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Implementation of Village Development Through Utilization of Village-Owned Enterprises' Income

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Abstract: Village development is a crucial factor in advancing local government so that in village development, a village-owned business entity (BUMDES) is needed to strengthen the village's original income. Therefore, BUMDES plays a significant role in village development to realize community welfare. This study aims to analyze the role of BUM Desa Mandiri Sukamanah in supporting village development through BUM Desa Sukamanah income. This study focuses on qualitative methods with 17 informants consisting of Megamendung sub-district officials, Sukamanah village officials and Sukamanah village residents. The results of the study show that the implementation of village development in Sukamanah Village through Village Original Income (PADes) managed by BUM Desa Mandiri has been running well in various aspects, especially in the management of village markets and clean water facilities. However, there are still limitations in the transparency of financial management and the lack of managerial capacity of BUMDes managers.

Keyword: Village Development, BUMDes, PADes.

INTRODUCTION

According to Law 6 of 2014, a village is a legal community unit that has territorial boundaries that are authorized to regulate and manage government, local community interests, based on community initiatives, original rights, and traditional rights that are recognized and respected in the Government system of the Unitary State of the Republic of Indonesia. The existence of Law Number 6 of 2004 concerning Villages is a means to realize the independence and welfare of village communities.

With the Village Law, it is hoped that each village will be able to manage its authority, assets and finances to achieve the welfare of the village itself. The village is the smallest government unit, the smallest decision-making unit. Every decision made in the village will refer more to the human self as an individual.

One of the challenges in village development is the level of poverty in the village, Indonesia has a high level of poverty in several underdeveloped areas. According to Carl E. Kase, Ray C Fair in the book *Principles of Economics* (2007) it is said that Poverty is often

interpreted as the inability to meet basic needs, such as food, clothing, shelter, education, and health.

Indonesia noted that as of October 31, 2024, there had been 26,515 Village-Owned Enterprises that had been Verified (registered), but only 20,641 Village-Owned Enterprises had a Legal Entity, (<https://bumdes.kemendesa.go.id/>), in Bogor Regency out of 416 Villages, only 189 Bumdes had been verified and 74 Bumdes had a legal entity. Megamendung District consists of 12 Villages, by 2024 all Villages have Bumdes, with the following ranking:

NO	DESA	NAMA BUM DESA	LAPORAN KEUANGAN		PEMERINGKATAN		
			2021	2022	2022	2023	2024
1	CIPAYUNG	BUM DESA CIPAYUNG CIPAYUNG		V	MAJU	-	-
2	CIPAYUNG GIRANG	BUM DESA MAJU BERSAMA CIPAYUNG GIRANG			PERINTIS	BERKEMBANG	-
3	GADOG	GADOG USAHA MANDIRI			PERINTIS	-	-
4	KUTA	BUM DESA EMBLIN HUTAN KUTA			-	-	-
5	MEGAMENDUNG	BUM DESA MEGAMENDUNG JAYA MEGAMENDUNG		V	BERKEMBANG	MAJU	PERINTIS
6	PASIR ANGIN	BUMDES SERBA USAHA MAJU SEJAHTERA			PERINTIS	-	-
7	SUKAGALIH	BUM DESA GALIH MUKTI SUKAGALIH			PERINTIS	BERKEMBANG	-
8	SUKAKARYA	BUM DESA BINA KARYA SEJAHTERA SUKAKARYA			PERINTIS	-	-
9	SUKAMAH	TIRTA MAHI			PERINTIS	-	-
10	SUKAMAJU	BUM DESA LINGKAR SEJAHTERA SUKAMAJU			PERINTIS	-	-
11	SUKAMANAH	BUM DESA MANDIRI SUKAMANAH	V	V	MAJU	MAJU	BERKEMBANG
12	SUKARESMI	BUM DESA SUKARESMI SUKARESMI			PERINTIS	-	-

Picture 1 Ranking of Village-Owned Enterprises in Megamendung District

Soure : (<http://dpmd.bogorkab.go.id>) 31/10/20, 11:03

Reported from the page "Bumdes.id" (31-10-2024, 11:03). Based on Government Regulation Number 11 of 2021 concerning Village-Owned Enterprises and Regulation of the Minister of Villages, Development of Disadvantaged Regions, and Transmigration Number 3 of 2021 regarding the ranking of BUM Desa / BUM Desma, the ranking is determined. This ranking is determined through the values determined from 7 (seven) aspects that will be totaled. The score classification is determined in the "Decree of the Minister of Villages, Development of Disadvantaged Regions, and Transmigration of the Republic of Indonesia Number 7 of 2023 concerning the Results of the Ranking of Village-Owned Enterprises. The ranking of BUM Desa / Joint BUM Desa is carried out by a team formed by the Minister of Villages and Development of Disadvantaged Regions and Transmigration, which aims to measure the development of the management of BUM Desa / Joint BUM Desa in a certain period. The ranking is carried out in February of the current year to measure the development of the management of BUM Desa / Joint BUM Desa in the previous year. The ranking is carried out based on institutional aspects, management, Village-Owned Enterprises/Joint Village-Owned Enterprises and/or Village-Owned Enterprises/Joint Village-Owned Enterprises Business Units, cooperation or partnerships, assets and capital, reporting administration and accountability, and benefits and advantages for the Village and the Village community.

The establishment of BUMDes is not only imitating other villages but must be in accordance with the potential of the local community, the potential of the village or the wealth owned by the village. The success of BUMDes is not only seen from how long the BUMDes has been running but also seen from the contribution of BUMDes to the village and the village community in advancing the economy and community welfare (Kohen, 2018). The existence of BUMDes has a great influence on the economic and social sectors, bringing about changes in interactions between residents and also increasing Village Original Income (Anggaraeni, 2016).

BUMDes has a role in increasing village income and the results must be visible, so it is necessary to report information transparently to the parties who need it (Nuha & Masrunik, 2017). Financial reports are very necessary information to reflect the condition of an agency and help agencies in making decisions for the long-term sustainability of an agency (Irawati & Martanti, 2018). Lack of communication and socialization has given rise to public distrust in

BUMDes management, which demands transparency and accountability in BUMDes management, even though the existence of BUMDes has increased Regional Original Income (Anggraeni, 2016). Transparency is an openness of information that must be understood by the public, is important for implementing government functions and is an instrument for saving people's money from misappropriation or corruption (Nuha & Masrunik, 2017).

In the operational management of BUM Desa, both from the Village Market and Clean Water Facilities, there are obstacles in its implementation, some problems in the management of BUM Desa Sukamanah, Megamendung District, Bogor Regency in general include: lack of human resource capacity, capital support is not yet optimal, lack of understanding of business people, regulations slow down decision making because they are too bureaucratic, lack of involvement and support from the village community, financial management is not yet fully transparent, lack of innovation and business diversification, lack of coaching and mentoring.

In 2022, there are still 868 poor people receiving Non-Cash Food Assistance (BPNT), 147 Family Hope Program (PKH), and 767 Family Hope Program Recipients of Direct Cash Assistance from Village Funds (BLT-DD).

In 2023, there are still 795 poor people receiving Non-Cash Food Assistance (BPNT), 147 Family Hope Program (PKH), and 348 Family Hope Program Recipients of Direct Cash Assistance from Village Funds (BLT-DD).

In 2024, there are still 828 poor people receiving Non-Cash Food Assistance (BPNT), 167 Family Hope Program (PKH), and 96 Family Hope Program Recipients of Direct Cash Assistance from Village Funds (BLT-DD).

On the other hand, the Sukamanah Village Government was once one of the 10 best villages at the national level in 2010, in the field of BUMDes management.

Based on the description, this study was conducted to examine how the Implementation of Village Development Through the Utilization of BUMDES Income in Sukamanah Village, Bogor Regency and to examine the sources of Village Original Income through the Role of BUM Desa Sukamanah in optimizing various resources in facing obstacles and challenges, and finding solutions that can be taken to overcome these obstacles.

METHOD

Research on the Implementation of Village Development Through the Utilization of BUMDes "Mandiri" Income in Sukamanah Village, Bogor Regency, using a qualitative approach with a descriptive method, aims to describe systematically, factually, and accurately the existence of BUMDes in contributing Village Original Income to the Sukamanah Village Government to implement Development in Sukamanah Village, Megamendung District, Bogor Regency. Descriptive research is used to explain the facts and phenomena that occur in the field related to the role of BUM Desa Mandiri in Sukamanah Village, Megamendung District, Bogor Regency (Sugiono, 2017).

The research was conducted at the Village-Owned Enterprise (BUM Desa) "Mandiri" Sukamanah Village, Megamendung District, Bogor Regency. The reason the author conducted the research there was because the researcher found problems related to the title of the researcher, so the researcher was interested in conducting research there. The number of informants was 17 people consisting of Megamendung sub-district officials, Sukamanah village officials and Sukamanah village residents.

Data analysis according to Patton in his book Moleong (2018), is the process of arranging data sequences, organizing them into patterns, categories and large units of description. In accordance with the research method, the data analysis technique used by the researcher is a descriptive method with a qualitative approach, namely, the process of describing the research area. Data analysis in this study will be carried out using thematic analysis techniques, which aim to identify, analyze, and report patterns or themes found in the data.

RESULTS AND DISCUSSION

Village-Owned Enterprises in Sukamanah Village, Megamendung District, Bogor Regency were formed based on Sukamanah Village Regulation Number 5 of 2019 concerning Amendments to Sukamanah Village Regulation Number 3 of 2010 concerning Sukamanah Village-Owned Enterprises (BUM-Desa). BUM Desa Sukamanah, was formed based on the Results of the Village Deliberation in 2010, the Sukamanah Village Government has a Village Market which is a village/village scope market, which has existed since 1980, with operations every Monday and Thursday, in a makeshift and very simple area, over time, environmental and market planning began to be carried out by the Sukamanah Village Government with the aim of empowering village communities and expanding employment opportunities in the trade sector for the common welfare of Sukamanah villagers. The role of the Government in the development and supervision of Village-Owned Enterprises (BUM-Desa) is very large and important to ensure that BUM Desa functions effectively and efficiently in increasing economic progress and village development. Based on the statement during the interview with the Head of the Economic and Development Section of Megamendung District, Mr. Herry Indarto, conveyed:

“The government is obliged to provide Guidance and Training, currently handled by the Village Community Empowerment Service (DPMD) of Bogor Regency, the Government must provide Technical Management Guidelines for Business Entity Managers to improve their ability in Business Management. On the other hand, the Government also carries out Supervision and is responsible for monitoring the implementation of the Bumdes program in accordance with applicable regulations. This supervision includes the use of funds and assessment of the results achieved by Bumdes. At least once a year, from DPMD and the Cooperatives & SMEs Service, carry out technical guidance to BUM Desa managers throughout Bogor Regency to improve the competence of BUM Desa managers throughout Bogor Regency.”

The Government's obligation in coaching and supervision is more dominant and primary by the Sukamanah Village Government, directly and periodically, in Government Regulation Number 11 of 2021 concerning Village-Owned Enterprises, that Village-Owned Enterprises are required to report activities and financial accountability at least once a year to the Village Government and the Community in the Village Deliberation forum. This was emphasized by Mr. Ade Moh, Sya'ban as Head of the Megamendung District Government Section who stated:

"Bumdes that perform must prepare performance and accountability reports, this is carried out by BUM Desa Sukamanah, through its financial accountability report to the Village Head as an advisor and participant in the Village Deliberation forum accountability, Periodic reports are carried out in semester and annual periods.

In the Bumdes Annual Report, the Financial Position Report at the end of the financial year, Profit and Loss Report, report on the condition and course of BUM Desa operations, obstacles and task reports from implementers, supervisors and advisors are submitted/reported. All of this is for the creation of public accountability, and we are always present from the Megamendung District Level in the BUM Desa Accountability Report forum, and in every Village APB Realization Report for 2022 to 2024, there are always figures in Village Income/Business Results, namely Income from BUM Desa Sukamanah. This shows that BUM Desa Sukamanah also contributes to the Village Original Income Budget in Sukamanah Village.

One of the funds from the PAD (Village Original Income) sector is the Community Development account code, for spending on organizing the Indonesian Independence Day arts festival, Religious Study Banquet Activities, providing Special PMT for stunted children, BUMIL KEK, PMT Posyandu Counseling and some Village Government operations.

From the results of the interview with the Head of Government Section of Megamendung District, it can be concluded that BUM Desa Sukamanah also participates in Community Development Activities, and non-physical development including Religious Study activities, Arts development/socialization and provision of Additional Food for Stunting toddlers and Bumil KEK.

The next study interviewed key informants in the Implementation of Village Development Through the Utilization of BUM Desa Sukamanah Income, Bogor Regency, namely the Head of Sukamanah Village, Mrs. Hj. Irmayani, SH. As follows:

"Before I served as Village Head, BUM Desa had been born and provided benefits to the Sukamanah Village Community, especially in Clean Water Facilities in the RW. 01, 02 and 03 Sukamanah Village areas. Previously, our residents had difficulty getting clean water, but since 2010, the community no longer lacks clean water with the presence of Weslic I and II Clean Water Facilities managed by BUM Desa Sukamanah. The cubic value charge is also relatively cheap, only Rp. 2,000/M3.

Meanwhile, from the Village Market Sector, our community can distribute their agricultural products to traders/retailers at the Village Market, Transportation is cheaper and the distribution/supply range is closer. Our community can sell at the village market with specialization in rent/mandatory contributions, we also look at the family background/economic ability. Our community can buy various daily necessities with a close distance and cheap prices and competitive quality, so hopefully it can help reduce the burden of family expenses.

In essence, with the running of BUM Desa Sukamanah and our community getting maximum benefits, it is a happiness and pride for us in the Sukamanah Village Government as Advisors/persons in charge of BUM Desa Sukamanah. However, the management of BUM Desa Sukamanah has carried out its duties well, if there are mistakes and shortcomings we consider it reasonable because in the learning process "Learning by doing", we often coordinate, we often hold work meetings and periodic supervision, and receive accountability reports from BUM Desa Sukamanah, in essence what I ask of BUM Desa is to take good care of the Village Market assets, SAB Pipeline Infrastructure Line Assets, Arrange the honorarium of BUM Desa management properly and reasonably. The rest we build together HR and Health for the residents of Sukamanah Village.

So far, Village Development activities in the Physical and Infrastructure sectors are still handled by Village Funds and Financial Assistance from the Bogor Regency Government, therefore, I encourage BUM Desa for Human Resource Development in organizations, intellectuality in business/companies and Public Health Development.

From the results of the interview with the Head of Sukamanah Village, we can conclude that BUM Desa was born to provide benefits to the Sukamanah Village Community, especially in Clean Water Facilities in the RW. 01, 02 and 03 Sukamanah Village areas. So that the community no longer lacks clean water with the presence of Weslic I and II Clean Water Facilities, Village Market Sector, Sukamanah Community distributes their agricultural products at the Village Market, with specialization in rent/contributions, so that it can reduce the burden of family expenses. Village Development in the Physical and Infrastructure sectors is still handled by Village Funds and Financial Assistance from the Bogor Regency Government, BUM Desa is instructed for Human Resource Development in organizations, BUMDes infrastructure maintenance and assisting Sukamanah Village Public Health Development activities.

The results of the study based on the analysis of Edward III's theory, there are four variables in public policy, namely communication, resources, attitudes and bureaucratic structure, which can be described as follows:

Communication

In the analysis of the implementation of village development policies through the utilization of BUMDes income in Sukamanah Village, Bogor Regency, Edward III's implementation theory is used as an analytical framework. This theory emphasizes four main factors that influence the success of policy implementation, namely communication, resources, disposition, and bureaucratic structure (Edward III, 1980). In this study, the main focus is on communication indicators that play a role in the effectiveness of policy implementation.

Communication in policy implementation refers to the dissemination of information that is clear, consistent, and understandable to the actors involved in the policy (Mazmanian & Sabatier, 1983). In the context of BUMDes Sukamanah, policy communication regarding the use of income for village development is carried out through various channels, including village regulations, village deliberation meetings, and annual reporting to the local government. An effective communication process must include clarity of message, accuracy in delivery, and feedback from the recipient of information (Goggin et al., 1990).

The results of the study show that policy communication in Sukamanah Village still faces several obstacles:

First, the understanding of the community and BUMDes managers regarding regulations and policies related to the utilization of BUMDes income is still limited. Although there are village regulations governing the governance and utilization of BUMDes funds (Sukamanah Village Regulation, 2020), the uneven understanding caused by the lack of collaboration among managers and the community has resulted in a lack of effectiveness in policy implementation (Wahyudin et al., 2023a, Wahyudin et al., 2023b). The imbalance in the distribution of information hinders active community participation in overseeing village development policies (Howlett, 2019).

Second, the policy socialization mechanism carried out by the village government has not been running optimally. Village deliberations, which are the main forum for conveying information regarding BUMDes policies, are often only attended by certain representatives, so that most people do not get adequate information. In addition, the annual report documents and village budget realization containing the utilization of BUMDes income have not been fully communicated to the community in a transparent manner (Sukamanah Village Government, 2023). This lack of transparency can give rise to speculation and distrust in the management of village funds (O'Toole, 2003).

Third, the absence of standard operating procedures (SOPs) in policy communication causes inconsistencies in the delivery of information. In some cases, the information conveyed to the public and stakeholders is different from that stated in the regulations, which creates distrust in the management of BUMDes funds. Clear and standardized SOPs can increase consistency in policy implementation (Hill & Hupe, 2014).

However, efforts have been made to improve the effectiveness of policy communication. The village government has begun to develop a more open communication strategy, such as through village social media and information boards containing financial reports and the use of BUMDes funds (Ministry of Villages, Disadvantaged Regions and Transmigration, 2022). In addition, more intensive coordination between the village government, BUMDes managers, and the community has begun to be implemented to ensure that all parties understand the objectives and benefits of this policy. The use of digital technology and active community participation in discussion forums are strategic steps in improving policy communication (Bryson et al., 2018).

So from the results of this study, the communication indicators in the implementation of the BUMDes revenue utilization policy in Sukamanah Village still need to be improved to be more effective. Further efforts are needed to improve policy socialization, clarify communication SOPs, and ensure transparency in delivering information to the public. With

better communication, policy implementation can be more effective and provide greater benefits for village development and community welfare.

Resource

Village development is a complex effort and requires a structured strategy, including optimizing available resources. In the context of Sukamanah Village, the utilization of Village-Owned Enterprises (BUM Desa) revenue is the main instrument in supporting village development. However, the implementation of this policy is not free from various challenges, especially related to the availability and utilization of resources which are one of the indicators in Edward III's policy implementation theory. Resources in policy implementation cover various aspects, ranging from human resources, budget, facilities, to information that supports the program. Based on the results of the study, it was found that Sukamanah Village has significant challenges in resource management, which ultimately affects the effectiveness of village development through BUMDes.

1. Human Resources (HR)

Management Capacity The success of implementing village development through BUMDes is highly dependent on the competence of the human resources who run it. However, research shows that the capacity of HR in managing BUMDes in Sukamanah Village is still not optimal.

Most BUMDes managers do not have adequate managerial, financial, and marketing skills. Lack of training and coaching causes village business management to be less effective, so that the village's economic potential cannot be utilized optimally. This has an impact on low innovation in the development of BUMDes business units, which consist of the Sukamanah Village Market and Clean Water Facilities.

The lack of community involvement in managing BUMDes is also a challenge in itself. Many villagers still do not understand the role of BUMDes in village economic development, so that community participation in supporting the sustainability of this business is still low. Efforts are needed to increase HR capacity through ongoing training and outreach to the community so that they better understand the importance of the role of BUMDes in village welfare.

2. Financial Resources and Capital

One of the main challenges in implementing village development through BUMDes in Sukamanah is limited access to business capital. The available funding is often insufficient to support optimal BUMDes business development.

BUMDes Sukamanah generates income from two of its business units, namely the Village Market and Clean Water Facilities, which in 2024 contributed Rp. 85,600,000 to the Village Original Income (PADes). Although this contribution is quite significant, there are still obstacles in utilizing this income. One of them is the lack of transparency in financial management, where financial recording is still not carried out professionally.

In financial management, there are still cash transaction practices that have not been fully documented. In fact, existing regulations require that PADes deposit transactions be carried out through village cash accounts in a non-cash manner. The lack of a good financial recording system can potentially cause public distrust in the management of village APB funds. Therefore, the implementation of a transparent and accountable financial system is very important in increasing the effectiveness of the implementation of this policy.

3. Infrastructure and Supporting Facilities.

In addition to human resources and capital, the availability of infrastructure and supporting facilities is also an important factor in the successful implementation of village development through BUMDes. The Sukamanah Village Market business unit, which is one of the main sources of village income, faces various obstacles in its management,

including the physical condition of the market which still needs a lot of improvement. Although it has been rearranged, there are still several kiosks and market facilities that need to be renovated to make it more comfortable for traders and buyers. In addition, the market management system also still needs to be improved to be cleaner, more modern and more efficient.

Meanwhile, the Clean Water Facilities business unit managed by BUMDes also faces challenges in terms of infrastructure. With the number of customers reaching 732 consumers spread across three RW and three large villages, water distribution services still need improvement to be more efficient and can reach more villagers.

4. Information Support and Policy Regulation.

The implementation of village development through the utilization of BUMDes requires adequate information support, both in the form of regulations and technical guidance from the local government. However, this study found that there is still a lack of socialization of policies and regulations related to BUMDes management to village officials and the community.

Several regulations related to BUMDes are often still considered too bureaucratic, making it difficult for managers to make strategic decisions. In addition, the lack of coordination between BUMDes and the village government and related institutions is also an obstacle to increasing the effectiveness of the implementation of this policy.

Disposition & Attitude

In policy implementation, the disposition or attitude of policy actors is a factor that determines the success of a program. According to Edward III (1980), disposition refers to the attitude, commitment, and understanding of policy implementers in running a program. If the implementers have a positive attitude and understand the objectives of the policy well, then the implementation will be more effective and the expected results can be achieved.

In the context of utilizing BUMDes income in Sukamanah Village, the disposition of the village government, BUMDes managers, and the community plays an important role in determining the effectiveness of this policy. The village government shows quite strong support for the existence of BUMDes, which can be seen from the regulations governing the legality and management of village businesses. However, in practice, there are still obstacles in technical understanding and transparent financial management.

On the other hand, BUMDes managers have a high commitment to running a business, but limitations in managerial capacity and financial recording are still major challenges. The community's attitude towards this policy also varies, where most support it because of the perceived economic benefits, but some still doubt financial transparency and their involvement in decision making.

By understanding the dynamics of disposition in the implementation of this policy, this study seeks to identify existing obstacles and corrective measures that have been taken to improve the effectiveness of BUMDes revenue management. The following are the findings regarding the disposition of stakeholders in the implementation of the BUMDes revenue utilization policy in Sukamanah Village:

1. Village Government Attitude in Policy Implementation

The results of the study show that the Sukamanah Village Government has a fairly positive attitude towards the implementation of the utilization of Village-Owned Enterprises (BUMDes) income as one of the sources of Village Original Income (PADes). The Village Government realizes that BUMDes has a strategic role in improving community welfare and strengthening the village economy. This positive attitude is shown by the existence of supporting regulations, such as Village Regulation Number 03 of 2010 which was later updated with Village Regulation Number 07 of 2019 to strengthen the legality and governance of BUMDes. However, although the attitude of the Village

Government tends to be supportive, several obstacles are still found in the implementation of the policy. The Village Head and village officials sometimes have difficulty in understanding the technical aspects of BUMDes financial management. This causes the management process to still experience limitations in terms of transparency and accountability.

2. BUMDes Managers' Attitude in Policy Implementation

The BUMDes managers' attitude towards the revenue utilization policy also shows a fairly good commitment. The managers stated that they understand the importance of BUMDes in contributing to village development, especially in the two main business units managed, namely the Sukamanah Village Market and Clean Water Facilities. However, despite the high commitment from the managers, they still face various obstacles, such as:

- a. Lack of managerial capacity: Most BUMDes managers do not have adequate financial and business management backgrounds. This causes limitations in business management and accurate financial records.
- b. Lack of transparency in financial management: Observation results show that financial records in BUMDes are still manual and have not been fully digitized. In fact, transactions for depositing PADes from the results of village market businesses and clean water facilities are still mostly done in cash and have not been entered into the Village Cash account.

3. Community Attitudes Towards Policy Implementation

Community attitudes towards the implementation of BUMDes revenue utilization tend to vary. Some communities who have become part of the village market ecosystem and clean water facility customers fully support this policy. They believe that the existence of BUMDes helps increase economic activity and facilitates access to resources. However, there are also communities who are skeptical of this policy. The contributing factors include:

- a. Lack of community involvement in decision-making: Some residents feel that they are not involved enough in the BUMDes management process and strategic decision-making.
- b. Distrust of financial transparency: Some communities doubt the financial transparency of BUMDes because not all financial reports are published openly.
- c. Competition with private businesses: Some residents who have private businesses feel that the existence of BUMDes has actually become a new competitor that can reduce their income.

Bureaucratic Structure

Bureaucratic structure is one of the key factors in the effectiveness of policy implementation, including in the management of Village-Owned Enterprises (BUMDes). A clear structure can support smooth operations and increase accountability in program implementation. Based on research findings at BUMDes Mandiri Sukamanah, there are several aspects that greatly influence policy implementation, namely:

Hierarchy and Authority

BUMDes Mandiri Sukamanah has a fairly clear organizational structure as regulated in the BUMDes Decree. This structure includes various parties who have important roles in BUMDes operations, including:

1. BUMDes Director who is responsible for all operations.
2. Supervisory Board whose function is to oversee the running of the business and ensure that policies taken are in accordance with applicable regulations.
3. Business Unit Manager who is tasked with managing various services provided by BUMDes, such as Village Markets and Clean Water.

Although this structure has been established, in the implementation of the policy it was found that decision-making is still very dependent on the Village Head. This high dependency makes flexibility in business management limited, because every strategic policy requires direct approval from the Village Head. This has the potential to hinder innovation and development of BUMDes businesses because the approval process tends to take a long time.

Coordination and Governance Mechanism

Coordination between village apparatus and BUMDes in policy implementation still faces various challenges. Based on the results of interviews with related parties, several main obstacles found include:

1. Delays in the budget approval and realization process, which caused several BUMDes programs to be delayed in their implementation.
2. Lack of communication between village institutions, which resulted in misunderstandings in the implementation of BUMDes management policies and strategies.
3. Regulations related to financial management have not been fully understood by BUMDes managers, which has caused delays in financial reporting and accountability.

In the Report on the Realization of the Village Regulation on Village Budgets for 2022 to 2024, it was found that the budget allocated from BUM Desa income was partly spent according to the urgent needs of the Village Government without planning, and partly according to planning. The weak planning in the Village Government Financial Management System has an impact on the management of the financial system of the BUM Desa itself. This is caused by the existence of urgent/spontaneous activities both internally and externally, thus requiring a non-budgetary budget. This bureaucracy makes the financial management of the Village Government less effective and budget allocations do not run according to plan.

Administrative and Accountability Process

One of the biggest challenges in implementing the Sukamanah Independent Village-Owned Enterprise policy is transparency in financial reporting. Based on the analysis of financial documents, the following facts were found:

1. In 2022, BUMDes' Gross income was recorded at IDR 387,270,000, but only a portion was recorded as Village Original Income (PADes), or IDR 65,450,000.-, thus raising questions about the effectiveness of the financial recording system used.
2. In 2023, there was an increase in gross income to IDR 393,550,500, but the recording was not fully transparent, and administrative errors were still found in financial reporting.
3. In 2024, Gross income increased again to IDR 398,675,500. However, the audit found that there were still cash transactions that did not go directly to the village account. This indicates a weakness in the accountability system that could potentially lead to leakage of funds or misuse of the budget.

These problems in administration and accountability indicate the need for improvements in the financial recording mechanism and increasing the capacity of human resources involved in BUMDes financial management. The implementation of a digital recording system or a financial system that is more integrated with the village can be a solution to increase transparency and efficiency in financial management. In addition, the bureaucratic structure in the implementation of the Sukamanah Mandiri BUMDes policy still faces various obstacles related to the hierarchy of authority, coordination between institutions, and financial accountability. Decision-making that is still centralized on the Village Head makes business management less flexible. In addition, weak coordination and lack of understanding of regulations cause delays in program implementation. Finally, problems in financial transparency are also a major obstacle in ensuring the effectiveness of policy implementation. To increase the effectiveness of BUMDes policy implementation, reforms are needed in the bureaucratic structure, increasing the capacity of human resources in financial management,

and implementing a more transparent and accountable recording system. Thus, it is hoped that the Sukamanah Mandiri BUMDes can become an example of a more professional and sustainable village economic management model.

CONCLUSION

The results of the study indicate that the implementation of village development through BUMDes has been quite effective in improving community welfare and encouraging local economic growth. However, there are several challenges that need attention, such as the lack of transparency in financial management which can hinder accountability and public trust in BUMDes. In addition, the managerial capacity of BUMDes managers is still limited, which has the potential to reduce effectiveness in managing village businesses. Therefore, efforts are needed to increase human resource capacity, strengthen institutional governance, and apply the principles of transparency and accountability in BUMDes operations so that their role in village development is increasingly optimal and sustainable.

Suggestions

1. Increasing Human Resource (HR) Capacity in BUMDes Management

The Sukamanah Village Government needs to hold managerial, financial, and marketing training for BUMDes managers in order to improve operational efficiency and competitiveness of village business units. In addition, assistance is needed from academics or practitioners who are experienced in managing community-based business entities.

2. Optimizing the Utilization of Village Original Income for Sustainable Development

Village Original Income generated from BUMDes must be managed transparently and allocated strategically for village infrastructure development, community economic empowerment, and social programs that have a direct impact on community welfare. Strengthening the digital-based financial recording and reporting system is also needed to ensure accountability and efficiency in the use of funds.

3. Increasing Community Participation in the Management and Utilization of BUMDes

There needs to be socialization and education to the community regarding the importance of BUMDes in village development, so that the community can participate more actively as consumers, business partners, and supervisors in the management of BUMDes. Involving the community in village planning deliberations can increase transparency and trust in development programs based on Village Original Income.

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