



Analysis of the management of village-owned enterprises (bumdes) maju bersama in improving the welfare of the community of besmarak village, kupang regency

Reisanty M. Djami¹, Surya S. Tarigan², Angel R. Lumalessi³

^{1,2,3}Business Administration, State Polytechnic of Kupang, Kupang, Indonesia

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ABSTRACT

Village-Owned Enterprises (BUMDes) are village businesses managed by the village government and legal entities. The village government can establish it according to the needs and potential of the village. The establishment of BUMDes is determined by local village regulations, and its management consists of the village government and the village community. The existence of BUMDes is expected to be able to take advantage of the existing potential, both human resources and natural resources owned by the village. The existence of BUMDes is expected to increase the village's original income. The existence of BUMDes Maju Bersama of course there are also problems that arise in the community of Besmarak village based on the results of the initial observations made by the author, the things experienced by BUMDes Maju Bersama in Besmarak Village experience several problems where the business of making VCO and making tomato sauce/chili sauce sometimes produces, sometimes does not produce, this is because they have their own busy work, In addition, their products do not sell well because they do not sell outside the village. So this BUMDes is not their main job, where BUMDes is not the main priority so that their business sometimes runs, sometimes they don't and they are less enthusiastic, even though the spearhead of a business is human resources, in this case the workforce. In addition, administrative problems, in this case, are still lacking, and the natural potential that is available in so much in Besmarak village has not been optimized. Therefore, this study aims to find out the management of BUMDes Maju Bersama Besmarak Village in improving community welfare. This study uses qualitative descriptive research. The data in this study are sourced from primary and secondary data. The data collection technique uses observation, interview and documentation techniques. Data analysis techniques use qualitative data analysis.

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Corresponding Author:

Reisanty M. Djami,
Business Administration,
State Polytechnic of Kupang,
Jln. Adisucipto, Kota Kupang, 85258, Indonesia,
Email: reisanty.djami@pnk.ac.id

INTRODUCTION

Rural-based development by prioritizing local village wisdom which includes socio-cultural, geographical, demographic, agricultural, livestock, village institutions, and village economic patterns. A village is a unit of territory with many families with a system of self-government (headed by the village head) or a village is a collection of houses outside the city that form a unit (Sukri et al., 2023). Therefore, villages have an important role in national development efforts. This makes the village no longer an object but a subject of development (Bukhari, 2021; Kartika, 2012).

Village-Owned Enterprises (BUMDes) are village businesses managed by the village government and legal entities (Nisaa & Hidayati, 2022; Setiawan, 2021). The village government can establish it according to the needs and potential of the village. The establishment of BUMDes is determined by local village regulations, and its management consists of the village government and the village community (Irdansyah et al., 2023). The existence of BUMDes is expected to be able to take advantage of the potential that exists in a village, both human resources and natural resources owned by the village (Pamungkas et al., 2020). It is also hoped that the existence of BUMDes can increase the village's original income (Murti et al., 2023). As a new institution in the village, the management of BUMDes is not only as an institution with the aim of making a profit but as a non-profit institution tasked with empowering the village community. Community empowerment aims to improve the knowledge, understanding and skills of village communities in productive economic activities carried out by BUMDes. This is expected to increase the participation of village communities which has an impact on improving community welfare.

Previous research on BUMDes, such as studies by Pradnyani (2019) and Ramadana (2013), focused on the general role of these enterprises in community welfare but lacked sector-specific insights, particularly in areas like Virgin Coconut Oil (VCO) and chili/tomato sauce production in Besmarak Village. These studies also overlooked operational challenges, such as inconsistent production, weak marketing strategies, and administrative inefficiencies, which hinder BUMDes from reaching its full potential. Furthermore, while BUMDes' dual role as both a social and commercial institution has been acknowledged, previous research failed to fully integrate these perspectives. To address these gaps, this study delves into the unique management issues of BUMDes Maju Bersama in Besmarak Village, focusing on improving human resource commitment, optimizing local resources, and enhancing administrative practices. By exploring both the social and commercial aspects of BUMDes, this research provides a more comprehensive approach to managing BUMDes effectively, with the goal of increasing village welfare and boosting economic growth.

The existence of BUMDes, of course, there are also problems that arise in the village community based on the results of the initial observations made by the author, the things experienced by BUMDes Maju Bersama in Besmarak Village experience several problems where the business of making VCO and making tomato sauce/chili sauce sometimes produces, sometimes does not produce, this is because they have their busy work, besides that their products do not sell well because they do not sell out of the village. Thus, this BUMDes is not their main job, where BUMDes is not the main priority so that their business sometimes runs, sometimes they don't and they are less enthusiastic, even though the spearhead of a business is human resources, in this case the workforce (Harahap, 2021; Mahmuda et al., 2021; Novianti et al., 2023). In addition to the problem of manpower, it is an administrative problem, in this case the recording is still lacking, they have not been able to optimize the natural potential that is available so much in Besmarak village.

As a village economic institution, BUMDes has a function as a social *institution* and as a commercial institution. In its function as a social institution, BUMDes supports the interests of the community through contributions made by providing social services for the community. Meanwhile, the function of BUMDes as a commercial institution aims to seek profits by offering

local resources in the form of goods and services to the market (Muhamad et al., 2022; Oci et al., 2023). The position of BUMDes as a commercial institution has differences from other commercial institutions.

The main obstacles in the management of BUMDes Maju Bersama include inactive members, lack of capital, and limited product marketing. Over time, some members have become disengaged, leading to irregular production that only takes place during exhibitions or when village guests visit. Additionally, the enterprise struggles with securing sufficient funds to maintain consistent operations, as proposals for business funding have not yet been successful. Marketing challenges further compound the problem, with products like VCO and ketchup being sold primarily at exhibitions, resulting in concerns about overproduction and product expiration. Despite the village's wealth of natural resources, such as coconuts, tomatoes, and chili, these are not fully utilized due to management and marketing constraints, causing excess production to go to waste. To address these issues, more active community involvement is essential. Engaging residents in management roles through rotational leadership or offering financial incentives can address member inactivity. Encouraging local investment by allowing villagers to own small shares in the business could foster a stronger sense of ownership and commitment. Expanding marketing efforts through collaborations with neighboring villages or regional distributors would improve product reach, while training programs in production, management, and marketing would enhance local capacity. Leveraging local networks and promoting BUMDes products through community-driven campaigns and digital platforms could also boost visibility, ensuring a more sustainable and prosperous operation that benefits the entire village.

There are seven characteristics that distinguish BUMDes as a commercial institution from other commercial institutions. First, Village-Owned Enterprises are owned by villages and managed jointly by the village government and village communities. Second, the source of business capital comes from the village budget (51%) and from the village community (49%) through capital participation in the form of shares or contributions. Third, in carrying out BUMDes business activities, they use a business philosophy based on local culture (*local wisdom*). Fourth, the business field that is run is based on the potential and results of information (Lestari, 2020). Fifth, The profits obtained through business activities are aimed at improving the welfare of members (capital contributors) and the community through village policies. Sixth, in carrying out business activities, BUMDes obtains facilities from the central government, provincial governments, local governments, and village governments. Lastly, supervision of BUMDes activities is carried out jointly by the village government, BPD, and the community (Ismarandy et al., 2021).

According to Anggraeni (2016), Village-Owned Enterprises (BUMDes) are business entities whose all or most of the capital is owned by the village through direct participation derived from the village's wealth which is separated in order to manage assets, services and other businesses for the maximum welfare of the village community Based on President Joko Widodo's vision with the ideal of building the country from the periphery, BUMDes can certainly be the focus in the development of the country through suburban areas to be more independent and not dependent on the central government.

Community welfare can be interpreted as social welfare where in article 1 paragraph 1 of Law No. 11 of 2009, social welfare is a condition for the fulfillment of the material, spiritual, and social needs of citizens in order to live a decent life and be able to develop themselves so that they can carry out their social functions (Imron, 2012). Welfare is also a condition where a person feels that all the needs in carrying out his life have been met, so that it can support the quality of life and make a person able to carry out his nature as a citizen of society without having to think about the difficulties of his life.

Research conducted by Pradnyani (2019) discusses the role of BUMDes of Gentha Persada Village in the welfare of the community as well as supporting and inhibiting factors in improving

the welfare of the village community. This study uses a qualitative descriptive data analysis method using observation, interview, and documentation data collection methods. The result of her research is that the role of BUMDes Gentha Persada in prospering the village community has been realized with the existence of a business unit in it. BUMDes also opens jobs for local village communities, so that it can reduce unemployment. In addition, the BUMDes of Gentha Persada village have provided some benefits to increase Regional Original Revenue (PAD). The similarity of this research with the research being carried out is that they both discuss the needs of BUMDes and the welfare of the community also use qualitative methods, while the difference is in the object of the research.

Ramadana (2013) "The existence of BUMDes as a strengthening of the village economy", discusses what are the inhibiting and supporting factors of BUMDes. This study uses a descriptive qualitative method. The similarity between this study and the research that the researcher is currently conducting is that they both see the impact of BUMDes on the welfare of village communities. The difference is that the current research focuses more on the management of BUMDes to improve the welfare of the village community.

RESEARCH METHOD

The type of research used by the researcher is qualitative research with a descriptive approach. Qualitative research is research that intends to understand the phenomenon of what the research subject experiences such as behavior, perception, motivation, action, holistically, and by way of description in the form of words and language, in a special context that is natural and by utilizing various natural methods (Hennink et al., 2020; Maher & Dertadian, 2018). When viewed from the type of place where the research is carried out, this research is classified as field research, which is research that has the purpose of collecting data and information about certain problems regarding the life of the community that is the object of research (Burgess, 2002; Malsch & Salterio, 2016). In this study, the researcher intends to provide an overview of the management of BUMDes Maju Bersama in improving the welfare of the community in Besmarak Kabupaten village, Kupang.

The data analysis technique used in this study is interactive analysis according to Miles and Huberman, that is, in qualitative research, it is possible to analyze data when the researcher is in the field or after returning from the field. Merriam and Tisdell (2015) stated that activities in qualitative data analysis are carried out interactively and take place continuously until complete, so that the data is saturated.

RESULTS AND DISCUSSIONS

BUMdes in Besmarak village was established with the aim of increasing village profits or increasing village income, so that it can improve the welfare of the village community. BUMdes Maju Bersama Besmarak village has a business in the field of making VCO (Virgin Coconut Oil) or virgin coconut oil, making tomato sauce, making dried chili powder, agriculture and livestock. But what is currently running is the manufacture of VCO and the manufacture of ketchup. This is known from the results of an interview with the chairman of BUMdes Maju Bersama Besmarak Village, Mr. Desmani Putra Fau.

Based on the results of the interview with Mr. Putra, it can be seen that the management of BUMdes is somewhat stalled in its activities because some members are not active in management so that the production that must be carried out does not run as planned. In addition, one of the obstacles faced is funds or capital in carrying out production. So they tried to make a proposal to ask for BUMdes Maju Bersama business funding, but they have not received a response.

If you look at the business opportunities, it is very good, where the location of BUMdes is located in Besmarak village which is rich in raw materials such as coconut with good fruit quality,

good tomato and chili farming, fertile village soil makes a lot of agricultural products. But sometimes if the production is excessive, sometimes it is wasted. The above can be seen that it is undeniable that in the management of BUMdes Maju Bersama there are many problems as seen in the excerpt of an interview with the Head of Besmarak Village, Mr. Petrus L. Timate: "Since the beginning of the formation of BUMdes Maju Bersama, it can be seen that the members are so enthusiastic, but as time goes by, some BUMdes members began to be inactive, then they also experienced problems in product marketing, so they only produced if there was an exhibition. Like the production of ketchup, if they produce a lot, they are worried that it will expire quickly or spoil quickly, while virgin coconut oil also only sells if there is a display and there are guests who come to the village, it is also the cause of the passivity of the business of BUMdes Maju Bersama Oben Village.

Based on the statement above, it can be seen that the biggest obstacle is in product marketing, if production is carried out they are worried that it will not sell, so it can be damaged or expired. So that production will only be carried out if there is an exhibition and there are village guests.

Whether or not an organization is effective in bringing a positive influence on the goals of BUMdes is something that needs to be studied so that everyone who is related to the BUMdes can be aware of the problems that occur and can solve existing problems. Based on an interview with Mr. Putra Fau as the chairman of BUMdes Maju Bersama in Besmarak village, regarding how effective BUMdes Maju Bersama is in the welfare of the people of Besmarak village.

From the results of the interview, it can be seen that the results of BUMdes' business are used for village income, the economy of members, as well as social contributions for residents who experience economic difficulties.

The increase in income is also felt by one of the people who works in BUMdes, that he can also earn income in BUMdes, where when production runs when there are orders for exhibitions and official guests who come to the village, they can get income. From the above statement, it can be concluded that BUMdes activities are still running but not very active only in certain seasons, but can increase the income of residents involved in BUMdes.

Since the government issued a law that villages have the right to establish village-owned enterprises (BUMdes), it has given villages the opportunity to improve the village economy. BUMdes is an economic organization in the village to achieve the welfare of its community which is expected to increase the village economy. In establishing BUMdes, the business fields that will be carried out must be well coordinated so that they can be in accordance with the needs and potential of the village. In addition, opportunities to market their production must also be considered, in order to provide benefits for BUMdes itself.

BUMdes Maju Bersama Desa besmarak is chaired by Mr. Desmani Putra Fau, his deputy is Mr. Ayub, and the treasurer is Mrs. Lita. The purpose of the establishment of BUMdes Maju Bersama is to advance the welfare of the people of Besmarak village, especially residents who join or work in BUMdes Maju with Besmarak village.

Based on the data obtained by the researcher, BUMdes Maju Bersama has several businesses, including: 1) Refined Coconut Oil (VCO) Production; 2) Production of Ketchup; 3) Chili Powder Production; 4) Marketing of agricultural products; and 5) Marketing Farm Products. Of the 5 businesses above that provide the most income are virgin coconut oil production and marketing of agricultural products, but not too large. From the above statement, the presence of BUMdes Maju Bersama has benefited and provided income for the community that is its members. However, it has not fully had a wide impact on the community of Besmarak village.

CONCLUSION

Based on the results and discussions, it can be concluded that BUMdes Maju Bersama has 5 types of businesses, namely VCO Production, tomato sauce production, Chili powder production, marketing of agricultural products and livestock products. From the existing business, BUMdes Maju Bersama has had an economic impact on the community, especially members who work in BUMdes, but the economic impact is not too large. In addition, there are also several obstacles encountered by BUMdes Maju Bersama in running their business, namely in capital, labor and marketing of production products, so that the income from BUMdes Maju Bersama Besmarak village cannot be said to improve the economic welfare of the residents of Besmarak village.

This research contributes to the theoretical understanding of rural development through Village-Owned Enterprises (BUMDes), highlighting the challenges and opportunities in managing village enterprises. It expands on existing literature by showing how BUMDes functions not only as a commercial entity but also as a social enterprise. The study underlines the importance of aligning business activities with the unique socio-economic and cultural contexts of rural areas, while also addressing operational barriers such as inactive membership, capital shortages, and ineffective marketing strategies. The findings contribute to the ongoing theoretical discussion of how local enterprises can enhance village welfare and economic development through sustainable business practices that leverage local resources and involve community participation.

In practice, the research emphasizes the need for stronger management and strategic planning in BUMDes operations. It suggests that addressing issues like inactive members, lack of capital, and weak marketing efforts is crucial to ensure the sustainability and growth of BUMDes. The study encourages village governments and BUMDes managers to implement better financial management, secure external funding, and explore broader marketing strategies to expand product sales beyond local exhibitions and village guests. Moreover, the research underscores the need for continuous community involvement and capacity-building to ensure that BUMDes remains an active and vital source of income and welfare improvement for the village, rather than being seasonal or passive. Strengthening the integration of agricultural and manufacturing sectors, along with marketing strategies, can also enhance the broader economic impact on the village community.

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