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The Role of the Village-Owned Enterprise (BUMDes) "Dewa Utama" in Improving the Economy of the Community in Watu Village, Marioriwawo District

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ABSTRACT
Village-Owned Enterprises (BUMDes) serve as strategic instruments for fostering village economic growth by optimizing local potential and professionally managing village assets. This study aims to analyze the role of BUMDes "Dewa Utama"—located in Watu Village, Marioriwawo District—in boosting the local economy, while also examining its capital structure, business units, and financial performance. A qualitative descriptive method with a case study approach was employed; data were gathered from the official BUMDes Dewa Utama profile document and supplemented by a literature review. The findings reveal that BUMDes Dewa Utama, established on July 7, 2016, manages two primary business units: a retail unit marketing MSME products and local processed foods, and the "Watu Utama" sewing unit, which provides tailoring, alteration, and school uniform manufacturing services. Regarding capital, the total village capital injection received by the BUMDes up to 2022 amounted to IDR 455,978,395; the current remaining capital stands at IDR 255,978,395, following an allocation of IDR 200,000,000 for the development of the retail unit. Financial data indicate business earnings of IDR 10,550,000 and assets totaling IDR 65,894,000 with no outstanding debt, although there are still accounts receivable amounting to IDR 63,170,000. The study concludes that BUMDes Dewa Utama has contributed to strengthening the village economy through business unit diversification; however, it requires improved accounts receivable management and market expansion to further optimize its contribution to the Village's Own-Source Revenue (Pendapatan Asli Desa).
Keyword BUMDes; village economy; village business unit; village capital management; Watu Village

Introduction

Rural economic development is a priority within the national development framework, given that a large portion of Indonesia's population still resides in rural areas, where levels of well-being lag behind those in urban areas. Since the enactment of Law Number 6 of 2014 concerning Villages, the government has granted villages greater autonomy to manage their economic potential independently—notably through the establishment of Village-Owned Enterprises (BUMDes). BUMDes serve as business entities managed by the community and the village government, aimed at strengthening the rural economy and increasing Village-Generated Revenue (PADes).

Watu Village, located in Marioriwawo District, established a Village-Owned Enterprise (BUMDes) named "Dewa Utama" on July 7, 2016. BUMDes Dewa Utama was formed with

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the vision of fostering a self-reliant, healthy, and knowledgeable Watu Village community through business development in the trade, service, and agricultural sectors. To realize this vision, BUMDes Dewa Utama pursues several missions, including enhancing community-led efforts to harness the village's economic potential, increasing both community income and the village's own-source revenue, and managing revolving funds aimed at poverty alleviation.

In practice, BUMDes Dewa Utama has developed two business units: a retail unit that markets various processed food products and goods from local MSMEs, and the "Watu Utama" sewing unit, which offers services ranging from clothing alterations and the tailoring of men's and women's apparel to school uniforms and overlocking. These business units are expected to create new employment opportunities while serving as a marketing platform for village products. However, like village-owned enterprises in general, BUMDes Dewa Utama faces various challenges regarding capital management, financial operations, and business sustainability.

Based on this background, this study aims to analyze the role of BUMDes Dewa Utama in boosting the local economy of Watu Village, examine the institution's capital structure and financial performance, and identify the challenges faced in managing its business units. The study is expected to contribute academically to the field of BUMDes management and serve as a practical evaluation tool for the management and the Watu Village government in formulating future development strategies for the BUMDes.

Literature Review

The Concept of Village-Owned Enterprises (BUMDes)

A Village-Owned Enterprise (BUMDes) is a business entity in which the entirety or the majority of the capital is owned by the village—through direct capital participation derived from segregated village assets—for the purpose of managing assets, services, and other business activities to maximize the welfare of the village community. Pursuant to Law Number 6 of 2014 concerning Villages and Government Regulation Number 11 of 2021 concerning Village-Owned Enterprises, a BUMDes serves a dual function: as a social institution (socially oriented) that prioritizes community interests by contributing to the provision of social services, and as a commercial institution (commercially oriented) that aims to generate profit by offering local resources to the market.

The Role of Village-Owned Enterprises (BUMDes) in Village Economic Development

Several studies indicate that Village-Owned Enterprises (BUMDes) play a strategic role in driving village economic growth through three primary channels: increasing village-generated revenue, creating jobs for the local community, and strengthening the capacity of micro-enterprises by facilitating product marketing. The success of BUMDes in fulfilling these

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roles is heavily influenced by the quality of institutional governance, the professionalism of management, adequate capital support, and active community participation in each operational business unit.

Capital Management and Financial Performance of Village-Owned Enterprises (BUMDes)

BUMDes capital generally originates from village capital injections budgeted in stages through the Village Budget (APBDes). Effective capital management is reflected in a BUMDes's ability to allocate capital to productive business units, maintain business liquidity, and minimize the risk of uncollectible receivables. BUMDes financial performance is typically analyzed using simple indicators—such as capital growth, business earnings, assets, and the ratio of receivables to managed capital—given that most BUMDes have not yet implemented the complex accounting systems found in large-scale commercial enterprises.

Diversification of Village Business Units

Business unit diversification is a common strategy employed by Village-Owned Enterprises (BUMDes) to reduce reliance on a single revenue source while expanding economic benefits for various community groups. Trade-based business units, such as village shops, generally serve as showcases for local MSME products, whereas service-based units—such as sewing workshops—create skilled employment opportunities for the community, particularly for women and the working-age population at the village level.

Research Methods

Search Type and Approach

This study employs a qualitative descriptive approach with a case study design focusing on the "Dewa Utama" Village-Owned Enterprise (BUMDes) in Watu Village, Marioriwawo District. This approach was selected because the study aims to provide an in-depth description of the BUMDes's institutional conditions, capitalization, business units, and financial performance based on available data, rather than to statistically test relationships between variables.

Data source

The data for this study is derived from primary sources—specifically the official profile document of BUMDes Dewa Utama—which details its vision and mission, management structure, capital ownership, financial status, and business unit descriptions. This information is supplemented by secondary data obtained through a literature review of regulations and management theories concerning BUMDes, thereby strengthening the analysis and interpretation of the empirical findings.

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Data Analysis Techniques

Data analysis was conducted using descriptive analysis techniques, comprising data reduction (classifying BUMDes profile data into institutional, capital, and business unit categories), data presentation (organizing data into narrative and tabular formats), and drawing conclusions based on patterns identified from the financial and business unit data of BUMDes Dewa Utama.

Result and Discussion

Profile and Institutional Structure of BUMDes Dewa Utama

BUMDes Dewa Utama was officially established on July 7, 2016, in Watu Village, Marioriwawo District, with the vision of "Achieving the welfare of a self-reliant, healthy, and educated Watu Village community, supported by available resources through business development in the trade, services, and agricultural sectors." To support the realization of this vision, BUMDes Dewa Utama has adopted seven key missions, including enhancing community-led efforts to harness the village's economic potential, increasing community income and the village's own-source revenue, improving village asset management, and managing revolving funds to alleviate poverty and develop productive economic enterprises.

The management structure of BUMDes Dewa Utama comprises an Advisor, a Supervisor, a Director, a Secretary, and a Treasurer, alongside two business unit managers—specifically, the Sewing Unit Manager and the Shop Unit Manager. This organizational structure reflects a clear division of roles among supervisory, executive management, and operational functions; consequently, in terms of its institutional setup, BUMDes Dewa Utama adheres to the fundamental principles of village business governance.

Capitalization Status

Profile data indicates that BUMDes Dewa Utama secured an initial capital of IDR 20,000,000 in 2016. Subsequently, village capital injections were gradually added through the Village Budget (APBDes) until the total village capital contribution reached IDR 455,978,395.

Details of the capital increase are presented in Table 1.

Fiscal year	Description	Amount (Rp)
2016	Village Capital Participation	20.000.000
2017	Village Capital Participation	72.579.000
2018	Village Capital Participation	26.479.031
2019	Village Capital Participation	31.032.744
2022	Village Capital Participation (stage 1)	106.000.000
2022	Village Capital Participation (stage 2)	199.887.620
Total	**Total Village Capital Participation**	**455.978.395**

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The incremental capital injections made between 2016 and 2022 demonstrate the Watu Village Government's sustained commitment to supporting the development of BUMDes Dewa Utama as an instrument for strengthening the village economy. The significant surge in capital investment in 2022—exceeding IDR 305,000,000 within a single fiscal year—indicates a substantial expansion of business operations during that period, particularly regarding the development of the retail shop unit.

Financial Condition

Based on financial data from the past year, out of a total capital of Rp455,978,395, an amount of Rp200,000,000 has been allocated for the development of the shop business unit; consequently, the remaining capital currently managed by the BUMDes stands at Rp255,978,395. A summary of the financial status of BUMDes Dewa Utama is presented in Table 2.

Financial Indicators	Mark (Rp)
Current Remaining Capital	255.978.395
Debt	None (Rp0)
Accounts Receivable	63.170.000
Operating Results	10.550.000
Asset	65.894.000

The data in Table 2 highlights a positive aspect: the absence of debt, indicating that BUMDes Dewa Utama is managed conservatively without reliance on external financing. However, the accounts receivable balance of Rp63,170,000 is substantial when compared to the current year's operating results of only Rp10,550,000—a ratio exceeding six times the operating earnings. This situation suggests potential issues in receivables management—stemming from either the Shop or Tailoring business units—which, if not properly addressed, could hinder the future turnover of BUMDes's business capital.

Dewa Utama Village-Owned Enterprise (BUMDes) Business Unit

BUMDes Dewa Utama manages two primary business units. The first is a retail unit that serves as a showcase for marketing products from MSMEs and local food items produced by the Watu Village community—such as various chips, crackers, meat floss (*abon*), and other packaged snacks. This business unit offers dual benefits: it generates revenue for the BUMDes while simultaneously opening up market access for local MSMEs that previously struggled to market their products independently.

Second is the "Watu Utama" Sewing Unit, which provides services such as clothing alterations, custom tailoring for men and women, school uniform production, and overlocking. This business unit plays a vital role in creating sewing-based employment opportunities for

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villagers—particularly women—while also meeting the local community's need for garment services without requiring them to seek such services outside the village.

The presence of two complementary business units—one based on trade and the other on skilled services—demonstrates that BUMDes Dewa Utama has implemented the business diversification strategy outlined in the literature review. This strategy is relevant for extending economic benefits to various segments of the village community, rather than limiting them to a single business group.

Contribution to the Village Economy and Challenges Faced

Overall, the presence of BUMDes Dewa Utama has contributed to the economy of Watu Village by creating jobs through its two operational business units, strengthening market access for local MSME products, and serving as a vehicle for the productive management of village assets. The consistent year-on-year increase in village capital investment also reflects the village government's confidence in the institution's sustainability.

Nevertheless, there are several challenges requiring attention—particularly the significant level of accounts receivable relative to operating results—which indicate a need to strengthen credit control and collection systems within the retail unit. Furthermore, the fact that operating results remain relatively low compared to total assets suggests that the asset productivity of BUMDes Dewa Utama can still be improved; this could be achieved by expanding markets for MSME products, optimizing promotional efforts for the sewing unit, or diversifying into new products and services that leverage the local potential of Watu Village.

Conclusions

Based on the analysis, it can be concluded that BUMDes Dewa Utama in Watu Village, Marioriwawo District, has played a role in supporting the village economy through the management of two business units—a retail shop and the "Watu Utama" sewing workshop—which collectively create jobs and expand market access for local products. Regarding capital, BUMDes Dewa Utama has consistently received village capital injections totaling Rp455,978,395 between 2016 and 2022 and operates without debt obligations. However, the entity's financial performance still faces challenges, specifically high accounts receivable relative to business earnings and asset productivity levels that could be further optimized.

Based on these findings, it is recommended that the management of BUMDes Dewa Utama strengthen the accounts receivable and collection systems for its retail unit, enhance the promotion and marketing of its sewing unit via digital media, and consider diversifying into new business units aligned with the village's agricultural potential, as outlined in the organization's vision. Future research should conduct a more in-depth analysis using time-series

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data and incorporate direct interviews with BUMDes management and community beneficiaries to enrich the analytical results.

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