given a touch of expertise and ability to manage business units by local village assistants and assistance from local governments and academics.

Suggestions for this study are as follows:

1. Increasing the planning capability and implementing capacity of *BUMDes* needs to be done in mapping village potential to determine *BUMDes* business units that are following community needs.
2. Village Local Facilitators who can synergize with the potential of village communities need to consider their presence and capabilities. The decision to appoint village assistants should be under existing rules and policies. Considering that *BUMDes* is asset-based and has village potential, assistants must have a strong business vision and, at the same time, have social analysis skills and the capacity to map good village potential.

3. Maximizing the role of local government agencies, especially agencies that handle villages to participate in helping *BUMDes* in increasing the management capacity of business units, coaching programs according to the priority needs of each *BUMDes* and providing stimulus as a trigger for *BUMDes* to be creative.

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