

The Role of Village-Owned Enterprises (BUMDES) in Increasing Village Original Income in Munjul Village, Astanajapura District, Cirebon Regency

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Abstract. *Villages play an important role as the foundation of a nation's economic independence. The potential of Munjul Village, ranging from agriculture, livestock, to services, is a valuable asset ready to be developed. However, this village faces significant challenges where the Village Original Income (PADes) is still fluctuating and the dominant dependence on Village Funds from the APBN. BUMDes is designed to manage and optimize local village potential sustainably, reduce dependence on external funds, and encourage economic growth from within. The problem formulation in this study is the role of BUMDes in optimizing village potential, BUMDes' contribution to PADes and the influence of PADes on community welfare. The purpose of this study is to analyze and formulate a comprehensive development strategy for Village-Owned Enterprises (BUMDes) to increase Village Original Income (PADes) in Munjul Village. The research framework includes: Village Potential - BUMDes Existence - Internal/External Environmental Conditions - Analysis - Improvement Strategy - increasing PADes and community welfare. The research method used in this study is a qualitative approach with a case study approach using SWOT analysis. In this method there are observation activities, interviews and document reviews. From the results of the SWOT analysis of internal and external factors, the scores for each factor are obtained as follows: 1. Score for strength factor 1.40 2. Score for weakness 1.50 3. Score for opportunity 1.55 4. Score for threat 0.80. based on the scoring results and analyzed through BUMDes development strategies based on SO Strategy (Strengths-Opportunities), ST strategy (Strengths-Threats), WO strategy (weaknesses-opportunities), WT strategy (weaknesses-Threats) resulting in priority strategies are improving sustainable HR training, optimizing digital marketing, diversifying business units and establishing strategic partnerships with other parties. The role of Village-Owned Enterprises (BUMDes) in increasing Village Original Income in Munjul Village, Astana Japura District, Cirebon Regency, the author can conclude that BUMDes Munjul Berkah has been able to explore the potential of the village to be processed into a business unit. The contribution of*

Village Original Income (PADes) provided by BUMDes Munjul Berkah to the Village Government is one of the real forms of BUMDes's usefulness in supporting village development and independence, BUMDes Munjul Berkah in the period 2020 to 2024 was able to provide PADes of Rp. 86,250,000, - which is allocated from BUMDes profits. PADes is one of the village incomes stated in the Village Revenue and Expense Budget (APBDes) of Munjul Village, and has been used to help increase the Honorarium of Village Empowerment Institutions and social assistance for underprivileged communities in Munjul Village.

Keywords: BUMDes; Community Welfare; Village Potential; Village Original Income.

1. Introduction

Villages are a vital and inseparable part of the hierarchical structure of the state, as no nation would exist without its smaller units, which in the Indonesian context are commonly referred to as villages. Villages, or various other terms, are referred to as self-governing communities because in Indonesia, they were originally local communities with defined boundaries, inhabited by a number of residents, and possessing customs to manage their own territory. Villages and their governments have experienced developments and ups and downs, from the Old Order to the New Order, and finally, the Reformation Era.

Building a village economy means making the village economy independent. Village communities can prosper, and village governments can serve as providers and drivers of the village economy. According to Lincoln Arsyad (1999), rural economic development is a process in which village governments and communities manage existing resources and form partnerships between village governments and the private sector to create new jobs and stimulate economic growth in the region. The primary goal of rural economic development is to create a village economic environment, enabling communities to enjoy a creative, healthy life, and a high life expectancy. The concept of village economic development must be truly grounded in the strengths of village communities. The potential possessed by villages must truly be the root of village economic development. The potential of natural and human resources in villages must be a source of strength in building the village economy. Programs between the central government and provincial/district/city governments must synergize and strengthen the needs of the village. One example is the establishment of a Village-Owned Enterprise (BUMDES). Is the establishment of BUMDES and its business units based on an analysis of the village community's needs?

BUMDES is a village-owned enterprise (BUMDES) in the form of an institution managed by the village government and the village community to encourage economic growth in the village. Its implementation is based on community needs and the village's potential. This is in accordance with the regulations on BUMDES, namely Government Regulation Number 11 of 2021 concerning Village-Owned Enterprises. In general, it states that the establishment of BUMDES is carried out according to needs and takes into account the village's potential,

with the aim of improving community welfare. (Secretariat of the JDIH BPK Website 2021)

According to Maryam et al., 2022, with the existence of Village-Owned Enterprises (BUMDES), village governments have the right to independently manage natural and human resources, allowing them to determine programs that align with the village's potential. (Khairani and Yulistiyono 2023)

According to Prasetyo (2019), there are general roles of BUMDES, namely: First, As a Facilitator, BUMDES will facilitate all business entity planning activities and assist village communities in improving their welfare through the establishment of business units by BUMDES with the approval of the village government. Second, BUMDES as a Mediator serves as an intermediary for the community to realize the results of the business plans that have been prepared and proposed. Third, As a Motivator, BUMDES will uphold this position and is considered the forerunner of business organizations that inspire the community and village government to be more involved and broaden their horizons to contribute to Village-Owned Enterprises (BUMDES) in the future. (Khairani and Yulistiyono 2023)

A Village-Owned Enterprise (BUMDES) is a business entity capable of assisting the community in all aspects, including meeting daily needs, creating business opportunities, and broadening the village community's knowledge. BUMDES is owned by the village and used for the prosperity of the village community. All aspects of establishment, capitalization, and profit-making are under the auspices of the village. (David, 2019)

The establishment of a Village-Owned Enterprise (BUMDES) is a new approach aimed at improving the village economy by leveraging its potential to increase village income. According to data obtained from the Munjul village government, the following is village income data for Munjul village, Astanajapura sub-district, Cirebon regency, for the period 2020 to 2024.

Village Income Data Munjul Village, Astanajapura District, Cirebon District 2020 To 2024

NO	INCOME	2020	2021	2022	2023	2024
1	Village Funds (APBN)	1,094,746,000	1,124,057,000	1,231,037,000	2,120,486,000	2,117,659,000
2	Provincial Assistance Fund	130,000,000	130,000,000	130,000,000	130,000,000	130,000,000
3	Allocation of Village Funds for Districts	408,652,000	373,198,000	370,394,000	399,317,000	444,124,000
4	Assistance income Other	46,213,800	35,385,024	64,905,024	35,440,200	50,474,393
5	Regional Tax & Retribution Revenue Sharing	74,315,500	85,455,000	92,032,400	63,301,475	58,531,850
6	Village Original Income	9,375,000	3,250,000	-	20,000,000	110,000,000
Amount Village Income		1,763,302,300	1,751,345,024	1,888,368,424	2,768,544,675	2,990,789,243

From the village income data above, it can be concluded that village income is still dominated by income from Village Funds (APBN) while the Village Original Income (PADes) shows instability and no significant increase, even though Munjul village has a lot of potential, especially in the fields of agriculture and animal husbandry, which can be developed more optimally, even from the PADes data above, only a small part is generated from BUMDes businesses.

Detailed Village Original Income Data Munjul Village, Astanajapura District, Cirebon Regency, 2020 To 2024

No	INCOME	2020	2021	2022	2023	2024
1	Village-based PADes is sourced from village assets	6,375,000	-	-	-	50,000,000
2	Village revenue comes from Village-Owned Enterprises	3,000,000	3,250,000	-	20,000,000	60,000,000
Total Income Original Village		9,375,000	3,250,000	-	20,000,000	110,000,000

Based on the presentation of material on the background of the problems related to village potential, original village income and the existence of BUMDES in Munjul Village, Astanajapura District, Cirebon Regency, the researcher intends to take the title "THE ROLE OF VILLAGE-OWNED BUSINESS ENTITIES (BUMDES) IN INCREASING VILLAGE ORIGINAL INCOME (PADes) IN MUNJUL VILLAGE, ASTANAJAPURA DISTRICT, CIREBON REGENCY"

2. Research Methods

This research uses a qualitative design and descriptive research type with a case study approach. The research design is a plan for conducting research that will be carried out by the author, as a plan of activities to be implemented, namely by determining the method of data collection and analysis in accordance with the research objectives (Arikunto, 2010). Research on the responsiveness of librarians at the library of the Indonesian Institute of the Arts (ISI) Yogyakarta.

3. Results and Discussion

3.1. SWOT Analysis of Munjul Berkah Village-Owned Enterprise

The following is a SWOT (Strengths, Weaknesses, Opportunities, Threats) analysis of BUMDes Munjul Berkah based on internal and external conditions that influence business management and development.

SWOT Analysis of Munjul Berkah Village-Owned Enterprise

1) Internal Factors	2) Information
3) Strengths	4) Legality and full support from the village government
	5) Having local natural resource potential
	6) There is trust from the community in the management of BUMDes
	7) Clear organizational structure
	8) Strategic village location for service businesses, agriculture, livestock and local trade
	9) Quality human resources according to their respective duties and functions.
10) Weaknesses	11) Financial management is not yet fully professional
	12) Lack of training and human resource capacity
	13) Limited initial capital
	14) There has been no extensive promotion of BUMDes business units
	15) Lack of experience in competing in the free market
	16) The digitalization capabilities of the Munjul village community are not yet optimal
17) Internal Factors	18) Information
19) Opportunities	20) The existence of government regulations and programs that support the strengthening of BUMDes
	21) The potential for agricultural and village tourism businesses that has not been optimally developed
	22) Opportunities for collaboration with third parties (private sector, government, NGOs)
	23) Many residents' needs can be met by BUMDes
	24) Digital technology opens up opportunities for online marketing and promotion of BUMDes businesses.
25) Threats	26) Competition from modern shops and individual business actors

	27)	Unstable market prices especially in the agriculture and livestock sectors.
	28)	Lack of professional human resources in business management
	29)	Risk of natural disasters and extreme weather changes

IFAS matrix of internal and external factors of BUMDes Munjul Berkah

30)	No	31)	Internal Factors	32)	Weight 33) (B)	34)	Rating 35) (R)	36)	B x R
37) Strengths									
38)	1	39)	Legality and full support from the village government	40)	0.10	41)	3	42)	0.30
43)	2	44)	Having local natural resource potential	45)	0.10	46)	3	47)	0.30
48)	3	49)	There is trust from the community in the management of BUMDes	50)	0.05	51)	3	52)	0.15
53)	4	54)	Clear organizational structure	55)	0.05	56)	4	57)	0.20
58)	5	59)	Strategic village location for service businesses, agriculture, livestock and local trade	60)	0.05	61)	3	62)	0.15
63)	6	64)	Quality human resources according to their respective duties and functions.	65)	0.10	66)	3	67)	0.30
68) Amount				69)	0.45	70)	-	71)	1.40
72) Weaknesses									
73)	1	74)	Financial management is not yet fully professional	75)	0.10	76)	3	77)	0.30
78)	2	79)	Lack of training and human resource capacity	80)	0.10	81)	2	82)	0.20
83)	3	84)	Limited initial capital	85)	0.10	86)	3	87)	0.30
88)	4	89)	There has been no extensive promotion of BUMDes business units	90)	0.10	91)	4	92)	0.40
93)	5	94)	Lack of experience in competing in the free market	95)	0.10	96)	2	97)	0.20
98)	6	99)	The digitalization capabilities of the Munjul village community are not yet optimal	100)	0.05	101)	2	102)	0.10
103) Amount				104)	0.55	105)	-	106)	1.50
107) Total				108)	1.00	109)	-	110)	2.90

111)	No	112)	External Factors	113)	Weight 114) (B)	115)	Rating 116) (R)	117)	B x R
118) Opportunities									
119)	1	120)	The existence of government regulations	121)	0.10	122)	2	123)	0.20

		and programs that support the strengthening of BUMDes			
124)	2	125) The potential for agricultural and village tourism businesses that has not been optimally developed	126) 0.15	127) 3	128) 0.45
129)	3	130) Opportunities for collaboration with third parties (private sector, government, NGOs)	131) 0.10	132) 3	133) 0.30
134)	4	135) Many residents' needs can be met by BUMDes	136) 0.10	137) 3	138) 0.30
139)	5	140) Digital technology opens up opportunities for online marketing and promotion of BUMDes businesses.	141) 0.10	142) 3	143) 0.30
144) Amount			145) 0.55	146) -	147) 1.55
148) Threats					
149)	1	150) Competition from modern shops and individual business actors	151) 0.10	152) 2	153) 0.20
154)	2	155) Unstable market prices especially in the agriculture and livestock sectors.	156) 0.10	157) 2	158) 0.20
159)	3	160) Lack of professional human resources in business management	161) 0.15	162) 2	163) 0.20
164)	4	165) Risk of natural disasters and extreme weather changes	166) 0.10	167) 2	168) 0.20
169) Amount			170) 0.45	171) -	172) 0.80
173) Total			174) 1.00	175) -	176) 2.35

From the results of data processing from internal and external factors of BUMDes Munjul Berkah, Munjul village, the scores for each factor were obtained as follows:

1. Scores for the strength factor = 1.40
2. Score for weaknesses = 1.50
3. Score for chances = 1.55
4. Score for threat = 0.80

To determine the coordinate points of the Munjul Berkah BUMDes development strategy, calculations were made on internal and external factors using a SWOT analysis diagram.

- The horizontal axis (X) as an internal factor obtains the coordinate value (X) of: $X = 1.40 - 1.50 = -0.10$
- The vertical axis (Y) as an external factor obtains a coordinate value (Y) of: $Y = 1.55 - 0.80 = 0.75$

The coordinate values on the SWOT diagram are -0.10 on the horizontal X axis and 0.75 on the vertical Y axis.

The SWOT analysis diagram (Grand Strategy Matrix) can be seen as follows.

The Grand Strategy Matrix reveals that based on the scoring of the internal and external factors of BUMDes Munjul Berkah, the coordinates are located in quadrant III, specifically the Turnaround strategy. This strategy focuses on minimizing internal weaknesses by

capitalizing on existing opportunities.

3.2. Business Unit Development Strategy

Based on the SWOT Analysis diagram, namely the Grand Strategy Matrix, the development strategy of BUMDes Munjul Berkah is in quadrant III, namely the strategy carried out is Turn Around, BUMDes needs to evaluate the development of natural potential and marketing of the business units they carry out.

The following Several BUMDes development strategies to increase Village Original Income (PADES) that can be recommended in the fields of agriculture, animal husbandry and services according to existing village potential are as follows:

1. Strategy in the Agricultural Sector

- a. Establishment of a Modern Agricultural Business Unit, such as managing village land with an integrated agricultural system such as organic or hydroponic farming.
- b. Establishing a Harvest Distribution Unit: Acting as an intermediary between farmers and the market, reducing dependence on middlemen
- c. Agricultural Equipment and Machinery Rental (Alsintan): Provides equipment rental services such as tractors and water pumps.
- d. Implementation of Contract Farming System: Collaborating with companies to guarantee the purchase of harvested crops.

2. Strategy in the field of animal husbandry

- a. Collective Livestock Business Unit: Managing livestock collectively by involving village communities
- b. Utilization of Livestock Waste: Processing waste into organic fertilizer that has sales value.
- c. Local Animal Feed Production Unit: Producing feed from village agricultural waste.
- d. Distribution and Marketing of Livestock Products: Marketing livestock products such as meat and eggs to local markets.
- e. Village Animal Husbandry and Animal Clinic Training: Providing training and animal health consultation services

3. Strategy in the service sector

- a. WIFI Service: Expanding the consumer service network outside the village
- b. Digital Services: Marketing BUMDes products through digital services
- c. Banking Services (Laku Pandai): Expanding the consumer service network by opening branches outside the village.

3.3. BUMDes Business Development Strategy

SO STRATEGY: Leveraging strengths to seize opportunities

177) Strengths	178) Opportunities	179) Strategy
180) Legality of BUMDes and full support from the village government 181)	182) The existence of government regulations and programs that support the strengthening of BUMDes	183) Building cooperation with central/regional governments in mentoring and business cooperation. 184)
185) Having local natural resource potential 186)	187) The potential for agricultural and village tourism businesses that has not been optimally developed	188) Developing organic agricultural products and nature-based tourism. 189) Create educational tourism packages that combine agriculture, animal husbandry, and local culture. 190)
191) There is trust from the community in the management of BUMDes 192)	193) Opportunities for collaboration with third parties (private sector, government, NGOs)	194) Raising capital through citizen share schemes and business partnerships. Establishing investment cooperation with the private sector or NGOs for the development of new business units. 195)
196) Clear organizational structure 197)	198) Many residents' needs can be met by BUMDes	199) Opening a business unit that meets the basic needs of residents (village shop, local transportation services, fertilizer and seed distribution). Managing the business unit with a clear division of tasks according to the organizational structure. 200)
201) Strategic village location for service businesses, agriculture, livestock and local trade 202)	203) Digital technology opens up opportunities for online marketing and promotion of BUMDes businesses.	204) Building a digital marketing platform to sell local products. Optimizing strategic locations as distribution centers and promoting products to a wider market. 205)

ST STRATEGY: Leveraging strengths to overcome threats

206) Strengths	207) Threats	208) Strategy
209) Legality and full support from the village government 210)	211) Competition from modern shops and individual business actors	212) Leverage government support to create regulations that support the existence of BUMDes (for example, prioritizing supply for BUMDes). Create unique products/services tailored to local needs, making them difficult for modern stores to imitate.
213) Having local natural resource potential 214)	215) Unstable market prices especially in the agriculture and livestock sectors.	216) Develop processed products to increase added value and maintain stable prices.- Establish long-term sales contracts with regular buyers. 217)
218) There is trust from the community in the management of	220) Lack of professional human resources in business management	221) Leveraging the trust of residents to recruit volunteers or

BUMDes 219)		experts from the community. Inviting community leaders and village youth to become mentors or trainers for BUMDes administrators. 222)
223) Clear organizational structure 224)	225) Risk of natural disasters and extreme weather changes	226) Establish business units that are not too dependent on the weather (for example, general trade, services, or digital businesses). - Form a BUMDes emergency response team to minimize losses during disasters. 227)
228) Strategic village location for service businesses, agriculture, livestock and local trade 229)	230)	231) Utilizing strategic locations to develop service and trade businesses that continue to operate even though the agricultural sector is disrupted. Building a wide distribution network to reach markets outside the village. 232)

WO Strategy: Taking advantage of opportunities to overcome weaknesses

233) Weaknesses	234) Opportunities	235) Strategy
236) Financial management is not yet fully professional	237) The existence of government regulations and programs that support the strengthening of BUMDes	238) Participate in government financial and governance training programs to ensure that the BUMDes management system meets accountability standards. 239)
240) Lack of training and human resource capacity	241) The potential for agricultural and village tourism businesses that has not been optimally developed	242) Conducting local potential-based business skills and management training to prepare human resources to manage the agricultural and tourism sectors. 243)
244) Limited initial capital	245) Opportunities for collaboration with third parties (private sector, government, NGOs)	246) Seeking strategic partnerships to obtain venture capital, grants, or partnership-based financing. 247)
248) There has been no extensive promotion of BUMDes business units	249) Many residents' needs can be met by BUMDes	250) Create an integrated marketing strategy (offline and online) to introduce BUMDes products/services to village and non-village communities. 251)
252) Financial management is not yet fully professional	253) Digital technology opens up opportunities for online marketing and promotion of BUMDes businesses.	254) .Using digital bookkeeping applications for financial transparency, while utilizing digital platforms for business promotion. 255)

WT Strategy: Minimizing weaknesses and avoiding threats

256) Weakness 257) (Weaknesses)	258) Threats	259) Strategy
260) Financial management is not yet fully professional	261) Competition from modern shops and individual business actors	262) Implement a simple, transparent and efficient bookkeeping system to control costs and determine competitive prices. 263)
264) Lack of training and human resource capacity	265) Unstable market prices especially in the agriculture and livestock sectors.	266) Conducting risk management training and product diversification so as not to depend on one commodity. 267)
268) Limited initial capital	269) Lack of professional human resources in business management	270) Prioritize businesses with low capital but high potential, while seeking external assistance for management. 271)
272) There has been no extensive promotion of BUMDes business units	273) Risk of natural disasters and extreme weather changes	274) Leveraging cheap and fast digital promotions, and developing non-agricultural businesses that are less affected by the weather. 275)

3.4. Priority Strategy for Sustainable BUMDes Development.

1. Increasing the human resource capacity of BUMDes Management

Conducting ongoing training for BUMDes managers in the areas of financial management, digital marketing, product innovation, and risk management.

2. Digital Marketing Optimization

Maximize e-commerce and social media platforms to expand the market reach of BUMDes products and build a strong brand image.

3. Diversification of Business Units

Developing new business units based on local village potential, such as agrotourism, ecotourism, or processing agricultural products into high value-added products.

4. Establishing Strategic Partnerships

Building strong partnerships with the private sector, universities, research institutions, and financial institutions to obtain capital, technology, and market access support.

4. Conclusion

This research was conducted regarding the Role of Village-Owned Enterprises (BUMDes) in increasing Village Original Income in Munjul Village, Astana Japura District, Cirebon Regency. The author can conclude that BUMDes Munjul Berkah has been able to explore the village's potential to be processed and made into BUMDes business units such as WIFI Services, Banking services (laku pintar), Goat Farming and Chicken Farming so that BUMDes Munjul

Berkah in the period 2020 to 2024 was able to provide PADes of Rp. 86,250,000, -, from the Village Original Income by the village government is allocated for residents with special needs and increases the operational costs of the village community empowerment institution. The existence of BUMDes Munjul Berkah is considered quite effective in managing businesses in accordance with the village's potential for the greatest possible welfare of the village community.

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