

A Study of the Implementation of Village-Owned Enterprise Governance Policies

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ABSTRACT

This study aims to analyze the Makmur Sejati Village-Owned Enterprise (BUMDesa) governance based on Dalisodo Village Regulation and identify its management's supporting and inhibiting factors. The research location was carried out at BUMDesa Makmur Sejati in Dalisodo Village, Wagir Sub-District, Malang Regency. Data analysis techniques in this study used qualitative data analysis techniques with a descriptive approach. This study found that BUMDesa Makmur Sejati continues to contribute to the income of Dalisodo Village Original Village Revenue (PAD) through training programs and business coaching for the community, although the results are not optimal. BUMDesa governance has implemented a structured planning, organizing, implementing, and monitoring system. However, there are several obstacles, such as the lack of promotion of Coban Glotak tourism, community non-compliance in loan payments, and theft in plantation fields. Supporting factors include the enthusiasm of the management, the availability of capital, and government and community support. Meanwhile, inhibiting factors include the lack of innovation in management, the small number of members, and low community awareness of supporting BUMDesa management. Increased innovation, close supervision, and community education are required to maximize the potential of BUMDesa. This research is expected to provide recommendations for increasing tourism promotion innovation, enforcing the savings and loan unit rules, increasing the security of plantation fields, and socialization strategies to increase community participation in BUMDesa Makmur Sejati.

Keywords: Governance, Policy Implementation, Village-Owned Enterprises.

1. INTRODUCTION

The village is a legal community unit with territorial boundaries authorized to regulate and manage the local community's interests. As the oldest institution, the village has autonomous authority based on original rights and customs, led by the Village Head. According to Law of the Republic of Indonesia No. 6/2014, a village is defined as a legal community unit with the right to regulate government affairs and the local community's interests. Village regulation aims to advance the economy and reduce the gap in national development. Development is a continuous process that aims to improve the community's quality of life. Siagian (2012) states that development is a planned effort towards modernity in the context of nation-building for the welfare and prosperity of the Indonesian people.

Village development is significant because the village is the closest community organization to the citizens and is the ultimate goal of various government development programs. As the smallest unit in society, villages have a strategic role in determining the economic strength of a region or country. Adisasmita (2006) states that rural development is an integral part of sustainable national development, relying on the potential and capabilities of the village. Rural development also plays a role in alleviating poverty, although excessive government intervention often inhibits community creativity. Therefore, empowering rural communities is the leading solution to increasing independence by encouraging, motivating, and developing local potential. With concrete steps and access to opportunities, rural communities can be more empowered, and development can achieve its goals.

The rural economy is often considered to develop more slowly than urban areas. Therefore, it is necessary to optimize the village economy by utilizing local resources based on the conditions and needs of the community to achieve sustainable prosperity. The government adopted a new approach to drive the village economy by establishing

BUMDesa, an economic institution fully managed by the village community. BUMDesa is a business entity whose capital is mainly derived from separated village assets. It aims to manage assets, services, and other businesses for the community's welfare. Based on the spirit of cooperation, BUMDesa acts as a social institution that provides services and a commercial institution that optimizes local resources to generate profits.

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Based on Government Regulation of the Republic of Indonesia Number 11 of 2021, BUMDesa is a legal entity established by the village or inter-village to manage businesses, utilize assets, develop investments, and provide services for the welfare of the village community. BUMDesa functions as an economic and social institution with a form tailored to local characteristics. According to Marwan Jafar (2015), BUMDesa can absorb labor, increase community creativity, and open, productive economic business opportunities to support village independence. Further rules regarding its establishment and management are regulated in Village Minister Regulation No. 3 of 2021. BUMDesa management must be professional, independent, and based on cooperative and transparent principles.

This research aims to describe and analyze the Makmur Sejati Village-Owned Enterprise (BUMDesa) governance based on Dalisodo Village Regulation No. 7/2016 and identify the supporting and inhibiting factors of its management in supporting the village economy. This research adds insight and enriches the literature on Village-Owned Enterprises (BUMDesa) in education. Practically, this research is helpful for the government, especially Dalisodo Village, as it provides insight and information to evaluate programs and improve the performance of BUMDesa Makmur Sejati for the community's welfare. In addition, the results of this research are expected to contribute to policy planning and be considered in the development of BUMDesa in various regions.

2. LITERATURE REVIEW

Etymologically, management comes from the word *kelola* (to manage), which means taking care of or handling something to achieve specific goals. Effendi (2009) defines corporate governance as an internal control system that aims to manage risk, secure assets, and increase shareholder investment value. Yee et al. (2018) emphasized that governance is an organizational principle that improves performance, while Wibowo (2010) highlighted effectiveness and efficiency in organizational governance. The primary purpose of governance is to control and manage the organization's resources, facilities, and infrastructure to be more directed and effective. According to Afifuddin (2010), good governance is carried out through clear strategies, assignment of responsibilities, measurable targets, and periodic evaluation. Thus, effective governance ensures the optimization of resources to achieve organizational goals.

Public policy is the government's decision to act or not to act in the face of public problems (Dye in Kencana, 1999). Subarsono (2012) emphasizes that government agencies make public policies and involve confident action choices. Anderson (1979) links public policy to the education, economic, and social sectors, while Easton (1981) asserts that policies must be based on society's values. Chandler and Plano (2010) see it as utilizing resources to solve public problems. Nugroho (2003) calls public policy a contract between the government and society, which goes through three stages: formulation, implementation, and evaluation. Policy implementation is an administrative process that ensures policies have a tangible impact (Wahab, 1991). Grindle (2007) emphasizes the importance of bureaucratic mechanisms and conflict management. For effectiveness, implementation must meet the principles of appropriate policies, implementers, targets, environment, and processes (Nugroho, 2012).

Development is a process of change that includes social, economic, political, infrastructure, and cultural systems (Alexander, 1994). Siagian (2005) emphasizes that development must be planned consciously to achieve national goals. Subandi (2011) states that development requires economic growth accompanied by economic structure and institutions changes. Rogers (2011) sees development as a change toward a nation's desired social and economic system, while Rostow (2004) describes it as a process toward a developed country. Todaro (2000) identifies three

main objectives of development: fulfillment of basic needs, improvement of living standards, and expansion of socio-economic choices. Sudharto (2000) distinguishes between growth-oriented development and that which focuses on social change. Development is a planned effort to achieve social and economic welfare sustainably.

Participation comes from participation, which means active involvement in an activity or organization. In development, community participation includes determining policy strategies' direction and implementation. Simatupang in Yuwono (2001) explains that participation reflects a joint effort to build the future, achieve common goals, and maintain the values of social justice. Suryono (2001) adds that participation includes involvement in developing and utilizing the results. Since the 1980s, the government has encouraged community empowerment through institutions such as the PKK (Family Welfare Empowerment Group) and Karang Taruna (Youth Social Organization). Slamet (2003) divides participation into political, social, and citizen. Social participation strengthens the learning process, while citizen participation emphasizes direct involvement in decision-making. Thus, participation is key to the success of community-based development.

Village-owned enterprises (BUMDesa) are established based on the needs and potential of the village to improve community welfare (Department of National Education, 2007). Its establishment and management involve community participation so that certain groups do not dominate it. The objectives of BUMDesa include improving the village economy, optimizing village assets, developing community businesses, and creating jobs. BUMDesa functions in investment management, public services, and developing digital economic ecosystems. BUMDesa is a community product container, production center, marketing, and village business incubation. Management principles include cooperation, participation, fairness, transparency, accountability, and sustainability. Overall, BUMDesa acts as a productive economic institution that supports village independence.

3. RESEARCH METHODS

3.1 Research Design

This research used a qualitative approach with descriptive methods to describe and analyze the governance of Village-Owned Enterprises (BUMDesa) in Dalisodo Village, Wagir District, Malang Regency. According to Sugiyono (2007), qualitative research places the researcher as the main instrument in data collection through interviews, personal documents, and other official documents. Nazir (2014) explains that descriptive research aims to systematically and accurately describe the phenomenon under study. Through this approach, the research focuses on the supporting and inhibiting factors in BUMDesa governance, with inductive data analysis to gain a deeper understanding.

3.2 Scope and Location of Research

This research focuses on the governance of Village-Owned Enterprises (BUMDesa) in Dalisodo Village, Wagir District, Malang Regency. The research object is the BUMDesa Makmur Sejati. This study uses the Smith model approach to analyze policy implementation based on Dalisodo Village Regulation No. 7/2016. The research was conducted at BUMDesa Makmur Sejati because this program has been running and is often the object of academic studies, the necessary data is available, and there is support from the village government and BUMDesa management. This location was chosen so that the research could obtain valid and relevant results.

3.3 Data Analysis Technique

This research uses qualitative data analysis techniques with a descriptive approach, which includes collecting, processing, and analyzing data from interviews, observations, and documentation. Sugiyono (2007) states that data analysis is done systematically to find patterns and draw conclusions. Moleong (2014) explains the stages of analysis, namely data collection, reduction, compilation, and categorization, as well as checking validity through triangulation. The classified data were analyzed to identify patterns and themes, resulting in a deeper understanding of the phenomenon under study.

4. RESULTS AND DISCUSSION

4.1 Research Results

Dalisodo Village, located in Wagir Sub-district, Malang Regency, is on the slopes of Gunung Kawi. The Malang District Government issued Regional Regulation No. 20/2006 as the basis for establishing BUMDesa, including BUMDesa Makmur Sejati, established in 2016. This BUMDesa aims to improve community welfare by utilizing village potential with business units of savings and loan cooperatives, agriculture and animal husbandry, trade and skills, and tourism. Based on the principles of transparency, accountability, and participation, BUMDesa supports village economic independence. The research focus includes BUMDesa governance based on Dalisodo Village Regulation No. 7/2016, including planning, organizing, implementing, supervising, and supporting and inhibiting factors in its governance.

BUMDesa Makmur Sejati implements governance in four main stages: planning, organizing, implementing, and monitoring. Planning determines BUMDesa's management direction, strategy, and long-term goals. Since its establishment, BUMDesa planning has aimed to improve the village economy, optimize village assets, and open employment opportunities for the community. One informant explained, "The initial formation of BUMDesa was due to the President's instruction through the law. The village government and the BUMDesa management immediately responded to the regulation by preparing a plan to increase village own-source revenue (PAD) and management of business units that can benefit the community". From this statement, it is clear that BUMDesa planning involves various parties to ensure business sustainability and the welfare of the village community.

Over time, BUMDesa Makmur Sejati continued to develop business units based on the village's potential. Initially, the main focus was on the tourism and agriculture sectors as the flagship of Dalisodo Village. In 2018, trade and skills businesses began to be developed, followed by savings and loan businesses in 2019. One informant stated, "The initial program established was the tourism and agriculture business because this is the village's leading sector. Later, we added trade and skills business units, including a grocery store and skills training for members and the community". In its planning, BUMDesa is both profit-oriented and community empowerment. Another informant adds, "We prioritize social benefits over profit. If nominalized, the impact on the community is much greater than the direct contribution to village PAD". This shows a balance between efforts to improve the village economy and social benefits for the community.

BUMDesa Makmur Sejati routinely conducts annual financial evaluations and reporting to ensure transparency and accountability. One informant stated, "Every year, we prepare financial reports to be transparent and accountable to the community and village government. From the report, we can see the business's development and ensure the BUMDesa's sustainability". With a transparent management system, BUMDesa can continue to grow and provide benefits to the Dalisodo Village community. In addition, the BUMDesa also allocates a budget for training programs, such as incense rolling, micro-enterprise, and coffee management. An informant added, "We continue to develop training programs so that BUMDesa members and villagers have new skills that can help their economy. That way, they are not only dependent on one business sector". This planning demonstrates BUMDesa Makmur Sejati's commitment to improving community welfare sustainably.

In organizational management, the organization becomes the benchmark for successful goal achievement. A clear organizational structure ensures an effective division of labor and responsibilities by the capabilities of each member. BUMDesa Makmur Sejati implements a systematic organizing system to ensure smooth operations and work programs are managed smoothly. One informant explained, "We place someone in the organizational structure based on their quality and qualifications. There are no specific academic requirements because the main focus of BUMDesa is more on social activities, not just seeking financial profit. Usually, we see members abilities and then invite them to join the management. Most are willing, and some are selected through village deliberations". With this approach, BUMDesa management continues to run well and is participatory.

The organizational structure of BUMDesa Makmur Sejati is designed so that each management has precise tasks according to their competencies, ensuring the smooth running of the business unit. One informant stated, "The placement in the BUMDesa organization is appropriate. From the director to the head of the business unit, all perform their duties well. The agricultural business is growing to utilize vacant land, and the savings and loan business helps members obtain capital". In addition to a clear structure, the management also attended training to improve their skills in managing work programs. Another informant added, "The division of tasks in the business unit run neatly and according to operational needs". With a structured system and sound coordination, the management can work more

optimally, developing programs that directly impact the community. A strong organizational structure is key to BUMDesa's success in running various business units.

In addition, BUMDesa Makmur Sejati regularly holds coordination meetings to ensure the smooth running of work programs with a culture-based approach. One informant explained, "Meetings are not always in the office, but can be at the farm, cottage, or other more relaxed places. This style is more effective because it builds cooperation and trust". Internal meetings focus on performance evaluation, such as plantation management and division of tasks, while external meetings discuss strategic policies, such as loan interest and cooperation with other institutions. Another informant added, "Although relaxed, meetings are still structured. Major planning is done at the village hall, while routine discussions are more flexible". This approach facilitates BUMDesa management and strengthens community togetherness and participation in decision-making.

Implementing work programs in BUMDesa Makmur Sejati governance aims to improve the welfare of the Dalisodo Village community through various business units that develop as needed. One of the central units is a savings and loan business that provides members with access to capital. An informant explained, "In determining the work program, we are always oriented towards the village's potential and the community's needs". A membership system is applied so that capital rotates, as another informant revealed, "If there are members who have not returned the loan, the operation of the business unit will also be hampered". In addition, since 2018, the BUMDesa has managed a grocery shop that has become a depository for community products. "I often leave products in the BUMDesa grocery shop. Besides being safe, they do not charge a large cut as an intermediary fee", said an informant.

BUMDesa Makmur Sejati manages Coban Glotak as a village asset to increase village revenue, but visitor numbers remain minimal. "We are working to develop Coban Glotak by improving facilities, such as expanding the parking area and building a barrier with the nature reserve", said an informant. The main challenge is the lack of promotion, as another informant said, "If this tourist spot is better known, it will certainly bring in more tourists and increase revenue". In addition, the BUMDesa also develops agriculture and livestock by utilizing village land. "Village land was previously underutilized, so we managed it as an agricultural field", explained an informant. The livestock business started in 2024 and aims to provide sacrificial animals. With this, BUMDesa continues to strive to increase village productivity.

In addition to the business units, BUMDesa Makmur Sejati is also active in member training and coaching to improve skills and community economic empowerment. "We work closely with the village government to provide training, such as agricultural processing, incense rolling, microbusiness management, and ground coffee," said an informant. The main focus is on social benefits rather than financial profit, as another informant explained, "We focus more on training and coaching members, for which we take funds from the BUMDesa treasury". Incense rolling training is routinely conducted to improve product quality and expand the market. "Incense products from this village have been sold to Surabaya and Bali", said an informant. Training teaches farmers to process ground coffee with flavor variants in the coffee sector. "BUMDesa also helps with marketing, so members have wider market access", added another informant.

Based on the data collected, participation in the BUMDesa Makmur Sejati training continues to increase, from 57 participants in 2018 to 188 in 2023. "The training is beneficial. Many started to open businesses after attending the training, so they are more independent in earning income", said an informant. This data shows the positive impact of the training program on community empowerment in Dalisodo Village. Overall, the BUMDesa Makmur Sejati continues to grow through various business units, such as savings and loans, tourism, and agriculture, designed to improve community welfare. With a transparent management system and ongoing empowerment programs, the BUMDesa is a successful example of how village-owned enterprises can bring economic and social impact to local communities.

Supervision is an important element in the governance of BUMDesa Makmur Sejati to ensure the program is running as intended. "As a board member, I conduct supervision every working day, either directly in the field or through a WhatsApp group containing the board, members, village government, and BPD", said an informant. This group reports problems such as loan arrears or theft in the fields, which are followed up immediately. In addition, BUMDesa members also oversee the performance of the management."They are always open and quick to respond to

any input. Complaints in the WhatsApp group are responded to immediately”, said an informant. The village government also directly supervises and evaluates constraints. “If there is a problem, I reprimand and give direction”, explained an informant. This supervision system is transparent, participatory, and effective in maintaining BUMDesa's governance.

Supervision of BUMDesa Makmur Sejati also involves the Village Council (BPD), which assesses performance spontaneously.”We from the BPD usually conduct supervision without a specific schedule. WhatsApp groups are the primary means of monitoring BUMDesa activities, and accountability reports are often submitted directly by the BUMDesa head or the head of the business unit”, said an informant. This transparent and accountable supervision allows obstacles to be addressed immediately with the right solution. In addition, supervision involves the management, members, village government, and BPD, both through field visits and communication technology. “We always try to be active in supervision so that every program runs according to plan. If there are problems, we immediately make improvements”, explains an informant. With this system, BUMDesa Makmur Sejati continues to grow and benefit the Dalisodo Village people.

Supporting factors for BUMDesa Makmur Sejati governance ensure program sustainability and policy effectiveness. The support of the Dalisodo village government is a key factor. “The village government always responds and participates in our activities, especially since many of the BUMDesa administrators are young and inexperienced”, said one informant. The availability of capital also supports the development of business units and the financing of training. In addition, the management's enthusiasm is key to success.” Although the number of visitors to Coban Glotak is still low, they remain committed to managing the tourist area every day”, added another informant. Community trust also drives the sustainability of the BUMDesa.”Many people participate directly in the activities organized”, explained an informant. Utilizing technology, such as WhatsApp groups, improves transparency and effectiveness of communication in BUMDesa management.

Despite the many supporting factors, BUMDesa faces several governance constraints. Lack of innovation in developing businesses and attracting community interest is a key challenge.”We hope that BUMDesa can provide innovations, especially in the promotion of Coban Glotak tourism, which still lacks visitors”, said an informant. The level of community participation is also still low, with only 208 members out of more than six thousand villagers.”Efforts to engage the community are ongoing, but the response is still lacking”, explained another informant. In addition, community behaviors such as late loan repayments and theft of plantation produce also hamper financial stability.” We face challenges in ensuring loans are repaid on time and preventing theft”, added an informant. Innovation and awareness-raising are required to maintain the sustainability of BUMDesa.

Overall, supporting factors such as village government support, availability of capital, enthusiasm for management, community support, and the utilization of technology have helped the smooth governance of BUMDesa Makmur Sejati. However, there are still challenges, such as a lack of innovation, low community participation, and unsupportive behavior in the management of business units. One informant concluded, “We continue to try to develop BUMDesa to be more advanced, but there still needs to be synergy from all parties, both the management, the community, and the village government so that BUMDesa can really provide maximum benefits”.By overcoming existing inhibiting factors, BUMDesa Makmur Sejati is expected to become a more substantial and sustainable institution that improves the welfare of the Dalisodo Village community.

4.2 Discussion of Research Results

Policy implementation requires a complex process that considers various factors to run effectively. In the context of BUMDesa, policy implementation is critical because it acts as a platform to realize equitable development from the central to the village level. BUMDesa becomes an instrument in advancing the welfare of rural communities through various business units and empowerment programs. The approach used is Smith's public policy implementation model to assess the effectiveness of this policy implementation. The following section discusses the research results on implementing the BUMDesa policy in Dalisodo Village.

The governance of the Makmur Sejati Village-Owned Enterprise (BUMDesa) based on Dalisodo Village Regulation No. 7/2016 on the Establishment, Management, and Management of BUMDesa involves four main aspects: planning, organizing, implementing, and monitoring. In planning, the policies must have clear objectives and

be adjusted to the policies set out in village regulations. The planning of the BUMDesa Makmur Sejati work program includes improving the village economy, optimizing village assets, and empowering the community through training and business coaching. In addition, planning also involves providing market networks, creating jobs, and increasing the income of rural communities. The implementation of this policy is supported by optimal resource management so that BUMDesa can run its programs sustainably. However, despite having sufficient resources, the income from Village Original Revenue (PAD) still does not meet the expectations of the Dalisodo Village Government.

In terms of organization, the BUMDesa Makmur Sejati has established a clear organizational structure to ensure the effective implementation of the work program. The organization comprises a director, secretary, treasurer, and business unit heads responsible for various sectors, including trading, savings and loans, agriculture, and tourism. The division of tasks and responsibilities within the BUMDesa is based on the capabilities and experience of its administrators. This organizational system also reflects a culture-based approach with strong family interactions. The main factors that influence the success of policy implementation in organizing are inter-implementer coordination and policy compliance. In carrying out their duties, all BUMDesa Makmur Sejati administrators have complied with established guidelines and procedures so policies can be implemented effectively.

Implementing the BUMDesa Makmur Sejati work program focuses on adapting to the social, economic, and political environment in Dalisodo Village. One of the main challenges faced is the lack of PAD income due to the orientation of programs prioritizing community empowerment. The annual training and business coaching program aims to improve the community's economic welfare but requires significant funds from the BUMDesa treasury. In addition, in managing four business units directly managed by BUMDesa, coordination between policy implementers is essential to ensure efficiency in resource utilization. One of the obstacles is the lack of visitors to the Coban Glotak tourist area, so an improved promotional strategy is needed to increase revenue from the tourism sector.

Supervision, transparency, and accountability are the main principles of the governance of BUMDesa Makmur Sejati. Supervision is carried out openly by involving various parties, including the Dalisodo Village Government, BPD, and members of the BUMDesa itself. In its implementation, no indications of embezzlement or corruption were found. However, there were several obstacles, such as the low promotion of Coban Glotak tourism, which impacted the income of the tourism business unit. In addition, evaluation of the performance of the management is carried out regularly to improve the effectiveness of the work programs that have been carried out. The utilization of technology, such as WhatsApp groups, has improved the coordination and responsiveness of the board to member input. However, there are still external challenges, such as non-compliance of some communities in repaying loans and theft in BUMDesa plantation fields, which hamper the sustainability of work programs.

The implementation of the governance of the Makmur Sejati BUMDesa is inseparable from the supporting and inhibiting factors that come from internal and external aspects. Supporting factors in this governance consist of internal factors, which include the high attitude and enthusiasm of the management and the availability of sufficient capital to run various business programs. In addition, external factors also play a role in supporting the success of BUMDesa governance, such as the full support of the Dalisodo Village Government, which provides policies and regulations that support business development. Dalisodo Village community support is also an important element in the sustainability of BUMDesa, especially in active participation in the programs run. In addition, using technology in business management further improves efficiency and transparency in managing BUMDesa Makmur Sejati resources.

On the other hand, several inhibiting factors affect the effectiveness of BUMDesa Makmur Sejati governance. Internal factors that are the main obstacle are the lack of innovation from the management in developing new strategies that are more adaptive to market changes and community needs. In addition, the limited number of BUMDesa members is a challenge in expanding the scope of business and increasing the competitiveness of BUMDesa at the local and regional levels. Meanwhile, external factors also provide their obstacles, primarily related to the behavior of the Dalisodo Village community, which in some cases lacks awareness of supporting BUMDesa policies and programs. This behavior can impact the low participation level and lack of compliance in program implementation, such as in the savings and loan business unit, which experienced obstacles due to loan payment arrears from irresponsible community members.

5. CONCLUSIONS AND SUGGESTIONS

Based on the results of the research, it is known that this study highlights the governance of BUMDesa Makmur Sejati to increase Dalisodo Village Original Revenue (PAD) based on Village Regulation No. 7 of 2016. Although PAD income is still not optimal, BUMDesa Makmur Sejati continues to play its role through training programs and community business coaching. This program aims to increase BUMDesa's revenue and directly benefits the community by shaping an entrepreneurial mindset and creating new job opportunities. Thus, the resulting outcomes include community economic improvement, job creation, and revenue for BUMDesa and village PAD. The policy implementation approach proposed by Smith is used to analyze the factors that influence planning, organizing, implementing, and supervising the governance of the Makmur Sejati BUMDesa.

The governance of BUMDesa Makmur Sejati has implemented a structured organizational management system, ranging from work program planning to performance monitoring. The main influencing factors in planning are idealized policies, resource availability, environmental factors, and target group involvement. A straightforward task structure and good coordination between implementers characterize organizing. The implementation of work programs adapts to the community's needs and involves various parties. Supervision is carried out openly with the use of communication technology. However, some obstacles remain, such as the lack of promotion of Coban Glotak tourism, loan problems in the savings and loan business unit, and theft in the BUMDesa Makmur Sejati plantation fields by local people.

There are supporting and inhibiting factors in the governance of BUMDesa Makmur Sejati. Internal supporting factors include the enthusiasm of the management and the availability of capital, while external factors include support from the village government and community. On the other hand, internal inhibiting factors include the management's lack of innovation and the minimal number of BUMDesa members. In contrast, external factors include unsupportive community attitudes, such as non-compliance in repaying loans and lack of concern for village assets. Despite the obstacles, the governance of BUMDesa Makmur Sejati has shown good management direction. Increased innovation, more vigorous promotion, and community awareness are needed to maximize economic potential and increase contributions to Dalisodo Village PAD.

Based on the research results, several suggestions can be applied to improve the effectiveness of BUMDesa governance. BUMDesa Makmur Sejati needs to develop innovations to promote Coban Glotak as a village tourism asset by utilizing social media to showcase the area's natural beauty and attract more visitors. In addition, clear rules are needed in the savings and loan business unit, including legal agreements and strict sanctions for borrowers who do not repay loans, to prevent financial constraints. To address theft in the plantation fields, BUMDesa can add more administrators in the agricultural business unit and tighten the security system for 24 hours. The lack of BUMDesa members can be addressed through more diversified business training and coaching, regular socialization, and open discussions with the community to understand and accommodate their needs, increasing participation in the BUMDesa.

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