



CREATIVE ECONOMY CONCEPT FOR SUSTAINABILITY OF VILLAGE-OWNED ENTERPRISES: LITERATURE REVIEW

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ARTICLE INFO	ABSTRACT
<p>Article history: Received: 19 April 2025 Received in revised form: 21 Mei 2025 Accepted: 25 June 2025 Available online: 30 June 2025</p> <p>Keywords: BUMDes; Creative Economy; Village Owned Enterprises; Tourism</p>	<p>Law No. 6/2014 on Villages provides autonomy to villages to manage resources and direct development through the establishment of Village-Owned Enterprises (BUMDes) as drivers of local economic development. BUMDes is expected to be a platform for community economic activities through professional management while still being based on the village's original potential. The challenge lies not only in establishing BUMDes, but also in maintaining its existence. The high number of BUMDes formed in each village has increased competition among BUMDes, as well as with other business sectors. In reality, many BUMDes have not been able to contribute significantly to village revenues. In the face of such competition, BUMDes need to adopt competitive advantage strategies, one of which is through the application of creative economy concepts. This change is also in line with Presidential Regulation No. 69/2019 that merges the Ministry of Tourism with the Ministry of Creative Economy in the Onward Indonesia Cabinet. Although previously, in 2014, a Creative Economy Agency was established, the tourism portion remains more dominant compared to the creative economy, as seen in the data from the Ministry of Tourism and Creative Economy. This article uses a literature review approach to investigate the causes and impacts of the paradigm shift in BUMDes management. With reference sources derived from research articles. The literature review used is sourced from articles available on google scholar within the period 2014-2024. The researcher conducted a literature review to answer research questions involving the concepts of creative economy, village-owned enterprises and BUMDes. It was found that the creative economy plays a role in the sustainability of BUMDes. This study concludes that the application of creative economy concepts plays an important role in supporting the sustainability of BUMDes.</p>

1. Introduction

Village issues have become an interesting topic in the study of village autonomy in Indonesia, especially after Law No. 6/2014 on Villages [1]. Village autonomy requires villages to be more independent in meeting their own needs. One of them is by establishing a Village-Owned Enterprise (BUMDes). Giving autonomy to villages to manage their own resources and direction of development through the establishment of BUMDes as a driver of local economic development at the village level [2]. BUMDes was born as a new approach to improving the village economy based on the needs and potential of the village. The management of BUMDes is fully implemented by the

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village community, namely from the village, village, and village. The way BUMDes works is by accommodating community economic activities in the form of institutions or business entities that are managed professionally but still rely on the original potential of the village. This activity can make community businesses more productive and effective. [3]. A more comprehensive definition of BUMDes is contained in Law Number 6 Year 2014, as a business entity, all or most of its capital is owned by the village through direct participation of separated village assets to manage assets, services, and other businesses for the greatest welfare of the village community. It is hoped that BUMDes can provide benefits for the improvement of the economy of the village community, and also one of the sources of income for the village itself. However, to achieve this, of course, requires strong resources. In addition to financial support, of course, quality human resources are also needed. Not only when establishing BUMDes, but also how to maintain the existence of BUMDes. Establishing a BUMDes requires careful planning.

Data obtained as of 22 March 2024, there are 52,962 BUMDes in Indonesia (sid.kemendesa.go.id). The establishment of many BUMDes in each village will automatically lead to a high level of competition. This makes it difficult for BUMDes to maintain their sustainability as drivers of village-level local economic development as expected. Bambang Soesatyo, chairman of the MPR RI said that in 2019, for example, there were at least 2,188 BUMDes that were not operating and 1,670 BUMDes that were operating, but had not contributed to village income. In 2021, it increased to 12,040 inactive BUMDes. There are many contributing factors that must be addressed [4].

In addition to competition with fellow BUMDes, competition between BUMDes and other business sectors is also tremendous. Both the government and private business sectors. This condition then requires a creative mindset. In order to compete in business competition, product marketing is not only based on product quality, but also on strategies commonly used by companies, namely market orientation, entrepreneurial orientation and innovation [2]. Efforts to create new values with new products, services and content, in addition to labour, capital and manpower, which are the basic production factors of the industrial ecosystem, are the source of motivation for creative ideas and the creative economy. [5]. So one of them, is that BUMDes must adopt the creative economy in determining its business line.

The creative economy is the creation of added value based on ideas born from the creativity of human resources and based on science, including cultural heritage and technology (kemenparekraf.go.id). The creative economy emerged as a result of efforts by businesses to find cheaper resources, create new markets and new jobs, and generate new content and value in relation to monetary value [5]. Presidential Regulation No. 69/2019 on the Ministry of Tourism and Creative Economy has changed the Ministry of Tourism in the Working Cabinet to the Ministry of Tourism and Creative Economy in the Advanced Indonesia Cabinet. Previously in 2014, the Creative Economy Agency was formed [6]. But judging from the kemenparekraf.go.id website, it turns out that the portion of tourism is still greater than the creative economy. From Kemenparekraf statistics, it is known that during 2019, the number of people working in the creative economy sector was 19.2 million people (15.21% of the national labour force). The percentage growth of the labour force in Ecrat from 2018 to 2019 was 4.02% [7]. The pattern of the working population in the 2019 Creative Economy sector is that most of the working population is in the adult category (25-59 years). In 2020, the total population of the adult category (25 - 59) years is 132,184,300 million people [8]. Which means that in Indonesia there are still few human resources in the creative economy.

The purpose of this introduction is to provide an overview of the significance of the creative economy concept for the sustainability of BUMDes. This literature review aims to examine the various contributions of creative economy concepts to the sustainability of BUMDes. Finally, based

on the description above, the researcher conducted a study to examine the various contributions of creative economy concepts to the sustainability of BUMDes. The purpose of this study is to determine whether creative economy concepts contribute to the sustainability of BUMDes.

2. Method

This type of research uses the literature review method with reference sources derived from research articles. The researcher conducted a literature review to answer research questions involving the concept of creative economy, Village Owned Enterprises and BUMDes. The scientific database Google Scholar was used to search the literature, using the keywords "Creative Economy Concept", "Village Owned Enterprises", "BUMDes". The filter was set to publication type only to display research articles, while the publication year filter was set to 2014 to 2024 to obtain the most recent publications. After collecting the required literature, the researcher synthesised and analysed it.

The process of searching for research articles to get the research articles that were finally selected was done with the following steps:

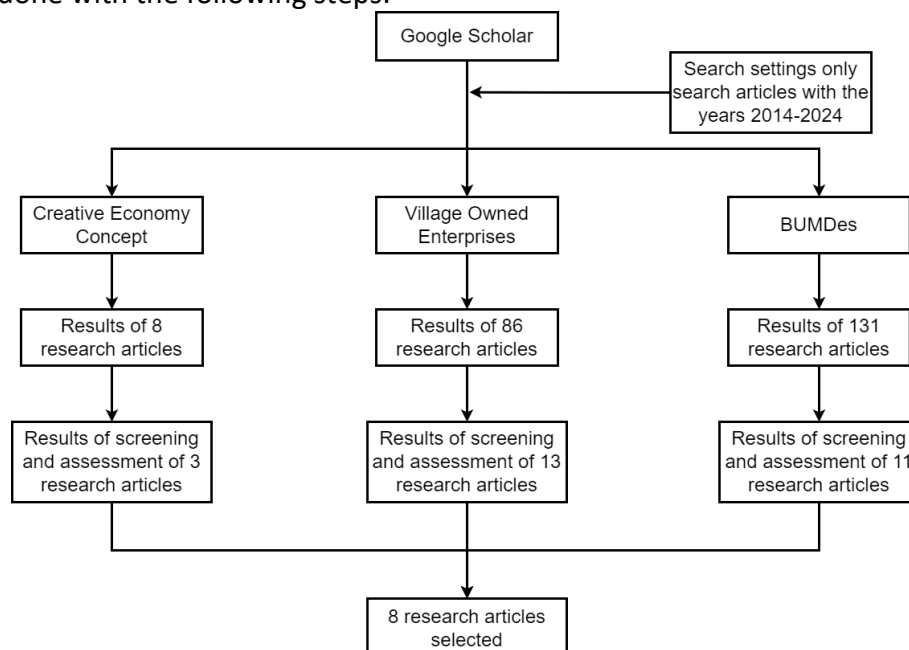


Fig. 1. Steps to a systematic literature review

3. Results and Discussion

3.1. Results

Based on the results of the search for research articles on Google Scholar, with the keywords Creative Economy Concept, Village Owned Enterprises, and BUMDes, researchers found 225 research articles that match these keywords, in publications in the 2014-2024 timeframe. The screening and assessment process was then conducted. The process refers to the criteria, namely research articles that discuss the concept of creative economy in Village-Owned Enterprises (BUMDes). From this process, 27 research articles were obtained. Thus, there were 198 research articles that were eliminated in the screening and assessment process because they did not meet the criteria mentioned. From the 27 research articles that fulfilled the criteria, 8 research articles were finally selected as usable.

Table 1. Selected articles

No	Researcher Name and Citation	Research Title	Method	Conclusion
1	Eni Lestariningsih, Karmila Maharani, and Titi Kanti Lestari [9]	Measuring Creative Economy in Indonesia: Issues and Challenges in Data Collection	Data Collection	The creative economy contributes to sustainable development, Indonesia will continue to improve the provision of creative economy data, as a benchmark to support the Sustainable Development Goals.
2	Muhammad Faqih Annshori, Hafizoh Yuelsa Bela, Mikyal Marshalita [10]	Insight Industry 4.0: An Answer to Smart Village Policy Transformation in Indonesia	Literature Review	By adopting Smart City components, it enables villages to have national economic strength based on BUMDes.
3	Andre Notohamijoyo, Agil Abdul Hakim, Mustaidz Billah, Adi Setya Wiyata [11]	Integration of ecolabelling and ecotourism schemes: Case study of forest honey in Indonesia	Literature Review	The success of implementing ecotourism through BUMDes is a form of integration between ecolabels and ecotourism.
4	Emma Rahmawati, Isbandi Rukminto Adi [12]	Measurement of BUM Desa Development: A Literature Study	Literature Study	A Village-Owned Enterprise (BUMDes) can be considered developed if it successfully operates social enterprises, commercial enterprises, and local businesses. These parameters include social value, civil society, innovation, financial perspective, customer perspective, business process perspective, growth and learning perspective, local potential, and local wisdom.
5	Keumala Hayati [13]	Pengembangan Ekonomi Kreatif Melalui Sinergitas Dengan BUMDes Dan Desa Pintar (Smart Village)	Literature Review	The need for synergy between the creative economy, village-owned enterprises (BUMDes), and smart villages. The interconnectedness of the three offers the potential to strengthen the village economy.
6	Norsamsinar Samsudin, Thuraiya Zakaria, Juliana Osman, Mohamad Rohieszan Ramdan, Intan Khasumarlina Mohd Khalid, Norhidayah Mohamad, Hafizul Fahri Hanafi, Sutanto Sastraredja [14]	The Digitalization Technology for Sustainable Rural Entrepreneurship: A Structured Review	Systematic Review	Digitalization technology plays a crucial role in fostering sustainable rural entrepreneurship. By leveraging digital tools and solutions, rural businesses can thrive, adapt to changing market dynamics, and contribute to sustainable rural economic development.

No	Researcher Name and Citation	Research Title	Method	Conclusion
7	Lulik Fullela Rakhman, Gina Puspitasari Rochman [15]	Model Kelembagaan dalam Pengelolaan Desa Wisata Berbasis Agro-ekowisata dan Budaya di Indonesia	Systematic Literature Review	The centralized model is the management of tourist villages referring to an approach that focuses on the Village Government and Pokdarwis or the Village Government and BUMDes as two actors who have the main role in managing and coordinating activities in tourist villages.
8	Khoirul Umam, Elya Kurniawati, Ahmad Arif Widiyanto [16]	The Dynamics Of "Pokdarwis Capung Alas" In The Development Of Community - Based Tourism In Pujon Kidul Village During The Covid-19 Pandemic	Qualitative	The Capung Alas Tourism Awareness Group, part of the Sumber Sejahtera Village-Owned Enterprise (BUMDes) in Pujon Kidul, represents CBT implementation efforts. It successfully adapted to the challenges of tourism development during the COVID-19 pandemic.

3.2. Discussion

In this discussion, the researchers will reveal the results of the analysis conducted on eight research articles that have been presented in the results that became the source of the research. This discussion will explain the concept of creative economy for the sustainability of Village-Owned Enterprises (BUMDes).

Eni Lestariningsih, Karmila Maharani, and Titi Kanti Lestari conducted a study titled 'Measuring Creative Economy in Indonesia: Issues and Challenges in Data Collection,' which was published in 2018 in the Asia-Pacific Sustainable Development Journal. The research findings reveal that the creative economy contributes to sustainable development, and Indonesia will continue to improve the provision of creative economy data as a benchmark to support sustainable development goals. The creative economy has high potential for job creation and income growth. By adopting the principles of the creative economy, BUMDes can leverage local potential to develop unique and competitive products and services.

The research was conducted by Muhammad Faqih Annshori, Hafizoh Yuelsa Bela, and Mikyal Marshalita, titled 'Insight Industry 4.0: An Answer to Smart Village Policy Transformation in Indonesia.' They argue that by adopting the components of Smart City that have been extensively studied, it is not impossible for villages to emerge as a national economic powerhouse based on BUMDes (Village-Owned Enterprises) or similar entities, excellent human resources, clean and transparent governance, and a good social environment. The results of this research have been published in the Indo-MathEdu Intellectuals Journal.

Integration of ecolabelling and ecotourism schemes: Case study of forest honey in Indonesia is the title of the research published in The 1st JESSD Symposium 2020. Andre Notohamijoyo, Agil Abdul Hakim, Mustaidz Billah, and Adi Setya Wiyata concluded in their research that the successful implementation of ecotourism through BUM Desa is a form of integration between ecolabelling and ecotourism.

Emma Rahmawati, Isbandi Rukminto Adi, with the research title *Measurement of BUM Desa Development: A Literature Study*, stated that BUM Desa can be said to be developing if it successfully runs social businesses, commercial businesses, and local businesses with parameters including social value, civil society, innovation, financial perspective, customer perspective, business process perspective, growth and learning perspective, local potential, and local wisdom. Published in the *Social Sciences Forum*.

Keumala Hayati argues that there is a need for synergy between the creative economy, BUMDes, and smart villages. The interconnection between the three is a potential for strengthening the village economy. This opinion is based on her research published in the *Journal of Business and Management*, titled 'Development of the Creative Economy Through Synergy with BUMDes and Smart Villages (Smart Village).' BUMDes and Smart Villages have great potential to collaborate in improving the welfare of rural communities. Smart Villages can provide technological infrastructure to support BUMDes operations, while BUMDes can utilise this technology to expand markets and enhance business efficiency.

Research conducted by Norsamsinar Samsudin, Thuraiya Zakaria, Juliana Osman, Mohamad Rohieszan Ramdan, Intan Khasumarlina Mohd Khalid, Norhidayah Mohamad, Hafizul Fahri Hanafi, and Sutanto Sastraredja revealed that digitalisation technology plays an important role in promoting sustainable rural entrepreneurship. By leveraging digital tools and solutions, rural businesses can grow, adapt to changing market dynamics, and contribute to sustainable rural economic development. The study, published in the *Journal of Advanced Research in Applied Sciences and Engineering Technology*, is titled 'The Digitalisation Technology for Sustainable Rural Entrepreneurship: A Structured Review.'

The research titled 'Institutional Models in the Management of Agro-Ecotourism and Culture-Based Tourism Villages in Indonesia' has been published in the *Bandung Conference Series: Urban & Regional Planning*. The research conducted by Lulik Fullela Rakhman and Gina Puspitasari Rochman focuses on four institutional models in the management of agro-ecotourism and culture-based tourism villages in Indonesia, including centralised models, where the management of tourism villages is based on an approach focused on the Village Government and Pokdarwis or the Village Government and BUMDes as the two main actors. -Eco-tourism and Culture in Indonesia, including the centralised model, which refers to a management approach focused on the Village Government and Pokdarwis or the Village Government and BUMDes as the two main actors in managing and coordinating activities in the tourism village.

A study was conducted by Khoirul Umam, Elya Kurniawati, and Ahmad Arif Widiyanto, titled *The Dynamics of 'Pokdarwis Capung Alas' in the Development of Community-Based Tourism in Pujon Kidul Village During the Covid-19 Pandemic*. It demonstrates that Pokdarwis Capung Alas, which is part of BUMDes Sumber Sejahtera in Pujon Kidul, represents an effort to implement CBT. It has successfully adapted to the challenges of tourism development during the Covid-19 pandemic. The study was published in *GeoJournal of Tourism and Geosites*.

4. Conclusions

BUMDes can be said to be developing if it successfully runs social enterprises, commercial enterprises, and local enterprises with parameters including social value, civil society, innovation, financial perspective, customer perspective, business process perspective, growth and learning perspective, local potential, and local wisdom. In efforts to develop BUMDes, synergy between the creative economy, BUMDes, and smart villages is required. The interconnectedness of these three elements presents a potential for strengthening the village economy. There are two aspects of the

creative economy highlighted in the selected article: digitalisation enhancement and the tourism sector.

In terms of digitalisation, it was found that digital technology plays a crucial role in promoting sustainable rural entrepreneurship. By leveraging digital tools and solutions, rural businesses—in this case managed by BUMDes—can grow, adapt to market dynamics, and contribute to sustainable rural economic development. By adopting Smart City components that have been extensively studied, it is not impossible for villages to emerge as a national economic powerhouse based on BUMDes or similar entities, with excellent human resources, clean and transparent governance, and a good social environment.

In the eco-tourism-based tourism sector, it was found that four institutional models in the management of agro-ecotourism and cultural-based tourist villages in Indonesia include the centralised model, which refers to a management approach focused on the Village Government and Pokdarwis or the Village Government and BUMDes as the two main actors in managing and coordinating activities in tourist villages. Pokdarwis, which is part of BUMDes, represents efforts to implement Community-Based Tourism (CBT) and has successfully adapted to the challenges of tourism development during the COVID-19 pandemic. The successful implementation of ecotourism through BUMDes is a form of integration between ecolabels and ecotourism.

The creative economy contributes to sustainable development. Indonesia will continue to enhance the provision of creative economy data as a benchmark to support sustainable development goals. One of the government's commitments toward economic equality in Indonesia is through village development. President Joko Widodo and Vice President Jusuf Kalla also included this in the third point of their vision. It was stated that Indonesia would be developed starting from the periphery by strengthening regions and villages within the framework of unity [17]. Since BUMDes is a driver of local economic development at the village level [2], it can be concluded that the concept of the creative economy has been able to maintain the sustainability of Village-Owned Enterprises (BUMDes).

Conflict of interest

The authors declare no conflict of interest.

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