



## **The Implementation of Village-Owned Enterprises' Policy in Wonogiri Regency**

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### **ABSTRACT**

This research aimed to identify supporting and inhibiting factor in the implementation of Village-Owned Enterprise (BUMDes) policy in Sumberejo Village, Batuwarno Sub District, Wonogiri Regency. The approach used in this study was descriptive qualitative research. Data were obtained from the result of interview, documentation, and observation. The result of research showed that the supporting factor in the implementation of BUMDes policy included: communication; disposition; characteristics of the the implementing agencies and economic, social and political conditions. Meanwhile, the inhibiting factor included resources (HR or human resource and budget resource); bureaucratic structure; and policy standard and objectives. Supporting factors can encourage the development of BUMDes and increase the profit, despite some limitations. The factors inhibiting BUMDes policy generates some problems to BUMDes, so that its profit percentage and contribution to PADes have not been optimal yet and is fluctuating.

*Keyword:*

Policy Implementation,  
Village Policy, Village-Owned  
Enterprises

### **INTRODUCTION**

Government in the last period voices that the development start with village for the sake of nation's advance (Yan and Chen Chen, 2018; Matriddi, et al., 2014). Putting the village to be a means of development, the attempt of reducing a variety of income, poor-rich, and village-city gaps can be

brought into reality better (Kartika, et al., 2017; Matriddi, et al., 2014). Through development, village is the smallest, lowest decision making unit closest to the people (Sumodiningrat and Wulandari, 2016). Village development should be conducted in directed, dynamic, and sustainable

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manners (Alfarisi, et al., 2017). The implementation of development, of course, needs much fund. The policy supporting village development is realized, among others, into Village Fund.

The inappropriate use of village fund can inhibit the development and the achievement of people wellbeing goal in the village. The issuance of Minister of Village, Disadvantaged Area Development, and Transmigration's Regulation Number 21 of 2015 about the Assignment of Village Fund Use Priority in 2016 and followed with Village Fund use priority in the following years is used in the attempt of improving the quality of Village Fund use. One of program prioritized in Village Fund use is the establishment of Village-Owned Enterprise (BUMDes).

BUMDes, based on Law Number 6 of 2014 about Village is an enterprise, entire or most capital of which is owned by village through direct equity coming from village wealth separated in order to manage asset, service, and other business for the villagers' wellbeing as much as possible.

BUMDes is a village business institution managed by villagers and village government in the attempt of strengthening village economy and established based on village's need and potency (Amri, 2015). There is a large chance to support village empowerment and independence through developing Village-Owned Enterprises (Suharto, 2016).

Wonogiri Regency is one of areas that have implemented policy about BUMDes. One of BUMDes established earlier in Wonogiri Regency is BUMDes Sumber Artha Makmur Desa Sumberejo of Batuwarno Sub District. The BUMDes has been established since 2012 by local village government based on Sumberejo Village Regulation Number 03 of 2012 and supported with Head of Sumberejo Village's Decree Number 09 of 2012 about the Establishment of Village-Owned Enterprise (BUMDes) Management. Sumberejo Village

government, through BUMDes Sumber Artha Makmur has attempted to utilize village's asset and potency through business programs and units it manages. In 2017, based on Regent of Wonogiri's Decree Number 388 of 2017 about the Assignment of the recipients of Village Innovation Program Award at Wonogiri Regency level in 2017, Sumberejo Village got award in the category of Innovating Village (Usurer-free Village).

Despite the commitment to the establishment of BUMDes, Sumberejo Village Government still finds some problems in utilizing village's assets and potencies. Those problems are, among others, the village's potency in economic sector, in which about 48 populations are traders and home industry performers with less optimum management. Additionally, the existing natural and human resources have not been managed less maximally, as indicated with the less maximum program plan (RPJM [Village-Long Term Development Plan], 2016).

The optimization of asset utilization and development and village potency owned is conducted intensely to improve the original village income (PADes). If PADes can be improved, the village will get management fund and development financing for the village, so that village independency can be achieved (Hasbi, 2018). The report on the realization of Sumberejo Village finance shows that the contribution of BUMDes output to PADes has not shown significant income yet and tends to present the fluctuating percentage of BUMDes output to PADes in 2014-2018. Although, in fact, the village actually has varying asset and potency and evidently gets award for innovating village.

Considering this, it is interesting to discuss the factors affecting BUMDes expectedly contributing to village's advance. This research aimed to identify supporting factor and inhibiting factor affecting the implementation of BUMDes

policy in Sumberejo Village, Batuwarno Subdistrict, Wonogiri Regency. To answer the problem, a theory should be elaborated first to analyze it. Some previous studies have been conducted on the policy of Village-Owned Enterprise (BUMDes) by Simangunsong (2015); Suriadi, et al. (2015); Amri (2015); Setiawan, et al. (2018); Budiono (2015); and Yudiardi and Karlina (2017).

The potency of some villages has not been managed optimally (Simangunsong, 2015). Village government can improve the role of BUMDes as mediator of government fund and as the facilitator of rural economy (Suriadi, et al., 2015). The effect of BUMDes program on the people, as the target of policy, has been implemented well but has not been maximum yet (Amri, 2015). The implementation of BUMDes is reflected on effective and efficient communication, and resource effectiveness supported with disposition and bureaucratic structure realized by the government as the policy maker and implementer all at once to the target groups (Setiawan, et al., 2018). Policy implementer's interest and village government's role and response affect the implementation of BUMDes policy (Budiono, 2015). The factors supporting BUMDes are leadership and joint commitment, while the inhibiting factor is related to human resources inside BUMDes (Yudiardi and Karlina, 2017).

The difference between previous studies and this current study lies on the theory used. This research focuses on identifying the factors affecting the implementation of policy using the dimensions suggested by Edward III and Van Meter and Van Horn's theories.

Thomas R. Dye (in Anggara, 2014:35) stated that, "*Public Policy is whatever governments choose to do or not to do*". Hugh Heglo (in Abidin, 2016:6) defined policy as "*a course of action intended to accomplish some end*" there are 3 (three)

main stages in public policy: policy formulation, implementation, and evaluation.

The implementation includes action or without action by some actors, particularly bureaucrats, intended to make the program running (Suntoro and Hariri, 2015:77). An implementation process suggests three actions: *organization*, *interpretation*, and *application*. The policy implementation model is an analysis on the process of implementing public policy (Jones, 1996:296).

There are some factors affecting a policy's success: policy content, implementer, and target group, and environment (Suaib, 2016). There are four factors contributing to the implementation of policy, based on Edward III's theory: communication, implementer's disposition, resource, and bureaucratic structure (Siregar and Isnaini, 2015). Van Meter and Van Horn (Subarsono, 2005) mentions five variables affecting the performance of implementation: policy standard and target, resource, communication between organizations and activity reinforcement, executor characteristic, and social, economic, and political conditions.

George Edward III's theory reveals the top-down approach still sufficiently inherent to the organization of policy (Winarni and Yuanjaya, 2016). In a study on Village Fund Implementation, Winarni and Yuanjaya (2016) saw village government involving the people only in village discussion and as the workers in construction implementation stage. For the participation to exert more in-depth effect on community empowerment, Anomsari and Abubakar (2019), the change of structure is required within community. This change of structure is aimed at encouraging the members of community to have evolving opportunity.

The implementation of public policy using top-down approach needs input or

feedback for improving the policy gradually. Bottom-up approach starts to occur when public authority emphasizes on the importance of consensus and obedience, and recognizes the important of participation in the policy formation by "subordinate. Hybrid approach is the combined approaches, in its implementation integrating the basic variable of top-down and bottom-up approaches into a single framework (Kawer et al., 2018).

In this research, the influencing factor dimension combines policy implementation model theory, according to George C. Edwards: (a) communication; (b) resource; (c) bureaucratic structure; and (d) disposition. And Van Meter and Van Horn's policy implementation model theory involves: policy standards and objectives; (f) characteristics of the implementing agencies and (g) economic, social and political conditions.

## **METHODS**

This study was a descriptive qualitative research. Data was obtained from the result of interview, documentation, and observation. Interview was conducted with the officials representing Village Community Empowerment Office of Wonogiri Regency, Head of Sumberejo Village, Director of BUMDes (Village-Owned Enterprises) Sumber Artha Makmur, administrators of BUMDes, Head of BUMDes business unit, and Sumberejo Village Community.

Documentation related to BUMDes of Sumberejo Village collected includes: mapping of Sumberejo Village, data of APBDes (Village Income and Expenditure Budget), written regulation about BUMDes, structure of BUMDes executor, accountability report of BUMDes, documentation of BUMDes activity photographs, and library study through books and journals. Observation was conducted by seeing situation and

condition in Sumberejo Village environment, observing village's asset and potency utilized by BUMDes (natural resources including *Telaga Rowo* and people forest), and observing the activity process in BUMDes.

The sampling technique used was purposive sampling one, by assigning the selected informants to be the one most knowledgeable and that can give information related to the object of research. Informants derived from Villager Empowerment Office of Wonogiri Regency Village, Sumberejo Village Government, BUMDes Sumber Artha Makmur, and Sumberejo villagers. Data validation was carried out using method triangulation, because one data source is tested with the similar data obtained from other different data sources.

Technique of analyzing data used in this study was an interactive model of analysis according to Miles and Huberman (in Agustinova, 2015). The procedures of data analysis were, among others: (1) data collecting stage, by collecting primary and secondary data related to BUMDes policy in Sumberejo Village; (2) data reduction stage, the presence of sorting process adjusted with the result of interview with some informants with the indicator of research based on implementation model, according to Edward and Van Meter and Van Horn's theories in relation to the factors affecting the implementation of BUMDes policy in Sumberejo Village. The process of abstracting was conducted by displaying data using matrix, table, and figure (picture). (3) Data displaying stage, organizing information from field data collection related to BUMDes policy. (4) Conclusion drawing/verification stage is the process of formulating the meaning of the result of research related to the identifying the supporting and inhibiting factors affecting the implementation of BUMDes policy in Sumberejo Village.

## RESULT AND DISCUSSIONS

### Implementation of BUMDes in Sumberejo Village

Jones (1996:296) suggested three processes of implementation process. *Firstly*, organization. Village government is obliged to identify the resource owned, to develop program or unit to be undertaken as BUMDes business. Similarly, Human Resource (HR) has been prepared by Sumberejo Village, as manifested in to the structure of BUMDes Sumber Artha Makmur organization as the manager of BUMDes. The stipulation of leadership is elaborated in BUMDes' by law (AD/ART). In addition, budget resource in early establishment of BUMDes has been available as capital source. It is mentioned in BUMDes' by law Sumber Artha Makmur. Furthermore, related to equipment resource as manifested in the utilization of asset and potency owned, the establishment of business units such as village market unit, Drinking Water BPS Unit, badminton hall unit, LKM unit, Farmer Group Association (Gapoktan) unit, Telaga Rowo Unit and Family Income Improvement Business (UP2K) unit.

*Secondly*, interpretation. The Sumberejo Village Government translates BUMDes-related policy into the ratification of Perdes (Village Regulation) Number 9 of 2012 about Village-Owned Enterprise. The ratification of Perdes is followed with by law as the basis of BUMDes Sumber Artha Makmur's management.

*Thirdly*, application. It is related to the provision of routine payment service. The service given is adjusted with the provision prevailing in BUMDes Sumber Artha Makmur of Sumberejo Village in each of business unit. Such the provision is included into BUMDes' by law.

### Factors Affecting the Implementation of BUMDes' policy in Sumberejo, Wonogiri

The discussion of research result is elaborated referring to Edward III's implementation model theory including

communication, resource, bureaucratic structure, and disposition factors. Van Meter and Van Horn's implementation model theory is also used, including policy standards and objectives; characteristics of the implementing agencies and economic, social and political, as explained below.

#### a. Communication

Permendes PDTT (Minister of Village and Disadvantaged Area Development's Regulation) Number 4 of 2015 governing the BUMDes policy is the one needing to be socialized to executor and target group. Villagers Empowerment Office at Regency level, village government, and BUMDes contribute to the socialization process as the form of communication in this policy implementation. When information is delivered inadequately to the target group, disorderliness will occur in the implementation of public policy. Thus, it can be seen in this research whether or not communication through policy transmission and policy clarity related to the implementation of BUMDes policy between the authorized one and the target group has run well.

Communication has been conducted in the implementation of BUMDes policy in Sumberejo Village, based on the transmission and clarity of policy implemented. It is characterized with the delivery of information on the presence of central and local regulations about BUMDes policy to the village as the guidelines, leading to the ratification and the enactment of village regulation about establishment and management of BUMDes Sumber Artha Makmur of Sumberejo Village. In addition, socialization or information delivery is not only conducted to elite or policy implementer involved, but also involves Sumberejo villagers. The delivery of information to the community related to the policy concerning the establishment, objective, and mechanism of BUMDes Sumber Artha Makmur management

proves that communication has run well. It is also supported with public participation in BUMDes programs in order to improve the public wellbeing. Thus, it can be concluded that communication factor is identified as supporting factor in the implementation of BUMDes policy in Sumberejo Village.

#### b. Resource

Human resource is an important factor in a policy implementation. According to Arief (2020), the village accounting administration staff has limited competence in accounting and administration. Public policy such as BUMDes implemented in a village will need adequate resource. Although the content of policy has been communicated consistently, when the implementer lacks of resource to do so, it will run ineffectively.

This research reveals how human, budget, and equipment resources, particularly related to BUMDes, are available in Sumberejo Village. This availability is defined as not only its quantity or number but also its quality. *Firstly*, human resource existing is related to whether or not the policy has been transformed appropriately, and whether or not the number of policy executors or BUMDes Sumber Artha Makmur administrators has been adequate to BUMDes operation. *Secondly*, budget resource is related to the budget existing in BUMDes Sumber Artha Makmur, whether or not the fund to be used for physical aspect and incentive has been available to the administrator of BUMDes Sumber Artha Makmur, and whether or not there has been budget allocated by Sumberejo village government to BUMDes. *Thirdly*, equipment resource is related to whether or not there have been facilities and infrastructure in BUMDes Sumber Artha Makmur, that will facilitate the service giving as the implementation of BUMDes policy in order to achieve the objective.

Each village needs adequate resource as main asset in implementing BUMDes policy. BUMDes in Sumberejo has had in Sumberejo Village has had human resource. HR intended is the administrator of BUMDes managing the operation of BUMDes Sumber Artha Makmur's operation. However, it has not performed maximally yet due to such constraints as double positions in organizational structure and BUMDes' poor initiative in making innovation to advance BUMDes Sumber Artha Makmur. BUMDes Sumber Artha Makmur has had budget resource as well. It is included into BUMDes Sumber Artha Makmur's by law about capitalization, as elaborated in Table 1.

**Table 1. Data of BUMDes Sumber Artha Makmur's Capital**

No.	Information	Amount (IDR)
1.	Local Income and Expense Budget (APBD) of Central Java Province	91,500,000
2.	APBD of Wonogiri Regency	10,000,000
3.	Village Income & Expense Budget (APBDes)	10,000,000
4.	Other Legitimate Fund Source	

Source: Processed based on data of BUMDes Budget

In relation to other legitimate fund source, BUMDes Sumber Artha Makmur has 7 business units in its early beginning and each of units has had capital budget as presented in Table 2.

**Table 2. Data of Business Unit's Capital**

No.	Business Unit	Capital (IDR)
1.	Village Market	20,000,000
2.	Gymnasium	34,000,000
3.	Village PAM	197,800,000
4.	LKM	95,283,000
5.	Telaga Rowo	27,000,000
6.	Gapoktan	-
7.	UP2K	36,000,000
	Total	410,083,000

Source: processed based on data contained in BUMDes Sumber Artha Makmur's

However, the capital availability in early establishment of BUMDes has not ensured surely that the capital owned has been sufficient to manage BUMDes. It is because it is also used to give the administrators of BUMDes an incentive and BUMDes' operational cost. Some constraints are found related to limited budget capital/fund, including microfinance institutions (Lembaga Keuangan Mikro/LKM) BUMdes unit has not been able to fulfill the people's capital need. Thus, some problems are still found in the village where home industry is located, but its management has not been optimal yet. Many IKM/UKM (small-scale enterprises) cease their operation amid their journey due to inadequate capital and difficulty of marketing their product (Village-Medium Term Development Plan, 2016). In addition, inadequate reserve fund availability for unexpected condition, as occurring in *BPS Air Minum Desa* Unit when there is a technical problem for the improvement, it is usually solved using personal fund first. Equipment resource constitutes facilities and infrastructures belonging to BUMDes Sumber Artha Makmur of Sumberejo Village in the implementation of BUMDes' daily operation. Office building and computer owned are also utilized for providing service routinely to Sumberejo Villagers.

Thus, resource factor in the implementation of BUMDes policy in Sumberejo Village is identified as the inhibiting factor in the implementation of policy. It is because although the constraint can be covered provisionally, the utilization of human, budget, and equipment (facilities and infrastructure) resources less maximally inhibit the development of BUMDes in achieving its main objective to improve village economy through Original Village Income (PADes).

### c. Bureaucratic Structure

Bureaucratic structure is one of factors playing important role in a policy's

implementation. One of organizational structure aspects is the presence of Standard Operating Procedure or SOP). SOP functions to be guidelines for each of implementers to take action.

This research sees what the bureaucratic structure of BUMDes Sumber Artha Makmur is, and the availability of SOP as the guidelines of BUMDes Sumber Artha Makmur policy's implementation. If the bureaucratic structure is known less obviously, it will affect the implementation and achievement of BUMDes policy's objective in Sumberejo Village.

In the management of BUMDes in Sumberejo Village, bureaucratic structure is manifested into organizational structure. In its early establishment, BUMDes still involves some village apparatuses as the implementer of BUMDes operation due to no specific recruitment. After the publication of Law Number 6 of 2014 about Village, it can be seen that village apparatus is prohibited from taking a part in the management of BUMDes either administratively or operationally. Thus, BUMDes Sumber Artha Makmur reform and reshuffle the main administrators of BUMDes with others not related to the organizational structure of Sumberejo Village apparatus. It is conducted by Sumberejo Village as the form of harmony with existing policy or provision.

The manual instruction of the implementation used in the management of BUMDes Sumber Artha Makmur in the form of Bylaw in each of business unit is less operationally translated into the manual instruction and management of BUMDes. It can result in the constraint administratively. In addition, the less operational guidance to run BUMDes is related to the manual instruction of fund use, business unit development and cooperation between BUMDes of one village and that of other villages makes BUMDes less capable of making innovation and inhibits the development of BUMDes.

Thus, considering the result of research, it can be identified that bureaucratic structure factor is categorized into inhibiting factor of BUMDes policy implementation in Sumberejo Village.

#### d. Disposition

Those authorized in the implementation of BUMDes policy are Sumberejo Village government along with other stakeholders in the village. And Villager Empowerment at Regency level is, in this case, in charge of supervising or monitoring the implementation of BUMDes related to both its establishment and management. Disposition factor indicates the executor's response, commitment, and control over this policy implementation. This factor is the primary one of policy implementation, because the implementer (executor) is the one accountable for implementing the policy. If the executor's commitment is poor, the implementation will be inhibited.

Disposition factor in this research can be seen referring to the policy implementer (Sumberejo Village Government and administrators of BUMDes Sumber Artha Makmur) response, commitment, and control. It is intended to answer whether this disposition factor belongs to supporting or inhibiting factor in the implementation of BUMDes policy in Sumberejo Village in the attempt of achieving the objective of policy.

The implementation of BUMDes policy in Sumberejo Village is related to disposition factor or the tendency of policy implementer has run well. The administrators of BUMDes attempt to solve the problem in running BUMDes program actively and responsively. BUMDes administrators' active response is in line with what the people perceive. Thus, disposition factor is identified as one of supporting factor in the implementation of BUMDes Sumber Artha Makmur policy in Sumberejo Village. It is because the implementer of policy has responded to, been committed to, and controlled the

implementation of policy through the management of BUMDes Sumber Artha Makmur.

#### e. Policy Standards and Objectives

Measurement and objective of policy at the policy implementer level can be a reference to a successful policy implementation. Clear objective and standard of policy is the detail of the target to be achieved through the policy and the standard to measure its achievement (Anggara, 2014: 242).

In this case, policy standards and objectives see what the measure of policy or the objective of BUMDes Sumber Artha Makmur policy is in Sumberejo Village. It is characterized with whether or not the target to be achieved through BUMDes policy has been specified clearly and how the availability of standard is to measure the achievement of objective. It is intended to find out the measure (size) and the objective of policy existing as the reference whether it is can be implemented easily or difficultly at society level, thereby will affect the achievement of policy objective.

A regulation used as the guidelines can facilitate a policy's implementation. Sumberejo Village government in creating

A regulation used as the guidelines can facilitate a policy's implementation. Sumberejo Village government in creating and managing BUMDes has had legal foundation. The legal foundation is known through stipulating Village Regulation, Head of Village's Decree, and Bylaw. The legal foundation includes some points to which the implementation or the management of BUMDes refers in Sumberejo Village. In fact, however, it can be seen that the objective contained in BUMDes policy has not been achieved maximally particularly in the point of policy objective, to increase PADes. The percentage contribution of BUMDes profit gain to PADes is still fluctuating, as presented in the Table 3.

**Table 3. Data of Sumberejo Village's APBDes Realization in 2014-2018**

Year	Amount		Contribution of BUMDes business gain to PADes (%)
	Village Fund (IDR)	PADes (IDR)	
2014	-	32,150,000	19.3%
2015	268,113,000	33,350,000	18.6%
2016	603,902,000	39,910,000	15.5%
2017	770,880,000	15,300,000	39.2%
2018	821,801,000	63,464,000	17.3%

Source: Processed based on data of APBDes' accountability report

The data shows that Sumberejo Village's income coming from Village Fund always increases. Village income deriving from PADes also increases not through the contribution of BUMDes profit gain but from the output coming from *tanah bengkok* (land for use of village employees in place of salary) belonging to Sumberejo Village. Thus, it can be concluded that the BUMDes' business gain or profit has not contributed effectively yet to the increase of PADes in Sumberejo.

*Policy standards and objective* is identified to be inhibiting factor in the implementation of BUMDes policy in Sumberejo Village. It is because the author found that in the points of policy existing, particularly in achieving the objective, there has been no time target being the reference. And local regulation existing has not given real operational guidelines to BUMDes that has in development process. The existing policy and regulation is intended to the establishment, management, and supervision only, but has not reached yet the BUMDes in development stage to know what should do further in order to achieve the objective .

#### f. Characteristics of the implementing agencies

The characteristics of Implementing Agencies are important particularly to the implementation of a policy because a policy

is known to be unlikely implemented by one agency only but by some implementing agencies or stakeholders. In this research, the implementing agency includes formal and informal organization that will be involved in BUMDes policy implementation process at a variety of important government level. It is intended to find out individual implementing agencies' responsibility and position; thus, an action in contradiction with the due responsibility and position can be identified.

The implementation of BUMDes is conducted at village government level. Basically, each of government levels has its own responsibility and position; it is important to recognize it in order to conduct evaluation, from local government, village government, to the operational administrator of BUMDes Sumber Artha Makmur. Considering BUMDes Sumber Artha Makmur's by law, there are some points similar to those contained in Permendes PD TT Number 4 of 2015 used as the reference. Articles 9-11 of Chapter VI of by law about duty and authority of BUMDes Sumber Artha Makmur management mention the basic duties of commissioner (Article 9), those of board of directors (Article 10), and those of manager/business unit helped with staff (Article 11).

Therefore, there is a compatibility of supporting regulation in the village to the regulation above used as the guidelines. The "*characteristics of the implementing agencies*" factor, in the implementation of BUMDes policy in Sumberejo Village" is identified to be the factor supporting of the implementation of policy because each of stakeholders has known its own position and responsibility and attempts to perform it according to the enacted provision.

#### g. Economic, social and political conditions

Economic, social, and politic environments are the ones generally existing around a policy implementation process. In this research, it is important to

see the process of implementing BUMDes Sumber Artha Makmur policy in Sumberejo Village in the terms of not only its implementation but also environment surrounding the BUMDes policy. The environment or condition includes conducive economic, social, and political environments. Economic, social, and political environments can be related (whether or not the economic resource is adequate; the extent to which and how the policy can affect the social-economic condition existing; what the public's response is to the policy; whether or not the elite supports the implementation). Thus, this factor is appropriate to identify the support from outside BUMDes policy related to economic, social, and political

environments of Sumberejo Village, whether it becomes supporting or inhibiting factors in the implementation of BUMDes policy in achieving the objective.

BUMDes policy is the one the implementation post of which is in village scope. Therefore, its implementation process is also affected by economic, social, and political environment in the village. Demographic condition of Sumberejo Village, viewed from economic aspect, shows that most people are farmers, and some of them are traders. It also indicates that the implementation of BUMDes policy can encourage the community economy through community empowerment activity. Thus, environment factor including economic, social, and political

**Table 4. Matrix of Research**

<b>No.</b>	<b>Dimensions</b>	<b>Findings</b>
1.	Communication	Socialization as the form of communication has been conducted by Regency's local government to village government related to BUMDes establishment appeal. Village Government implements the socialization of BUMDes to the community through the meeting in hamlets. It proves that communication supports the implementation of BUMDes policy.
2.	Resource	Inadequate human resource with innovative spirit and less maximum budget source will inhibit the development of BUMDes.
3.	Bureau cratic Structure	The existence of SOP is still needed, although in the management of BUMDes each of units has their own bylaw. It is because bylaw is used less operationally as the manual instruction of policy implementation. It can inhibit the implementation of BUMDes policy.
4.	Disposition	The implementation of policy has responded to, been committed to, and controlled the policy implementation. Thus, it supports the implementation of BUMDes policy. It can be seen from the management of BUMDes Sumber Artha Makmur, particularly related to problems and services.
5.	Policy Standards and Objectives	The existing policy and regulation has not mentioned the real target to be achieved in its points. The existing regulation has not been operational yet to BUMDes in development stage. It can inhibit the development of BUMDes.
6.	Character istics of the implementing agencies	The implementers of policy, including village government and administrator of BUMDes, have understood and done their own duty and responsibility according to the existing provision. Thus, it proves that the implementers of policy support the implementation of BUMDes policy.
7.	Economic, social and political conditions	Economic, social, and politic environments in Sumberejo Village are all conducive, and thereby support the implementation of BUMDes policy. It can be seen from the public's active participation in the programs of BUMDes business unit.

Source: Processed from the author's data

environments belongs to supporting factor in the implementation of BUMDes policy in Sumberejo Village. It is because economic, social, and political environment in Sumberejo Village is categorized into conducive one, thereby the implementation of policy can pass through the process maximally and support the achievement of objective.

## CONCLUSION

Considering the result of research, it can be concluded that the factors affecting the implementation of Village-owned Business Policy in Sumberejo Village of Batuwarno Sub District of Wonogiri Regency, can be seen from Edward III and Van Meter and Van Horn's policy implementation model theory, consisting of supporting and inhibiting factors. Supporting factor includes communication, disposition, Characteristics of the Implementing Agencies; Economic, and Social and Political Conditions. Supporting factor encourages BUMDes in Sumberejo Village to experience development and improvement from its establishment to its assignment as the example of BUMDes. In addition, percentage profit gain of BUMDes also increased in 2017.

Meanwhile, the factor inhibiting the implementation of BUMDes policy in Sumberejo Village includes: resource, bureaucratic structure, and *Policy Standards and Objectives*. The inhibiting factor makes BUMDes in Sumberejo develop less maximally. Thus, the percentage profit of BUMDes and its contribution to PADes are still fluctuating and showing increase inconsistently. As a result, BUMDes Sumber Artha Makmur has not contributed maximally yet to the economy of Sumberejo Village. The recommendations given in this study are: (1) Sumberejo Village Government and higher-level governments should do facilitation for BUMDes, increase equity, focus on program development, and determine the target of output to be

achieved; (2) activeness, synergy, and communication are needed between BUMDes administrators; (3) higher-level governments are expected to give mentoring and training not only about the establishment but also about the development of BUMDes; and (4) people (members of community) are expected to supervise and to play active role in BUMDes programs.

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