



## **Evaluation of *Badan Usaha Milik Desa* as A Locomotive for Village Development In Yogyakarta Special Region**

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### **ARTICLE INFO**

*Article history:*

Received 17 January 2021

Received in revised form 27

March 2021

Accepted 05 April 2021

### **ABSTRACT**

Village-Owned Enterprises or *Badan Usaha Milik Desa* (BUM Desa) is institution that promote economic growth that have a role related to the hope of bringing changes in the welfare of rural communities for the better. The purpose of this research is to know the characteristics of BUMDesa in the study location and evaluate the existence of these institutions. This study uses a qualitative method with a case study approach. The results showed that the characteristics of BUM Desa were formed at the initiation of the village government and were welcomed by the community. Natural potential is the main capital in developing BUM Desa. The main problem of BUM Desa is the quality of human resources and capital in developing business units. In terms of institutional success indicators, the business unit is able to have a positive impact on the community and village government. In terms of internal support and other institutions, BUM Desa institutions have collaborated with various institutions both local and international scales. In terms of leadership, the character of a leader who is visionary, professional, political, multitalent, and able to mingle with members so that he becomes a role model for members.

*Keyword:*

BUM Desa, Institutions,  
Welfare

### **INTRODUCTION**

One of the innovative strategies in developing rural areas in Indonesia is to organize BUM Desa. With the existence of BUM Desa which is also strengthened by the transparency document of Law no. 6 of 2014 concerning Villages, the village is no longer seen as just a background but the vanguard of national development. Elucidation in Article 87 Paragraph (1) of

Law no. 6/2014 states that BUM Desa in its activities is not only oriented towards financial benefits, but also oriented to support the improvement of the welfare of rural communities. The implication is that the BUM Desa that is formed by the Village Government must be able to utilize all economic potential, institutions, natural resources, and human resources

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to achieve the goals of the village business institution. On the one hand, the existence of BUM Desa presents a challenge for the community, especially for the management of these institutions to become independent and entrepreneurial. This is in accordance with the opinion of Agusta, et al (2014: 25) that access to local institutions (BUM Desa) is one of the surrounding resources that leads to the condition of community independence to then try to carry out activities that develop the institution. BUM Desa is expected to be the driving force for economic growth which is managed by the villagers themselves so that independent and autonomous villages can be achieved (Faedlulloh, 2018: 2). Especially with the limitations of the village government in terms of finance and human resources to meet community needs (Sugiyanto, 2019: 224). It is further emphasized that BUM Desa is an institution that provides economic resilience so that it is able to define adaptive village welfare as welfare in accordance with the village's local wisdom (Fatimah, 2018: 122).

In the area of the Special Region of Yogyakarta or Daerah Istimewa Yogyakarta (DIY), in 2017 there were 392 villages spread across four districts and only 140 villages that already had BUM Desa (Hakim, 2017). In the process of developing BUM Desa, it is often constrained by various aspects, such as human resources which will certainly affect the quality of the institution (Hakim, 2017; Ismono, 2019; & Amri, 2015). This is also acknowledged by Priyo Handoyo as the Head of the Community and Village Empowerment Service of Sleman Regency, many villages that want to form BUM Desa and BUM Desa which currently exist are still constrained by their human resources (Aprita, 2018). The impact of the lack of human resource capacity on BUM Desa such as the management of these business institutions will be

confused and difficult to develop their business. In contrast, the BUM Desa case in Kulon Progo Regency is classified as not routine and 15 institutions are categorized as unhealthy because their operations have stalled and only rely on the savings and loan sector (Dewantara, 2019). The existence of the BUM Desa institution is an opportunity to improve the welfare of the village community as stated by Faedlulloh (2018: 2). However, various obstacles in operating the institution can also make BUM Desa not exist. Therefore, researchers tried to conduct research on the evaluation of four BUM Desa in four districts in the Special Region of Yogyakarta.

## **METHODS**

This research will use a qualitative method with a case study approach. Researcher use this method as the opinion of Creswell (2013) that the qualitative method tries to describe the phenomena in the field where the existing data tends to be dynamic so that restrictions are needed. The boundary in this study is the focus which is institutional evaluation. In conducting institutional evaluations, the institution building theory by Philips (1969) in Moore, et al (1995: 49-55) includes: (1) the success of institutions in providing changes with indicators of program impact, innovation, image / image in society, and adaptation to local conditions / communities; (2) support for institutions with indicators of cooperation with other institutions, assistance, finance from domestic resources, human resources, guarantee for the survival of the institution; and (3) leadership character and quality with indicators of the character of institutional leaders, efficiency in handling problems, decision making, politics, professionalism, competence in managing conditions / internal institutional resources, and pressure for reform. The units of analysis

in this research are four BUM Desa institutions in DIY, including: BUM Desa Tridadi Makmur in Sleman Regency, BUM Desa Panggung Lestari in Bantul Regency, BUM Desa Binangun Jati Unggul in Kulon Progo Regency, and BUM Desa Sejahtera in Gunungkidul Regency. Data collection techniques are carried out by means of literature studies, field surveys, and interviews with BUM Desa managers, village governments, and surrounding communities outside of BUM Desa members.

## RESULT AND DISCUSSIONS

Here are the results and discussion of research presented in two sections, namely characteristics BUM Desa institutions and institutional analysis BUMDesa.

### Characteristics of BUM Desa Institutions

The discussion below will describe the characteristics of the four BUM Desa according to the findings in the field. Each BUM Desa will present its characteristics as an illustration of the institution's profile.

#### BUM Desa Tridadi Makmur.

The BUM Desa Tridadi Makmur institution was created on the basis of an initiation from the Tridadi Village Government by involving community leaders. The legal basis for the formation of BUM Desa Tridadi Makmur is the Tridadi Village Regulation Number 08 of 2017 concerning the Establishment of Village-Owned Enterprises. The purpose of establishing BUM Desa Tridadi Makmur is because it wants to reduce unemployment in the village so that the prosperity of Tridadi Village is created.

"The objectives of establishing BUM Desa Tridadi Makmur include: increasing PAD, increasing the prosperity of Tridadi Village, and currently being able to absorb 80% of the local workforce and 20% from

outside based on professionalism." Amin (35 years) as the Head of the Tridadi Village Government Service Section.

Several business units developed by BUM Desa Tridadi Makmur, namely: an ornamental plant development business unit and a tourism-based business unit called Puri Mataram. The first business undertaken was the development of an ornamental plant or aglonema business with 5-6 employees. For two years, the development of ornamental plants will be carried out and in the third year it will be possible to conduct a sales business. Meanwhile, the second business unit presents the concept of nature and culinary tourism to form a tourism area with Javanese art nuances. The absorption of labor in this business unit in 2020 is 45-54 people. The superiority of BUM Desa Tridadi Makmur is that it starts from zero without having a business then the BUM Desa leaders plan, invite the surrounding community, to manage. Based on the results of an interview with Kholik (47 years) as the director of BUM Desa Tridadi Makmur an institutional program based on market analysis and resource potential. First, Yogyakarta is an attractive tourist city and is wide open for tourists. Second, analysis of potential resources such as the potential of village treasury lands to be managed properly.

Initially, business capital for BUM Desa Tridadi Makmur came from village funds amounting to Rp. 68,000,000.00. The rest is the result of raising voluntary community funds to cover shortages. Not only from the community but also village officials, hamlet heads, RT / RW heads, and community leaders are asked to make sacrifices voluntarily in terms of funding BUMDesa activities. For BUM Desa directors, BUM Desa institutions are rarely able to access capital from banks because there must be collateral requirements, even though village

treasury lands cannot be used as collateral. In the second year, the capital from the village fund increases to Rp. 101,801,750.00. Then the third year and the planned investment for BUM Desa per year is Rp. 300,000,000.00. However, the BUM Desa director is still relatively small because adding infrastructure to the concept of a tourist destination requires large capital. The Village Government will continue to assist in the investment of BUM Desa Tridadi Makmur in accordance with Tridadi Village Regulation Number 4 of 2018 concerning Tridadi Village Government Capital Inclusion in Tridadi Makmur Village-Owned Enterprises until 2034, totaling Rp. 4,500,000,000.00 which is gradually decreased.

The average number of tourist visits per month before the pandemic was 18,000 to 20,000 people. During peak season, such as holidays, the number of tourists increases to 60,000 to 70,000 per month. However, during the pandemic it experienced a drastic decline, namely only 2,000 people per month. The problem of BUM Desa Tridadi Makmur lies in the human resources as managers. There are still many human resources who cannot read because they did not go to school before. From a formal quality perspective, the management human resources are only elementary, junior high and high school graduates. This results in less than optimal service for tourists and management of financial-related institutions.

BUM Desa Tridadi Makmur is able to contribute to Tridadi Village Original Income (PAD) of Rp. 300,000,000.00 each year. For the head of the BUM Desa, the institution must be able to provide more PAD than the Government. This is aimed at when village funds stop due to different political policies, BUM Desa is always ready to participate in village development. BUM Desa Tridadi Makmur strives to make its business unit more widely known by the public. One way is to

maximize tourism promotion through social media such as Facebook, Instagram, endorsement services, and so on. In addition, cooperation is also with third parties, namely travel agents, offices and universities. In the past, promotional activities initially used the old system, namely street marketing to make it better known by the public.

#### **BUM Desa Panggung Lestari.**

BUM Desa Panggung Lestari was formed in March 2013 as an effort to utilize village potential and is expected to become an entity capable of leveraging the community's economy. The legal basis for its formation is through Panggungharjo Village Regulation Number 7 of 2013 concerning Panggung Lestari Village-Owned Enterprises. There are many business units carried out by BUM Desa Panggung Lestari. According to Pamuji (45 years) as Director of BUM Desa from 2013 to 2016 to develop several business units such as agro and agriculture, processing of nyamplung oil (tamanu oil), namely vegetable oil produced from the process of squeezing nyamplung seeds as biodiesel / biodiesel material in the amount of 500-600 liters per month. In addition, there are village self-service businesses (swadesa), educational tours, culinary delights in the Mataraman village. This BUM Desa also creates a market application system, namely the [pasar.desa.id](http://pasar.desa.id) website which sells BUM Desa agricultural products. Another business unit, namely PT. Sinergi Panggung Lestari which is engaged in processing used cooking oil for fuel in collaboration with Danone Aqua. From the results of these several business units, BUM Desa Panggung Lestari made a profit of 1.2 billion in 2016. In 2017 it increased to 2.8 billion, then increased again in 2018 by 4.2 billion, and in 2019 to 5.7 billion. Of these profits, 40% goes to PAD Panggungharjo every year.

BUM Desa Panggung Lestari's first attempt was to form a Waste Management

Business Group, known as KUPAS. This is done on the basis of two perspectives, namely environmental health and business (business). In Panggungharjo Village, there is an alarming condition, namely the decreasing level of environmental cleanliness due to the increasing volume of waste produced by domestic households. This is consistent with the statement of Pamuji (45 years) that residents often throw garbage on the side of the road so that the village government took the initiative to establish a BUM Desa whose job is to manage waste. Therefore, it should be handling the real action in waste management. With the presence of KUPAS, it is expected to solve the problem of waste on the environment and increase economic benefits for the surrounding community.

KUPAS has served 1,090 pick-up points in 13 hamlets in the village Panggungharjo. KUPAS initial capital is Rp. 37,000,000.00 which was later increased to nine times the amount of Rp. 344,363,500.00. Capital is set at least 60% of the capital of a country that is separated from the village government. There is also the capital of the bank Bank Negara Indonesia (BNI) by passing the People's Business Credit (KUR) which ensures BUM Desa and do not need to file a mortgage with a maximum of Rp. 5,000,000.00. However, taking into account the profits obtained by BUM Desa, there is no more capital investment because it is considered capable according to the Panggungharjo Village Government.

Overall, the total number of employees at BUMDesa Panggung Lestari is 98 people. The recruitment system is prioritized by local residents and is not tied to the level of education for operational personnel. Meanwhile, the management staff is tailored to their needs and abilities. In terms of the workforce proportion, as much as 90%

came from within the village while 10% came from outside the village.

### **BUM Desa Binangung Jati Unggul**

BUMDesa Binangun Jati Unggul was established on the basis of Jatirejo Village Regulation Number 4 of 2016 concerning Village-Owned Enterprises of Binangun Jati Unggul Jatirejo Village. According to Santoso (60 years) as the Head of the Jatirejo Village Government Section, it was started from the Binangun Jatirejo Village Microfinance Institution (LKM) which then developed on the advice and assistance of the Kulon Progo Regency Government to become BUMDesa Binangun Jati Unggul. The amount of capital participation until 2020 is Rp. 688,504,000.00. Currently the BUMDesa Binangun Jati Unggul business unit according to the BUMDesa Binangun Jati Unggul profile document consists of two, namely: a financial services business unit and a trade and agricultural production business unit. In the financial services business unit, the capital is Rp. 561,496,000.00 with a monthly turnover of Rp. 40,000,000.00. Total assets in the financial services unit amounted to 2.7 billion from initially only Rp. 561,000.00. Activities undertaken by the financial services business unit include: micro-business loans and future savings (Simapan).

In the agricultural trade and production unit which was officially established on January 18 2018. Types of activities carried out are: trade and agricultural production. Products produced include: rice with superior teak brands, planting media with superior teak brands, bran, raw and roasted husks, and sales of parcel packages and basic needs. Variants of rice products that are sold and bought include: C4 Rice, Mapan Rice, Fragrant Menthik Rice, Brown Rice, and Black Rice. According to Santoso (60), BUMDesa buys agricultural products at a higher price than middlemen so that

farmers get a profit. In this activity, BUMDesa Binangun Jati Unggul collaborates with: Gapoktan Jati Makmur, Bulog, Vocational UGM, Tomira, PT. Lentera, DPM Muhammadiyah Kulon Progo, and Bakor PKP. Meanwhile for marketing activities in collaboration with various business entities, including: Bulog, Tomira, Supermarkets, WS Supermarkets, Prima Toserba, Atmaja Department Store, Warno Warni Department Store, Puri Aglonema BUMDesa Tridadi Makmur, Mataram Castle, and shops / restaurants in the Yogyakarta area. With these activities turnover per month is Rp. 300,000,000.00. The initial capital is Rp. 38,504,000.00 which then increased the following year. Overall, the total profit of BUMDesa in 2019 is Rp. 256,386,523.21, of the profits given to Village Original Income amounting to Rp. 128,193,262.00 or 50% for capital owners in accordance with Village Regulations.

In 2020, the number of workers accommodated by 12 members who were drawn from the Jatirejo Village community. The current condition of human resources is classified as low quality by looking at the level of education, namely the average SD-SMP. However, BUMDesa Binangun Jati Unggul always strives to develop its business, as there are plans to expand into restaurant and tourism business units in Bukit Cubung.

### **BUM Desa Sejahtera**

BUMDesa Sejahtera was formed on the basis of Village Regulation Bleberan Number 1 of 2007 concerning Village-Owned Enterprises which was renewed using Village Regulation Number 7 of 2016. More precisely, BUMDesa Sejahtera in Bleberan Village has existed since January 4, 2007. The formation of this institution was due to clean water shortages when the dry season is never resolved even though various methods

have been made by the Bleberan Village Government.

In the tourism business unit, the income comes from package rates / tour services (retribution of Rp. 13,000.00 / tourist), round trip boat tickets (Rp. 10,000.00 / tourist), and one-way boat tickets (Rp. 5,000.00 /traveler). This unit is the flagship unit of BUMDesa Sejahtera because it is able to employ as many as 20 people with an average income of 1.9 billion. This figure actually supports 80% of the total profits obtained by BUMDesa, which is an average of 2.2 billion. Of the total income, at least 25% will be used to contribute to the village's original income from the distribution of the remaining income from the business.

The clean water management business unit comes from house connection fees, first, second, and third 10m<sup>3</sup> of clean water subscription fees and so on, and expenses. This unit is the first business unit managed by BUMDesa Sejahtera because of the problem of drought that often occurs every year. Clean water management has actually been around since 2005 which later became the main capital in establishing business for BUMDesa. The number of managers in this business unit is 9 people.

The savings and loan business unit comes from a loan interest of 18% per annum. This unit emerged because of many complaints from the public, especially farmers who wanted to borrow capital from financial institutions but were constrained by collateral. Therefore, the Bleberan Village Government took the initiative to provide savings and loan services. In this unit there are 3 administrators who work to serve the community for savings and loan activities. Overall, in 2020 the number of employees at BUMDesa Sejahtera is 110 people. The system used to recruit employees by selecting and prioritizing local residents. In 2020, BUMDesa Sejahtera is planning

to develop a trade and service business unit, namely a mushroom cultivation center in collaboration with NJO South Korea. BUMDesa has had MSMEs engaged in the cultivation of mushrooms as many as 30 homes as local economic development efforts of the village level.

### **BUM Desa Institutions Analysis**

This discussion will describe the institutional analysis of the four BUMDes that are the object of research. This analysis will cover three subjects, such as: success BUMDesa institutions, other institutions support the development of BUMDesa and characteristics BUMDesa leader.

### **Success BUM Desa Institutions**

Basically, the four BUMDesa are initiated by the village government and district governments as community stimulants. This is in line with the assumption of Nugroho (2015) that most BUMDesa are initially institutions formed by the government and then run professionally by the village community to achieve prosperity. The community is made independent to be able to create business units that can be developed by the institution. Four BUMDesa in Yogyakarta classified has innovated with a background program to tackle a problem, namely poverty, unemployment, and the fulfillment of viability. The program's innovation that is always there and expected in the four institutions is tourism by relying on nature and traditional food and savings and loan businesses. Other programs include waste processing, clean water management, and trade services and agricultural production.

Basically, BUMDesa still relies on nature as its business capital. The impact of the program that has been implemented by BUMDesa is to reduce unemployment and poverty. On average, BUMDesa is able to absorb a workforce of 12-98 people

depending on the scope of work of the business unit with a standard UMR salary of 1-2 million rupiah. Every BUMDesa provides great opportunities for local people to join. This has been accommodated in the legal basis for establishing BUMDesa, as many as 80% - 90% of the workforce must come from local residents. On the other hand, the existence of BUMDesa contributes to village development by allocating BUMDesa revenue funds to village government PAD with a percentage of 25% -51% of the total net profit. If converted into rupiah, the range is Rp. 128,000,000.00 up to Rp. 1,425,000,000.00 to be given to the village government every year. With a high enough income, it provides a condition for community independence in developing local institutions as access as expressed by Agusta, et al (2014: 25). This is in accordance with Faedlulloh's (2018) assumptions regarding BUMDesa as a driving force for economic growth.

The presence of BUMDesa for the community is welcomed even though for people outside the BUMDesa members. This is because they are able to absorb labor and some are able to provide concern for the community by means of the Corporate Social Responsibility (CSR) program, such as: handling rats for farmers in rice fields, providing subsidized education funds for residents who cannot afford even up to Diploma 3 level, and home renovation is not livable. The community becomes more productive because BUMDesa activities are able to have a positive impact on the economy of the surrounding residents, for example around the location of the tourism business unit by BUMDesa Tridadi Makmur and BUMDesa Sejahtera. Local people open stalls or trade on narrow land but benefit because many visitors also buy their wares. This is as well as two

excerpts from interviews with local communities below:

"Yes, added the crowd who bought it, after the existence of Puri Mataram (BUMDesa Tridadi Makmur business unit), there was an additional income of Rp. 100,000.00 up to Rp. 200,000.00 every day. In the past it only cost around Rp. 300,000.00 up to Rp. 400,000.00, but now it can reach a maximum of Rp. 500,000.00 per day. " Tukinem (50) as a trader around the BUMDesa Tridadi Makmur business unit.

"My response when the formation of BUMDesa Panggung Lestari was very happy and supportive. We have experienced changes, especially in the economy, related to saving waste in KUPAS in exchange for gold. Besides that, the environment is also clean. " Suharti (61) as a resident of Panggungharjo Village.

Based on the quote from the interview above with two respondents who are located differently, the BUMDesa institution has a good image in the eyes of the community. This is because there is additional economic value obtained by the surrounding community. The community acknowledges the existence of this institution by seeing the positive impact it feels.

### **Support from Other Institutions for BUMDes**

In carrying out its program, BUMDesa collaborates with other institutions. Communication between institutions can also be a factor supporting the existence and sustainability of an institution (Dewi & Suharto, 2020). Some institutions have been cooperating with BUMDesa, among others: the village administration in terms of assistance, the banking (BRI and BNI) that provides business loans, academia / universities eg University of Gadjah Mada / UGM in assisting the development of enterprises, Bulog, travel agents, shop modern in the sale of agricultural products, private companies such as PT.

The lantern in the field of agricultural product processing, and other local institutions / groups. Even BUMDesa Sejahtera has collaborated with agricultural institutions in South Korea in terms of mushroom cultivation. Collaborative efforts are made to improve the quality of institutions and increase capital. Researchers see that in the opinion of Khozhylo, et al (2020) it is necessary to expand the network to increase business unit capital participation.

Not only in terms of cooperation in efforts to develop BUMDesa business units, this institution also gets assistance from various institutions. For example, business capital from the Ministry of Villages, Development of Disadvantaged Areas, Transmigration in the form of village funds, village government in the form of village treasury lands and infrastructure, local governments such as the Environmental Agency, Public Works and Housing Agency, Tourism Office in the form of tools, counseling, and funds . Basically, BUMDesa assistance comes from the government, local governments, and village governments. Meanwhile, in BUMDesa Tridadi Makmur business development assistance capital funds obtained from donors are also community leaders. This is in accordance with the results of a joint interview with the management of BUMDesa Tridadi Makmur as follows:

"Our capital comes from the village and the people who join in. So it is financed together by the community, I oblige the management first. If we are sure to build this business, we show the community that we are serious about donating the money to invest in Puri Mataram. I also appeal to the village government because this belongs to the village. Community leaders, the head of the sub-village keta RT / RW we penetrated then only to the village community. " Kholik (50) as the



administrator of BUMDesa Tridadi Makmur.

In terms of guaranteed survival, each BUMDesa has been supported by its massive resources. With natural resources able to move the institution. In terms of financial resources, each BUMDesa complains of a lack of funds for developing their business units. Although it can contribute to village government PAD, efforts to develop business units also need to be done. On the one hand, the problem lies in human resources. With no formal education from school to High School (SMA) is considered not sufficiently contribute to planning the development of the business unit. Labor is still relatively simply follow what is requested by the board BUMDesa. This is in accordance with the opinion of Amri (2015) that the quality of human resources affects the performance of BUMDesa. When a problem occurs, the BUMDesa management will hold a discussion together both with members and with the village government if necessary. It seemed to create a democracy at the village level as a solution in rural development as well as research from Hong, et al (2018).

One of the strategies to improve the quality of human resources is through training and comparative studies. Each BUMDesa has different allocations of funds to improve the quality of human resources, for example BUMDesa Sejahtera allocates 10% of net profits and BUMDesa Binangun Jati Unggul as much as 2.5% for education of BUMDesa members. In fact, the way to stimulate BUMDesa administrators to their members to always excel is by providing achievement allowances for administrators and members as much as 20% of the net profit.

#### **BUMDes Leadership Characteristics**

Leaders are an important element in the development of institutions such as BUMDesa. The character of a leader is one

of the importance of bringing about institutional change. Based on the findings in the field, four BUMDesa leaders are classified as capable of going into the field and mingling with their members. Every time there is a problem, deliberations will be carried out with its members. This makes the members moved to follow what was done by the leader. Researchers saw that the system of decision-making in four BUMDesa using a bottom-up system. Leaders are considered role models for their members. The challenge for BUMDesa leaders is that they must be able to work multitalently in the sense that all activities can be controlled by the leader so that they become an example for their members. Researchers see there are professionalism efforts from leaders in working to develop BUMDesa as the responsibility bearer. In the findings in the field, there are no differences in the opinion of male and female leaders such as the head of BUMDesa Binangun Jati Unggul. Basically, how leaders are able to convince their members to change the institution for the better. The difference lies in the level of education which influences the thinking of the head of the institution in viewing BUMDesa institutions. For the head of BUMDesa Tridadi Makmur who has a graduate background, the institution's activities are directed at business orientation and professionalism. Meanwhile, the chairman of BUMDesa Sejahtera who is a college graduate does not see the institution as a business orientation but rather to empower the community as widely as possible not only from institutional members but from communities outside the BUMDesa membership.

In terms of efficiency in handling problems, the leaders of the four BUMDesa are trying to keep paying attention to their resources. Even with regard to salaries, the leaders of the four

BUMDesa along with their members do not get the salary they should. This is because the financial capacity at the beginning of the BUMDesa development was felt to be insufficient and it was better to choose not to give the salary properly. The response of the members is that they understand the financial condition of the institution, that the money is diverted more towards the development of BUMDesa. Members are also very appreciative of the performance of the leader BUMDesa for trying always manage activities of the institution. Researchers see that the leaders of the four BUMDesa have good management competencies, especially in placing potential members in certain positions. In addition, the leader also seeks to improve the competence of human resources by conducting comparative studies, training, socialization, and so on.

One way of commitment by leaders in developing BUMDesa is to dream of what the institution is to be. Three of the four BUMDesa, namely: BUMDesa Tridadi Makmur, BUMDesa Panggung Lestari, and BUMDesa Binangun Jati Unggul have BUMDesa development planning documents. In the document shown the details of the development of the design and even business unit business unit. By seeing their document development plan created by BUMDesa then there is an attempt to exert pressure institute reforms in the future. The dreams of BUMDesa leaders for BUMDesa development are stated in the form of documents and designs as a form of commitment. This shows that the leader of the institution has a visionary direction towards the development of BUMDesa.

## CONCLUSION

In general, the characteristics of BUMDesa in the Yogyakarta Special Region by taking four case studies, the formation of BUMDesa at the initiation of the village government was welcomed by

the community, especially those who became members. The formation of such establishments on the collective awareness / community (Qadir, 2011: 55). Natural potential is the main capital in the income of BUMDesa and even the tourism sector is always owned by these institutions, even though only one agency has just planned to add a tourism business unit. Each BUMDesa contributes to the village's original income (PAD) with a nominal value above Rp. 100,000,000.00. The problem of human resources and capital remains a challenge for BUMDesa in developing its business units. By looking at the results of the analysis in terms of indicators of institutional success in providing changes in the economic conditions of the community, internal support and other institutions, and leadership, it can be said that BUMDesa in the study location has the potential to be a locomotive for village development even though it needs efforts to increase its capacity.

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