ANALITIKA:
Journal Of Economics, Management, And Business

Volume 1, Issue 2, 2026, pp. 99-105
ISSN: 3163-4354 (Online); ISSN: 3163-3641 (Print)
DOI: 10.55080/analitika.v1i2.1985

BUMDes as a Driver of Rural Economic Development in Hanggira Village

Lestari Nanang Towesu[1], Feliks Arfid Guampe*)[2], Olvit Olniwati Kayupa[3]
[1,3]Universita Kristen Tentena, Tentena, Indonesia;
[2]Universitas Tadulako, Palu, Indonesia; feliksguampe@gmail.com
*)Corresponding author; E-mail addresses: feliksguampe@gmail.com

Article Info

Article history:
Received April 26, 2026
Revised April 29, 2026
Accepted May 6, 2026
Available online November 09, 2026

Keywords: Village-Owned Enterprises; local economic development; community empowerment; Village Original Income; rural economy

Abstract. This study aims to analyze the role of Village-Owned Enterprises (BUMDes) in increasing Village Original Income (PADes) and empowering the local economy in Hanggira Village, Poso Regency, Central Sulawesi. This research employed a qualitative case study approach. Data were collected through in-depth interviews and direct observation involving the village head, BUMDes managers, and community members who directly benefited from BUMDes programs. The findings reveal that BUMDes plays an important role in increasing PADes through the management of agricultural equipment rental services. Furthermore, BUMDes contributes to reducing agricultural production costs and improving community access to productive resources. The effectiveness of BUMDes is influenced by several factors, including government support, managerial capacity, community awareness, and business development strategies. This study confirms that BUMDes can become a driving force for the village economy when supported by good governance and strong community participation.

Introduction

Village-Owned Enterprises, known as BUMDes, are among the institutions that play a highly important role in the economic development of rural communities in Indonesia. As institutions managed by village communities themselves, BUMDes aim to optimize the potential of local resources and improve the social and economic welfare of the community. In this context, BUMDes function not only as a key driver in increasing Village Original Income, or PADes, but also as institutions that create employment opportunities and strengthen village economic resilience. Through community empowerment and the management of local resources, BUMDes can make a significant contribution to rural economic development (Rahmi, 2023; Sembiring, 2017; Sinarwati & Prayudi, 2021).

BUMDes can have a significant impact on increasing PADes through the management of sustainable business activities. Previous studies have shown that BUMDes are able to increase village income through various economic activities, such as natural resource management, micro-enterprise development, and the provision of public services (Hidayat, 2023; Sukri, 2023; Yulian, 2022). For example, in Tebing Tinggi District, BUMDes successfully managed businesses based

on local potential, which not only increased PADes but also had a positive impact on the welfare of the local community (Rahmi, 2023). In addition, BUMDes also play a role in creating employment opportunities, which is essential in reducing unemployment in rural areas (Silvianita, 2023; Yulian, 2022). The existence of BUMDes can increase the economic capacity of the community by creating more diverse employment opportunities in agriculture, trade, and service sectors.

In addition to their economic role, BUMDes also function as social institutions that support community empowerment. Through active community participation in management and decision-making processes, BUMDes can increase villagers' involvement in development. This contributes to the realization of village autonomy, which gives communities the authority to manage and utilize their resources independently (Guampe et al., 2025; Sudirno et al., 2020; Wahyuningtyas, 2021). Empowerment carried out by BUMDes is not limited to economic aspects but also extends to social and cultural dimensions. Ultimately, this process can create prosperous and competitive rural communities (Prasetyani et al., 2023; Rahmatika et al., 2021; Ramadhani, 2022).

However, to achieve these objectives, BUMDes require strong managerial capacity and adequate training for their administrators. Previous research has shown that improving the capacity of BUMDes administrators is essential to ensure business sustainability and optimal management effectiveness. Several important aspects that need attention in BUMDes management include financial management, business planning, and product development (Arfiansyah et al., 2023; Engkus et al., 2021; Sukri, 2023). Therefore, training that strengthens managerial and financial skills is a key factor in improving BUMDes performance (Amaral et al., 2022; Sutikno et al., 2023). Thus, strengthening BUMDes capacity through continuous training and mentoring can contribute to better and more sustainable village economic development.

BUMDes also require support from various parties to maximize their role in village development (Guampe et al., 2025). Government support, both in the form of supportive policies and funding, is essential for the sustainability of BUMDes. In addition, the participation of village communities is also greatly needed in managing and developing BUMDes independently. Without close collaboration among the government, the community, and BUMDes, efforts to improve village welfare through local economic management will be difficult to achieve (Solihin, 2023; Stiadi & Zaenuri, 2021).

Despite the growing literature on BUMDes and rural development, much of the existing work remains broad and largely descriptive, often emphasizing normative roles and general success factors without providing sufficient contextual depth on how specific BUMDes business units generate PADes and produce tangible economic effects at the household level. Moreover, prior studies tend to pay limited attention to the operational mechanisms and constraints that shape day-to-day performance such as governance arrangements, profit-sharing practices, community participation dynamics, and payment discipline which are crucial for understanding why certain initiatives are sustainable while others stagnate. Accordingly, there is a need for context-rich, village-level evidence that links a concrete BUMDes unit business model to both revenue outcomes and community benefits, while also identifying the enabling and inhibiting factors that explain performance in practice.

Against this backdrop, this study aims to explore how BUMDes can make a tangible contribution to economic development in Hanggira Village, Poso Regency, Central Sulawesi, by examining the mechanisms through which BUMDes activities support PADes and community livelihoods, and by identifying managerial and community-empowerment conditions that can be optimized to achieve better and more sustainable village development.

Method

This study employed a qualitative approach using a case study method. The research was conducted in Hanggira Village, Poso Regency, Central Sulawesi. The study was carried out from December 2024 to January 2025. The research informants consisted of the village head, one BUMDes administrator, and three community members who directly used BUMDes services.

Data collection techniques included in-depth interviews and field observation to obtain a comprehensive understanding of the role, performance, and operational challenges of BUMDes. Data were analyzed thematically through the stages of data organization, coding, theme classification, and interpretation by linking empirical findings with theories of local economic growth, community-based development, and community empowerment (Agustini et al., 2023).

Results and Discussion

The Role of BUMDes in Increasing Village Original Income (PADes) in Hanggira Village

The findings indicate that the Village-Owned Enterprise, or BUMDes, in Hanggira Village plays a strategic role in increasing Village Original Income, known as PADes, through the management of business units based on local economic potential. BUMDes is positioned as a village institutional instrument that bridges development policies and the real needs of the community, particularly in a village whose economy is dominated by wet-rice farming.

The Head of Hanggira Village emphasized that the existence of BUMDes is a response to the limited economic capacity of the village community and the challenges of local development. This was reflected in the statement that *"an institution such as a Village-Owned Enterprise, or BUMDes, is needed to manage and assist the community"* (Interview with the Village Head). This statement indicates that BUMDes does not merely function as a business implementer, but also as a village economic policy instrument designed to strengthen village independence.

At the operational level, the Chairperson of BUMDes explained that the management of agricultural production facilities is the main strategy for improving the village economy, particularly through the provision of agricultural equipment such as hand tractors. The Chairperson stated that *"the strategy we adopted to improve the economy is to provide agricultural machines that can be used by village communities to cultivate rice fields"* (Interview with the Chairperson of BUMDes). This strategy demonstrates the alignment between the type of BUMDes business and the characteristics of the local economy, making the intervention contextual and needs-driven.

The contribution of BUMDes to PADes is realized through a profit-sharing mechanism, in which 10% of business profits are deposited into the village treasury. The Chairperson of BUMDes emphasized that *"10% of the profit is handed over to the village and becomes one of the sources of Village Original Income"* (Interview with the Chairperson of BUMDes). This scheme confirms the function of BUMDes as a village business entity that not only provides economic services but also generates income to support village development financing.

Theoretically, these findings are consistent with Local Economic Growth Theory, which emphasizes the role of local economic institutions in driving resource-based development (Rozikin et al., 2020; Siswara et al., 2022). BUMDes Hanggira functions as a local economic agent that utilizes village assets to increase agricultural productivity while simultaneously creating a sustainable flow of village income. In addition, the findings support Rahmi's (2023) study, which shows that BUMDes have the potential to increase PADes when they are managed professionally and supported by village government policies.

Furthermore, BUMDes performs not only an economic role but also a social role by expanding community access to production facilities. This reflects the dual role of BUMDes as

described by Wahyuningtyas (2021), who argues that BUMDes are hybrid institutions functioning both as business entities and as community empowerment institutions. Therefore, the role of BUMDes in Hanggira Village cannot be understood merely as a business unit, but rather as a pillar of village economic development integrated with empowerment objectives.

Factors Influencing the Effectiveness of BUMDes in Community Economic Empowerment

The effectiveness of BUMDes in empowering the economy of the Hanggira Village community is influenced by several interrelated factors, namely village government support, community involvement and awareness, managerial capacity and business development strategies, and the direct impacts experienced by the community.

Village government support is the most dominant structural factor in sustaining BUMDes operations. The Hanggira Village Government has demonstrated a concrete commitment through the reactivation of BUMDes since 2022, accompanied by the provision of two hand tractors as grants and a fund allocation of IDR 150 million for business development. The Village Head stated that *"we agreed to reactivate BUMDes through a village meeting in 2022… in 2023, the government then disbursed funds amounting to IDR 150 million"* (Interview with the Village Head). This support became the initial foundation for the recovery and strengthening of BUMDes, which had previously been inactive.

In addition to asset and funding support, the village government also performs supervisory and mentoring functions through regular coordination with BUMDes managers. The Village Head explained that *"the government and BUMDes routinely hold evaluation meetings every three months"* (Interview with the Village Head). This mechanism reflects accountable and participatory governance practices and strengthens the institutional capacity of BUMDes in the long term (Guampe et al., 2025).

From a theoretical perspective, this condition is relevant to Structural Empowerment Theory (Wong & Kuvaas, 2018), which emphasizes the importance of access to resources, information, and institutional support as prerequisites for empowerment. Village government support creates a conducive organizational environment for BUMDes to operate professionally while also providing social and political legitimacy for its role at the village level.

Nevertheless, the effectiveness of BUMDes is also strongly determined by community involvement and awareness. Although community members use BUMDes services, their understanding of collective responsibility remains relatively low. The Village Head revealed that *"community members sometimes do not fulfill their obligations after using BUMDes facilities"* (Interview with the Village Head), while the Chairperson of BUMDes stated that *"there are still community members who do not understand how BUMDes operates"* (Interview with the Chairperson of BUMDes).

This condition indicates a gap between the ideal role of the community as the subject of development and actual practices in the field. The community tends to position BUMDes as a social assistance institution rather than as a village enterprise whose sustainability depends on collective contribution and discipline. Within the framework of Community-Based Development (Arko, 2019; Mansuri & Rao, 2012), community participation should not stop at the use of services, but should include active involvement, a sense of ownership, and responsibility for the sustainability of village institutions.

In terms of management and business development strategies, BUMDes Hanggira has demonstrated an initial capacity to identify local potential by making the agricultural sector the basis of its economic activities. The management of the hand tractor rental business unit is a relevant and contextual strategy. In addition, the plan to develop new business units indicates an adaptive vision and a desire to expand the economic benefits of BUMDes. This approach is in line with the principles of strategic management and SWOT analysis, which emphasize the importance of business diversification and the utilization of local opportunities (Purwaningsih, 2023).

The direct impact of BUMDes is clearly felt by the community, particularly in reducing agricultural production costs. One informant stated that *"we usually rent it by paying only IDR 360,000 for two tractors per day"* (Interview with Jein Soda). Access to agricultural equipment at affordable costs enables farmers to improve efficiency and productivity. However, community members also noted several constraints, such as delays in rental payments and the late return of inventory, which could disrupt BUMDes business circulation.

The expectations of the community and village government for the future are that BUMDes will be able to develop new business units that align with village potential and create broader employment opportunities. These expectations are reflected in community statements expressing the hope that *"BUMDes will continue to develop"* and that it will *"be able to manage existing village potential and open employment opportunities"* (Interviews with Jein Soda and Fredrik Patimang). This shows that BUMDes is viewed as an important driver of inclusive and sustainable village economic development.

Conclusion

This study concludes that the Village-Owned Enterprise, or BUMDes, of Hanggira Village plays a significant role in increasing Village Original Income, or PADes, particularly through the management of a hand tractor rental business unit. This business is independently managed and contributes 10% of its profits to the village treasury. These findings confirm that BUMDes functions not only as a village economic institution but also as a strategic instrument in realizing village financial independence and sustainability.

The effectiveness of BUMDes in community economic empowerment is influenced by several main factors, namely village government support through policies and resource allocation, varying levels of community participation, the managerial capacity of BUMDes administrators, business development strategies oriented toward the use of local potential and diversification, and direct impacts on community welfare, as reflected in production cost efficiency and easier access to agricultural facilities.

Based on these findings, it is recommended that the village government continue to strengthen mentoring, supervision, and policies that encourage professional and participatory BUMDes management. BUMDes managers also need to improve managerial capacity, strengthen transparency, conduct regular business evaluations, and develop diversified business units so that the sustainability of BUMDes does not depend on only one economic sector.

On the other hand, the community is expected to increase awareness and collective commitment, recognizing that the success of BUMDes depends heavily on active participation, including fulfilling obligations after using BUMDes services. For future researchers, comparative studies across villages using quantitative or mixed-method approaches are recommended to obtain a broader understanding of the patterns of success and challenges in BUMDes management across different regional contexts.

Bibliography

Agustini, Grashinta, A., Putra, S., Sukarman, Guampe, F. A., Akbar, J. S., Lubis, M. A., Maryati, I., Ririnisahawaitun, Mesra, R., Sari, M. N., Tuerah, P. R., Rahmadhani, M. V., & Rulanggi, R. (2023). *Metode Penelitian Kualitatif (Teori Dan Panduan Praktis Analisis Data Kualitatif)*. PT. Mifandi Mandiri Digital.

Amaral, M. A. L., Ketmoen, A., Sinlae, A. A. J., Boelan, E. G., Baunsele, A. B., & Ratumakin, P. A. K. L. (2022). Pelatihan Keuangan Bumdes: Penyusunan Proposal Usaha Di Kecamatan Kupang Barat. *Jurnal Kreativitas Pengabdian Kepada Masyarakat (Pkm)*, *5*(11), 3789–3798. https://doi.org/10.33024/jkpm.v5i11.7385

Arfiansyah, Z., Qadri, R. A., & Firmansyah, A. (2023). Peningkatan Kapasitas Pengurus BUMDes Di Kabupaten Pacitan Terkait Dengan Perencanaan Bisnis. *Pengmasku*, *3*(1), 1–7. https://doi.org/10.54957/pengmasku.v3i1.303

Arko, B. (2019). Understanding Power Asymmetry in Participatory Development Spaces: Insights From Ghana's Decent Work Programme. *Regional Studies Regional Science*, *6*(1), 399–404. https://doi.org/10.1080/21681376.2019.1638298

Engkus, E., Suparman, N., & Sakti, F. T. (2021). Model Tata Kelola Badan Usaha Milik Desa (BUMDes) Di Desa Lumbungsari Kecamatan Lumbung Kabupaten Ciamis. *Kumawula Jurnal Pengabdian Kepada Masyarakat*, *3*(3), 441. https://doi.org/10.24198/kumawula.v3i3.28062

Guampe, F. A., Mokodompit, J. M., Kawani, F. B., Kayupa, O. O., & Firstiani, R. (2025). Penerapan Akuntabilitas dan Transparansi dalam Pengelolaan APBdesa: Studi di Desa Sintuwulemba Kabupaten Poso. *Jurnal Riset Rumpun Ilmu Sosial, Politik Dan Humaniora*, *5*(1), 443–454. https://doi.org/10.55606/jurrish.v5i1.6583

Guampe, F. A., Mokodompit, J. M., & Kayupa, O. O. (2025). Tata Kelola APBdesa: Teori dan Praktik di Tingkat Desa. In *Eureka Media Aksara*. Eureka Media Aksara.

Hidayat, A. F. (2023). Pengembangan Desa Mandiri Melalui Pengelolaan Badan Usaha Milik Desa Di Desa Madiasari Kecamatan Cineam Kabupaten Tasikmalaya. *Jurnal Syntax Imperatif Jurnal Ilmu Sosial Dan Pendidikan*, *4*(4), 436–444. https://doi.org/10.36418/syntax-imperatif.v4i4.268

Mansuri, G., & Rao, V. (2012). *Can Participation Be Induced? Some Evidence From Developing Countries*. https://doi.org/10.1596/1813-9450-6139

Prasetyani, D., Riyanto, G., Daerobi, A., Wiyono, V. H., Sari, V. K., Juwita, A. H., Rosalia, A. C. T., & Prasetyo, R. (2023). Seri Pendampingan BUMDes: Penyusunan Program Kerja Di BUMDes Sebagai Solusi Pembangunan Desa. *Surya Abdimas*, *7*(2), 246–253. https://doi.org/10.37729/abdimas.v7i2.2762

Purwaningsih, T. (2023). Training on Identification of Business Units of Village-Owned Enterprises (BUMDES). *Iccs*, *1*(2). https://doi.org/10.18196/iccs.v1i2.157

Rahmatika, D. N., Subroto, S., Indriasih, D., & Prihadi, D. (2021). Strategi Pengembangan Kualitas Bumdes; Pendekatan Model Tetrapreneur Serta Kemitraan Dengan Perguruan Tinggi Dan Perbankan. *Jurnal Industri Kreatif Dan Kewirausahaan*, *2*(2). https://doi.org/10.36441/kewirausahaan.v2i2.58

Rahmi, R. (2023). Peran Badan Usaha Milik Desa (BUMDes) Dalam Meningkatkan Pendapatan Asli Desa (PADes) Di Kecamatan Tebing Tinggi Kabupaten Tanjung Jabung Barat. *Jurnal Ilmiah Sosio-Ekonomika Bisnis*, *25*(02), 38–45. https://doi.org/10.22437/jiseb.v25i02.19324

Ramadhani, A. (2022). Pengelolaan Badan Usaha Milik Desa (Bumdes) Kembang Kenanga Desa Pisang Berebus Kecamatan Gunung Toar Kabupaten Kuantan Singingi. *Jurnal Administrasi Politik Dan Sosial*, *3*(2), 13–18. https://doi.org/10.46730/japs.v3i2.76

Rozikin, M., Haris, R. A., & Rahman, Z. (2020). *Analysis of Local Government Efforts in Local Economic Resources Development*. https://doi.org/10.2991/assehr.k.201021.013

Sembiring, S. (2017). Keberadaan Badan Usaha Milik Desa Dalam Meningkatkan Pendapatan Asli Desa. *Kertha Patrika*, *39*(01), 16. https://doi.org/10.24843/kp.2017.v39.i01.p02

Silvianita, A. (2023). Penguatan Kapasitas Badan Usaha Milik Desa (Bumdes) Untuk Mengoptimalkan Potensi Desa Dalam Rangka Pemberdayaan Masyarakat Dan Potensi Desa Di Kabupaten Tasikmalaya. *Sawala Jurnal Pengabdian Masyarakat Pembangunan Sosial Desa Dan Masyarakat*, *4*(2), 105. https://doi.org/10.24198/sawala.v4i2.50394

Sinarwati, N. K., & Prayudi, M. A. (2021). Kinerja Badan Usaha Milik Desa Dan Kontribusinya Bagi Pendapatan Asli Desa. *Jurnal Ilmu Sosial Dan Humaniora*, *10*(3). https://doi.org/10.23887/jish-undiksha.v10i3.37931

Siswara, D., Siahaan, D. R. N., Fitrianto, A., Sartono, B., & Oktarina, S. D. (2022). Regional Tourism Development in Nusa Tenggara Barat: Maximizing Local Economic Development. *Ecces (Economics Social and Development Studies)*, *9*(2), 107–127. https://doi.org/10.24252/ecc.v9i2.32194

Solihin, R. (2023). Analysis Entrepreneurial Literacy and Entrepreneurial Leadership to Entrepreneurial Intention of Students in Bandung City. *Journal of Business & Finance in Emerging Markets*, *6*(1), 1–12. https://doi.org/10.32770/jbfem.vol61-12

Stiadi, E., & Zaenuri, M. (2021). Studi Komperatif Pemberdayaan Masyarakat Berbasis Partisipasi Melalui Badan Usaha Milik Desa (Panggungharjo, Canden, Dlingo Dan Tirtoharjo) Kabupaten Bantul. *Jurnal Pemerintahan Dan Kebijakan (Jpk)*, *1*(3), Layouting. https://doi.org/10.18196/jpk.v1i3.11048

Sudirno, D., Masduki, M., Suparto, L., Nahdi, D. S., & Sumianto, T. (2020). Peningkatan Kapasitas Badan Usaha Milik Desa (BUMDes) Mapan Desa Panjalin Kidul. *Bernas Jurnal Pengabdian Kepada Masyarakat*, *1*(1), 53–58. https://doi.org/10.31949/jb.v1i1.155

Sukri, S. A. (2023). Penguatan Pengelolaan Keuangan Bagi Pelaksana Operasional Bum Desa Di Kecamatan Bunut. *Jurnal Visi Pengabdian Kepada Masyarakat*, *4*(2), 105–116. https://doi.org/10.51622/pengabdian.v4i2.1353

Sutikno, C., Atika, Z. R., Wijaya, S. S., & Mujib, M. (2023). Manajemen Kelembagaan Badan Usaha Milik Desa (BUMDes) Di Desa Siwarak Kecamatan Karangreja Kabupaten Purbalingga. *Literasi Jurnal Pengabdian Masyarakat Dan Inovasi*, *3*(1), 481–493. https://doi.org/10.58466/literasi.v3i1.969

Wahyuningtyas, I. K. (2021). Peran Strategis Bumdes (Badan Usaha Milik Desa) Dalam Pemberdayaan Ekonomi Desa. *Jurnal Jendela Inovasi Daerah*, *4*(1), 91–101. https://doi.org/10.56354/jendelainovasi.v4i1.95

Yulian, D. I. R. (2022). Peran Badan Usaha Milik Desa (BUMDes) "Maju Bersama" Dalam Pengembangan Ekonomi Di Desa Tunjungtirto, Kecamatan Singosari, Kabupaten Malang, Provinsi Jawa Timur. *Journal of Economic and Social Empowerment*, *2*(01), 114–124. https://doi.org/10.22219/joesment.v2i01.19164