



**EXPLORING VILLAGE ECONOMIC POTENTIAL FOR THE  
DEVELOPMENT OF VILLAGE-OWNED ENTERPRISE (BUMDES): CASE  
STUDY BUMDES AMANAH WONOSARI, GUNUNGKIDUL  
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**Abstract**

*The village is deliberated as the smallest government organization that has the closest association with the community and various potentials as an economy driver towards sustainable development. The economic capability that exists in Gunungkidul Regency refers to economic potential that can be developed to become a source of livelihood for the village. Village-Owned Enterprise or BUMDes is a business entity owned by the village, which was initiated as an effort to improve the welfare of the village's people. BUMDes AMANAH was assigned in carrying out business activities, which are waste management, goods and services trading, and tourism. From the economic potential analysis of villages in Piyaman District, Piyaman, Wonosari, Gunungkidul, sectors that are covered are agriculture, agro-industry, agribusiness, crafts, natural beauty and educational tourism. This study employs qualitative research, which aims to describe and explain the natural data obtained that put the researcher as the key instrument. Data collection with purposive sample and snowball resulting in an emphasis on generalization implication, and data quotations from facts revealed in the field, to be later presented in reports. Meanwhile, the existing business units require optimization efforts in various ways to be sustainably implemented with strategies set based on internal and external constraints. Service optimization on existing business units requires new breakthroughs in increasing revenue. Efforts to increase the capacity of Human Resources in managing BUMDes are also required. The role of the village government and full support for the progress of BUMDes are counted, by providing policies in business unit development and facilitation as well as reinforcing collaboration with Pentahelix synergy.*

**Keywords:** *Potential, Economy, BUMDes*

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## INTRODUCTION

Economic development in the regency area is essential in promoting development in rural areas. It refers to one of the development programs in each region under Law Number 6 of the Republic of Indonesia of 2014 concerning villages. The village is translated as the smallest, lowest, most important, and closest government organization to the community (Astuti, et. all, 2022). Whether a country is developed or not can also be notified from whether a village is developed or not, since in a developed country, if there are no developed villages/cities, there will be no provinces, and the absence of developed villages/cities leads to the absence of districts/cities.

Villages provide benefits originating from their potential as drivers of the economy and improve the welfare of their people. Referring to Law No. 6 of 2014, village community development is an effort carried out planned and sustainably to attain the community's ideals, namely prosperity. (change in lifestyle and behavior from traditional society to modern thinking) (Akhmad, 2020). Sustainable development is the main goal of achieving community welfare. Efforts are needed to accomplish this by formulating development strategies that are subjected to various fields, starting from developing production and infrastructure to outgrowth economic growth and improving the quality of Human Resources (HR). To support village authority, starting in 2015,

villages are given a budget in the APBN (State Revenue and Expenditures Budget) allocation to fund the development of their area following the village's potential and needs.

One of the economic base developments in rural areas is by founding Village-Owned Enterprises (BUMDes). BUMDes is a business entity established by the village government, which is managed by the community. The formation of BUMDes is carried out based on an agreement between the community and the village government through deliberations to reach an agreement and aims to stimulate the economy in the village so that it can increase Village Original Income (PADes). The establishment of a BUMDes can become a new economic force in rural areas and may improve the people's welfare. Improving the village economy should be one of the efforts to gain Village Original Income (PADes) and improve the rural economy completely and comprehensively. An institutional consolidation is required at the village level of collaborative economics and proper coordination with the government, private sector, media, and universities related to BUMDes. These efforts will help to obtain a solution in terms of increasing village income through BUMDes. BUMDes is said to be progressing and developing when supporting aspects are available. BUMDes is said to be advanced if it has well-structured institutions.

Kapanewon (district) Wonosari is part of Kapanewon in Gunungkidul Regency. Kapanewon Wonosari is situated in

the center of the city and is an Administrative City in Gunungkidul Regency. From this urban area, Kapanewon Wonosari consists of 14 villages where BUMDes have been established. One of the BUMDes will be selected to become

the focus of the research. Later, designated BUMDes is expected to be well-established and sustainably advanced in Kapanewon Wonosari.

**Table 1.** BUMDes in Kapanewon Wonosari

| No. | Village      | Name of BUMDes        | Types of Business Activities  |
|-----|--------------|-----------------------|---|
| 1   | Karangrejek  | Bumdes Karangrejek    | Tirta Kencana Water Treatment Unit  |
| 2   | Gari         | Mardi Gemi            | Service, Villlage Market  |
| 3   | Karangtengah | Barokah Mandiri       | Water Treatment Tourism Village Rent service                                    |
| 4   | Piyaman      | Amanah                | Waste Management, Goods and Services Trading, Tourism                           |
| 5   | Wonosari     | Makarti Mulya         | Financial Services (BKM)  |
| 6   | Baleharjo    | Bumdes Desa Baleharjo | UEP   |
| 7   | Selang       | Manunggal             | BKD Saving and Loans Water Treatment Market Stall                               |
| 8   | Kepek        | Kepek Mandiri         | Waste management unit, Village Market, Village Stall Parking                    |
| 9   | Siraman      | Siraman Mandiri       | Saving and Loan Business, located in Village Hall that occupy land and building |
| 10  | Pulutan      | Maju Mandiri          | Water treatment Village market  |
| 11  | Wareng       | Handarbeni            | UED SP, Village market Water treatment  |
| 12  | Duwet        | Prasodjo              | Rent service  |
| 13  | Mulo         | Bangun Kencana        | Water treatment Village Market Tourism  |
| 14  | Wunung       | Bangkit               | Village market, Rent service  |

Source: Empowerment Service, BUMDes Profile, data processed by researchers in 2023

Based on existing data, there will be 14 BUMDes in Kapanewon Wonosari in 2023. The data were derived from the Department of Empowerment. The data are used by the researcher to focus on resolving existing issues on BUMDes in Piyaman Village, Kapanewon Wonosari. Only one location out of the 14 existing BUMDes is taken to be focused on, by considering the location that is situated near the city of Kapanewon Wonosari, as a BUMDes that has not yet advanced, as shown

in 2023 data in the Piyaman District APBKal Implementation Accountability Report for 2023. The report revealed that the value of contribution to village revenue is still zero in value. Moreover, it was reported from the pre-survey that BUMDes Amanah is still tagged in poor condition in terms of its management and income. The main problem is the absence of a BUMDes work program since each unit in management is unable to carry out main tasks and functions optimally. This issue became

the basis of the selection of BUMDes Amanah as a focus of the research. The study emphasizes analyzing the management of BUMDes Amanah by exploring and searching for existing possible potentials to formulate activities that can be later nurtured and implemented in BUMDes Amanah.

Basically, villages definitely have potential, but only people who know the village and its environment can utilize its potential to become a source of benefit and profit. Researchers want to know the potential in Piyaman Village for the development or BUMDes Amanah so that BUMDes can develop and improve community welfare. In short, research question in this study is, *what are the potential in Piyaman Village for the development of BUMDes Amanah business?*

So, it is necessary to explore deeply the potential that may exist in the Piyaman village so that it can actually become a source of mounting community income and provide benefits to the village and regional government. Efforts for sustainability in managing BUMDes are conducted by identifying the opportunities and challenges to formulate strategies for managing BUMDes in a sustainable manner towards developed BUMDes.

## **THEORETICAL BASIC**

### **Economic potential**

Economic potential is the economic capability that exists in a region that can be developed and continues to be developed so that it can become a source of income for the

region and a source of economic livelihood for the local community. By developing existing potential, it can even encourage regional economic development (Suparmoko, 2020).

Economic potential is the ability, capacity, or power owned by a particular sector to be improved. Economic growth is a long-term process of increasing income. The benchmark is the GRDP value. Economic growth does not necessarily mean economic development. Economic development at the central level is, of course, closely related to the success of economic development at the regional level.

### **Village Economic Potentials**

Indonesia's natural wealth exists in various islands, which can be expanded as a source of increasing people's income with the potential that exists throughout the Indonesian archipelago. This potential has not been used optimally, so it has become one of the things that weakens and has an impact on the welfare of society, which is not evenly distributed comprehensively. Villages in Indonesia have extensive and very fertile agricultural land. This condition makes it possible to develop economic potential in the agricultural, agro-industry, and agribusiness subsectors, as well as the management of various agricultural products, natural beauty, and crafts. This can be explored for the progress of a village, increasing the village's economic income and improving people's welfare (Akhmad, Astuti and Susi, 2020).

### **Village (Kalurahan) Original Income**

According to the Explanation of Village Law Number 6 of 2014 Article 72 Paragraph (1) item a, *"What is meant by Village Original Income is income originating from Village authority based on the original rights and local scale authority of the Village. "What is meant by business results also includes the results of BUMDesa and treasury land"*

According to the Gunungkidul Regency Regional Regulation Number 90 of 2020 concerning Guidelines for Preparing Revenue and Expenditure Budgets, Original District Income (PAKal) covers business outcomes, assets/wealth management outcomes, income from self-empowerment, participation and mutual collaboration, and other District Original Income. Also, there is Transfer Income from another village.

### **Village Original Income Group/ Original Kalurahan Income (PAKal)**

Kalurahan budgeting, sourced from PAKal, considers the following matters:

a. Business outcomes: determination of PAKal budgeting from the portion of business income is managed by BUMKalurahan, based on the subdistrict regulations concerning the formation of BUMKalurahan, under the Regulation of the Minister of Villages, Development of Disadvantaged Regions and Transmigration Number 4 of 2015 concerning the Establishment, management and administration and

Termination of Village-Owned Enterprises and Gunungkidul Regency Regional Regulation Number 5 of 2008 concerning guidelines for the formation of Village-Owned Enterprises as amended by Gunungkidul Regency Regional Regulation Number 5 of 2010.

b. Results of asset/wealth management. Assets/wealth that have the potential to contribute income to the village include:

- 1) The land belongs to the village;
- 2) Boat mooring;
- 3) Village market;
- 4) Public baths managed by heads of village;
- 5) Irrigation network;
- 6) Utilization of sports fields/infrastructure owned by the village;
- 7) Fish auction places belong to the village head;
- 8) Village kiosk;
- 9) Recreational objects managed by the village
- 10) Village hall;
- 11) Village office;
- 12) Meeting hall/multipurpose hall;
- 13) Cultural arts hall/stage; And
- 14) The profits from other assets follow the authority based on rights of origin and local authority at the village scale.

c. The outcome of self-empowerment, participation, and cooperation

d. Other Village Original Income, other PAKal consist of:

- 1) Sub-district levies which implementation comply with village regulations regarding levies;
  - 2) Sale of goods belonging to the village head;
  - 3) Sales of forest products belonging to the village;
  - 4) Demand for compensation for village losses
  - 5) Return of the findings of the village financial audit;
  - 6) Results of village treasury land management;
  - 7) Results of clarification on village land;
  - 8) Fine income from renting assets; and
  - 9) Revenue from late-completion-fines for a project.
- e. Transfer income covers Village Funds, Part of Tax Earnings and Regional levies to the village, Village Fund Allocation (ADD), Financial Assistance from the DIY Government from the Regional Budget/APBD, financial assistance from the Gunungkidul Regency sourced from APBD.
- f. Other Income includes:
- 1) Revenue from village cooperation
  - 2) Revenue of assistance from companies located in the village.
  - 3) Receipt of grants and donations from third parties
  - 4) Correction of expenditure errors in the previous budget year, which resulted in income in the village treasury in the current budget year.
  - 5) Bank interest, and
  - 6) Other legitimate subdistrict income, including incentives/prizes for full completion of Land and Building Tax/PBB and competition prizes.

#### **BUMDes**

BUMDesa is a business entity whose capital is wholly or largely owned by the village through direct participation originating from separated village assets with the aim to manage assets, services, and other businesses subjected entirely to village people's welfare. Referring to the Regulation of the Minister of Villages, Development of Disadvantaged Regions and Transmigration of the Republic of Indonesia No. 4 of 2015, Article 1 (2), the government is committed to realizing the targets of the village law and Nawacita. The government initiated the establishment of BUMDes. BUMDes must have special characteristics that describe the village's potential. This is intended so that BUMDes are able to contribute more to improving the quality of life of village communities and prevent the existence of capitalist economic institutions in villages, which will impact the community's social life. The special characteristics of BUMDes are: (1) Owned by the village and managed by the community and village officials. (2) Business capital originates from the village (51%) and the community (49%) through capital participation (shares) (3) Operationalization uses a business philosophy rooted in local culture (local/wisdom) (4) The business sector is run based on the potential and results of market information (5) The profits obtained

are aimed at improving the welfare of members (capital participants) and the community through village policy (6) Facilitated by the Government, Provincial Government, Regency Government, Village Government (7) Operational implementation is controlled collectively (village government, BPD, members). BUMDes has various designations, which are described in the regulation of the Minister of Villages, Development of Disadvantaged Regions and Transmigration of the Republic of Indonesia No. 4 of 2015 Article 3, namely:

1. Improving the Village Economy
2. Optimizing village assets so that they are useful for village welfare
3. Increasing community efforts in managing village economic potential

Village-owned enterprises are businesses established by the village government whose capital ownership and management are prepared by the village government and the community. The advantages of BUMDes' existence for the villages that run it can be delivered as follows:

1. Improving the welfare of the community and the village government that runs BUMDesa.
2. Helping to supervise the implementation of rural economic development
3. Assisting the village government in its efforts to develop natural and human potential sources in the village to be developed into economic resources.

4. Becoming a medium for the village government to objectify development plans, especially in the economic sector.

Village-owned enterprises (BUMDes) are the embodiment of productive economic management in villages carried out in a cooperative, participative, emancipatory, transparent, accountable, and sustainable manner (Center for Development System Studies, 2007).

The types of BUMDes businesses are:

1. Social-based businesses, which carried out business for servicing the public for financial profit purposes
2. Rental services, which rent particular goods to serve the needs of the village's people and are aimed at generating income
3. Intermediary/brokering service that serves the community with intermediary business (brokering)
4. Self-developed business, run by the village community on the scale of a local village or targeted for the entire rural areas.
5. Financial businesses to meet the needs of micro-scale businesses run by village economic entrepreneurs.
6. Type of joint venture/holding. BUMDes can run a joint business (holding) as the holding company for the business unit, community needs for human resources, facilities, infrastructure, capital, and community purchasing power.

BUMDes is an economic-based government program to help villages increase original

village income and provide services to the community in the form of goods and services. (polite, et al, 2023)

## **RESEARCH METHOD**

### **Type of Research**

This study is a qualitative research type. Basically, qualitative research aims to describe and reveal as well as describe and explain. Qualitative research is described as the activity of data collecting in a natural setting with the target of interpreting phenomena that occur where the researcher is the key instrument. Data source sampling was carried out randomly, purposive and snowball, to be produced by emphasizing the meaning of generalization. Qualitative research contains quotations of data (facts) revealed in the field to support items that are presented in the report.

### **Time and Place of Research**

The research was carried out from January to May 2024. The research was carried out in Gunungkidul Regency with a regional focus in Kapanewon Wonosari at BUMDes "AMANA" Piyaman Village, Kapanewon Wonosari.

### **Research Subject**

The research subject was treated using purposive sampling with a determination technique based on certain considerations

(Sugiyono, 2006). The sample was BUMDes Amanah, Piyaman Village.

### **Type and Source of Data**

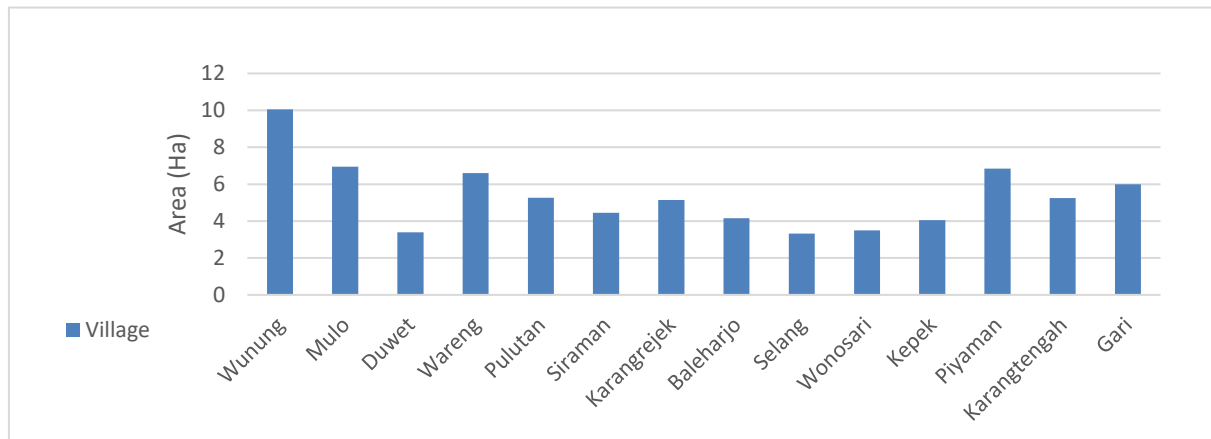
Primary and secondary data are used in this research. Primary data are data obtained directly from the research object. The data are the result data taken from in-depth interviews or interviews with the management of BUMDes AMANA Piyaman Village and users of service units at BUMDes AMANA in Piyaman Village. In comparison, secondary data is defined as data obtained indirectly from the research object. Secondary data was obtained from BUMDes data and data from the Piyaman District Government.

## **RESULT AND DISCUSSION**

### **The profile of Kapanewon Wonosari (Wonosari District)**

Wonosari District is the capital of Gunungkidul Regency, which is located approximately 40 km from Yogyakarta City. The area of Wonosari District/Kapanewon is surrounded by the administrative area of Nglipar District on the north side and Karangmojo and Semanu Districts on the east side. Meanwhile, the southern region borders Tanjungsari and Paliyan Districts. Wonosari District has an area of around 75.51 km<sup>2</sup> or 5.08 percent of the entire land area of Gunungkidul Regency.





**Figure 1. Village Area in WOnosari**

Source: Statistics Indonesia, Wonosari District, in Summers, 2023

**Table 2. The land-in-use area in Piyaman Village**

| Village      | Tanah Sawah | Tanah Kering | Bangunan | Hutan Rakyat | Hutan Negara | Lainnya | Jumlah Total |
|--------------|-------------|--------------|----------|--------------|--------------|---------|--------------|
| Wunung       | 0           | 598,2        | 213,6    | 0            | 190          | 3,2     | 1005         |
| Mulo         | 0           | 237,6        | 221,2    | 200          | 29           | 6,2     | 694          |
| Duwet        | 0           | 208,6        | 145,4    | 42           | 0            | 0       | 396          |
| Wareng       | 32,4        | 409,8        | 182,6    | 0            | 34           | 1,2     | 660          |
| Pulutan      | 40          | 252,4        | 228,4    | 0            | 0            | 5,2     | 526          |
| Siraman      | 0           | 248,2        | 196,8    | 0            | 0            | 0       | 445          |
| Karangrejek  | 0           | 382,8        | 132,2    | 0            | 0            | 0       | 515          |
| Baleharjo    | 0           | 232          | 183      | 0            | 0            | 0       | 415          |
| Selang       | 0           | 178,6        | 121,4    | 0            | 0            | 32      | 332          |
| Wonosari     | 0           | 132,7        | 147,3    | 0            | 0            | 70      | 350          |
| Kepek        | 0           | 251,1        | 133,9    | 0            | 0            | 20      | 405          |
| Piyaman      | 0           | 389,8        | 223      | 0            | 0            | 71,2    | 684          |
| Karangtengah | 28          | 286,2        | 152,3    | 15,2         | 0            | 43,3    | 524          |
| Gari         | 0           | 283,1        | 151,9    | 0            | 50           | 15      | 600          |
| Jumlah Total | 100,4       | 4091,1       | 2532     | 257,2        | 303          | 267,3   | 7551         |

Source: Statistics Indonesia, Wonosari District, in Summers, 2023

The land-in-use area in Piyaman Village/Village covers 389.8 of dry land, which is ranked as the third largest after Wunung, Wareng, and Piyaman Villages. There is still potential for optimization of land use in Piyaman Village that can developed with various ways to fulfill the goals of Piyaman Village towards an independent village.

Piyaman Village is a village located north of Wonosari City, a village which was the forerunner to the founding of Gunungkidul Regency with a famous figure named Demang Wonopawiro who, with his courage, opened Alas Nongko Doyong to become the center of government for the new Regency replacing the Duchy of Pati in Ponjong. Due to his services and figure, the current Gunungkidul Regency was born with the center of government in the city of Wonosari. The current Piyaman Village, with the spirit of a Building Village that involves community participation, has developed more advanced than the previous Piyaman, but the spirit of Demang Wonopawiro's character remains the driving force for the development spirit. Piyaman sub-district consists of 11 villages with the largest number of community units (RT) in Budegan II with 12 RTs. Out of 11 sub-districts, the smallest number of RTs is in Piyaman I counted 4.

AMANAH Village-Owned Enterprises (BUMDes), which was established in Piyaman village, is located in Padukuhan Ngemplek, precisely at the location of the Piyaman Rest Area where shopping centers were already built in the area.

### **Profile of BUMDes AMANAH**

#### **Organization Structure**

The organization structure of BUMDesa "AMANAH" Piyaman Village was formed based on Piyaman Village Regulation Number 5 of 2019 concerning the Establishment of the Piyaman Village Owned Business Entity (BUMKAL) "AMANAH" and Piyaman Village Head Decree Number: 57/KPTS/2021 of 2021 concerning Determining the Operational Implementation of Owned Enterprises Sub-district (BUMKAL) of Piyaman sub-district, Kapanewon Wonosari, Gunungkidul Regency.

The detailed management structure of BUMDesa "AMANAH" is presented as follows:

1. Advisor : Tugino, S.Pd
2. Supervisor :
  - a. Head : Rikuncoro, S.Pd
  - b. Secretary : Siti Maisaroh
  - c. Member : Jumilan
3. Operational:
  - a. Director : Bambang Sugito, S.H
  - b. Secretary : Citra Cahyaningrum, S.M
  - c. Treasury : St. Nurrohmah Agustina, S.Pd.I
4. Division :

- a. Trade and Services
- b. Waste Management  
Head of Division: Sutarman
- c. Tourism  
Head of Division :Ana  
Widiyastuti

## **Management**

The implementation of BUMDesa "AMANAHA" management activities during the 2022 financial year is detailed as follows:

1. In carrying out management roles during 2022, it has been planned and organized, delegating operational authority according to each function and position.
2. Operational activities are gradually carried out optimally according to their respective functions and positions.
3. Despite the limited number of officials, tasks are maintained according to their respective functions and duties.

The business units managed by BUMDes AMANAHA in 2022 are:

- a) Trade and Services Unit
- b) Waste Management Unit
- c) Tourism Unit

## **Analysis and Discussion**

### **The potential of BUMDes AMANAHA**

Potential can be interpreted as strength, ability, power, or ability that allows it to be developed. Economic potential is defined as the economic capability found in the region that might be developed and continue to be developed, so eventually, it can

Head of Division: Eksan Supri Mulyadi become a source of regional income, thereby increasing income and the community's economy also improving. The economic potentials of the subsectors of agriculture, agro-industry, agribusiness, crafts, social enterprises, profit businesses, financial services, and joint ventures are potentials that can be used as an advantage in selecting the potential business that can be implemented in Piyaman District and become a new business unit that has the potential to be developed thus providing a sustainable impact on increasing community and village government income. This is aligned with previous research related to the development of economic potential through BUMDes in Kebumen Regency, showing that various existing potentials can contribute to Regional Original Income (PAD) in Kebumen Regency.

Kapanewon Wonosari, by having 14 BUMDes, has a huge potential to increase regional income, thus increasing the income of the people in Kapanewon Wonosari. Piyaman Village is one part of Kapanewon Wonosari, where several BUMDes have been established, one of which is BUMDes "AMANAHA," which has already been validated as a legal entity. It was established in 2019 with three business units to be run. However, it was the same year with Covid-19 virus spread. Therefore, the activities finally run in 2021 with three business units until now 2023, as follows:

- a. Waste management
- b. Trade in Goods and Services

c. Tourism

Results from in-depth interviews with AMANAH BUMDes managers from existing unit potentials in Piyaman District that expected can support the management and future development of BUMDes, including:

- a. **Agriculture** The first potential is agriculture, which can be developed as another business unit by utilizing village-owned agricultural land, which is still considered spacious and less productive. It can be nurtured by managing productive land with the involvement of residents in agricultural management, which can be developed as an agricultural development concept. Productive agriculture that brings profits is managed by BUMDes, where agricultural products can later be collected as agricultural barns in Piyaman Village.
- b. **Agro-industry** The potential of the agro-industry is in line with government programs. With the existence of Prime Village in Piyaman, several MSMEs managed by local women already existed from food processing groups. The potential of the agro-industry can later be the expansion of trading units managed by BUMDes.
- c. **Agribusiness** provides the village with the potential that attract people with modern agricultural products and generate profits; the existing village land can be utilized for agricultural land, especially agribusiness, such as planting watermelons, melons, grapes or vegetables that can produce crops that later can be traded under BUMDes AMANAH management.
- d. **Craft** is another potential that can be used as a business unit development, the craft that already exists in Piyaman Village is Wonopawiro batik, which can potentially collaborate with other crafts from the community's production.
- e. **Natural beauty** is highly related to the existence of natural beauty in Piyaman Village. Since it is located in the central area and close to the administrative city in Gunungkidul Regency, it tends not to be something that can be developed, on the other hand, it is more about the arrangement of city park around the Piyaman Village, which can be used as a common space for people to enjoy the beauty scenery around Kalurahan. So, the people can be accommodated with public access in Piyaman Kalurahan.
- f. **Educational Tourism** Educational tourism can be an alternative for developing business units with income and managed by BUMDes. In terms of education for the community, the history of the Piyaman sub-district government, Ki Demang Wonopawiro, can be introduced along with the existence of traditional houses, relics, and traditional art tools that are still well-preserved in the Piyaman District.

**Six (6) potential outcomes** from in-depth interviews lead to the necessity for further exploration, so the development of

new business units can be hustled up by compiling a business plan for developing business units in BUMDes AMANAH. Later, it can properly be introduced to the right market, superior, and sustained.

As stated by the Director of BUMDes Amanah, Mr. Bambang

*"...There is still a lot of unexplored economic potential in Piyaman village, such as the use of unproductive agricultural land and the potential of Wonopawiro batik craft products. From the economic perspective, it can be increased by selling batik, as well as the results of women in food processing production. Food that can be managed by BUMDes as business development."*

## 2. BUMdes

BUMDes business development requires a precise strategy for managing the potential of village wealth. BUMDes was established as a joint effort between the community and the village government to

develop village potentials and community needs to improve community welfare, the entire community contributes to village income. (Zubaidah, Ama, Askafi, Eka, Daroini, 2021). BUMDes is a legal entity established by a village and/or together with villages to manage a business, utilize assets, develop investment and productivity, provide services, and/or provide other types of business solely for the best welfare of the village's community. With the existence of BUMDes, surely the goal of achieving the greatest possible of people's welfare can be attained. The existence of BUMDes can certainly be used to develop the economic potential of villages, especially increasing attention to the Micro, Small, and Medium Enterprises sectors.

It is aligned with things that have been implemented at BUMDes Amanah in Piyaman Village, Kapanewon Wonosari. BUMDes Amanah has very broad potential for development:

**Table 3.** BUMDes "AMANAH" in Kapanewon Wonosari and its development.

| No | Kalurahan | Name of BUMDes | Type of Business   | Potentials of Business Development   |
|----|-----------|----------------|--|--|
| 1  | Piyaman   | AMANAH         | 1. Waste Management<br>2. Goods and Services Trading<br>3. Tourism | 1. Agriculture<br>2. Agroindustry<br>3. Agribusiness<br>4. Natural Beauty<br>5. Crafts<br>6. Educational Tourism |

Source: data from researchers 2023

Types of existing Business Activities that have been running:

1) **The Waste Management unit**, which has been running for three years, has actually

been running well and could be an opportunity to become one of the leading sources of income for BUMDes AMANAH, which operates using *viar 1* motorbike operations and serves waste management in Piyaman Village, reaching 200 customers in several Padukuhan in 2022 and 2023, and in 2024 will experience a decrease in customers due to several factors:

- a) Competition with external (private) parties with the presence of waste collection cars that enter the Piyaman village to collect waste, especially residents of the Piyaman sub-district.
  - b) The *Viar* motorbike only holds a small amount of waste during collection, so many customers choose to go to private waste providers who use garbage trucks to carry out residents' waste.
- 2). Trade and service business units, the related activities have been carried out by BUMDes AMANAH, such as providing services in collaboration with Bank BPD DIY by becoming a *Laku Pandai* agent to serve the people of Piyaman Village by providing people with convenience payments through *Laku Pandai* agents and performs door-to-door service on Land and Building Tax (PBB) payment transactions. Activities in the trading unit are still unable to run effectively, even though the shophouses owned by the Piyaman Village exist and are located around the BUMDes AMANAH office, yet they have not been developed optimally by the Piyaman

Village Government. This activity can increase the village's original income (PADes) by optimizing the potentials owned by the village through BUMDes as the administrator of the activity unit.

3). **Tourism**, BUMDes AMANAH, in executing the tourism business, utilizing the lake in Piyaman Village as a fishing trip for residents. In its activities, BUMDes AMANAH, in managing the lake, can run and can earn income even though it is still too small to cover operational expenses in all business units in BUMDes.

Out of 3 business units that were run during the research period, the activities were considered to run quite well, yet the earnings were classified as insignificant due to various obstacles that existed, internally and externally.

It is confirmed by the results of interviews with users of waste management business units such as:

Mrs. Septi, as a user of waste management services from BUMDes Amanah, conveyed

*"...For us as users, alhamdulillah, the performance can be said to be quite good if there are a few obstacles, still considered tolerable, human works. The only thing that should be complained about is, for example, when it rains, the garbage is left unpicked. But it is still considered tolerable, that's human, right? So, overall, it is not seen as a problem. However, from the user's perspective, they definitely feel that it is a significant problem. I*

personally can understand the rain condition, but what I complained about previously is the absence of information for pending pick-up. If the garbage is pending its pickup, it is better to give us early notification, for example, two days back or a day after information, so that the mothers can prepare. So, the trash can be kept inside. Should the trash be collected every day? Or twice a week. That's it, it's enough for us. Probably in its implementation, a few obstacles might be found, sometimes, the garbage collection is unscheduled, which creates problems. But that's understandable. Personally, I understand. Every work will have its obstacles. Maybe a few percent...".

Siska added:

"...as a user of waste management services, it is waste management by BUMDes is considered good, just as Mrs. Septi said earlier, that it is still very much needed and hopefully it can be sustained, especially since we live in a housing complex.....then waste management for a household is needed. There are a few shortcomings - this is normal, but it is also better to have coordination if there is a delay in collecting waste from the specified schedule, as well as notification or information for us to sort household waste by categorization before being collected by BUMDes."

A semi-structured interview with the Head of the Waste Management Unit is delivered below:

Mr. Sutarman said

".....there are several complaints from customers regarding the process of collecting household waste, which is considered as unable to comply with predetermined schedule due to weather conditions, if it rains then the collection is delayed because waste collection still uses one viar motorbike and there will be another problem if there is damage to our vehicle. Automatically, the overall garbage collection also experienced a delay. It is, indeed, an obstacle for us in the service process. Apart from that, the operational costs of viar motorbikes are also high at the moment since only one motorbike is used continuously in the process of collecting household waste in 4 padukuhan".

Furthermore, the activities implementation of the trade and service unit business carried out by BUMDes Amanah has found considerably good with the role and support of the village government in terms of providing a schedule of land and building tax payment services in Piyaman Village. Researchers also conducted interviews to obtain primary data directly from the head of the trade and services unit as a basis for business unit development analysis or efforts to increase village income.

Interview with Mrs. Ana, head of the trade and service unit, ".....we provide door-to-door services in Padukuhan three times every year by following the schedule that has been informed by the village government. Pick-up service for people who want to pay PBB tax in their respective sub-districts. Its execution is carried

out by the BUMDes management in collaboration with the Laku Pandai Agent from Bank BPD DIY so that when paying it, you immediately get proof of payment of the tax, and this provides easier service to the community and the community's trust in payments to BUMDes is getting better, but there is still little income received from services. It means they are still unable to contribute to the village government"

Mrs. Rupini is a community member and user of PBB tax payment services from BUMDes.

Amanah's service is considered good, but there is still incomplete information regarding service hours, so people know more about the time the service starts until it finishes, so people who come later in the day will find the service is closed and will no longer receive the service. However, overall, this service is very helpful for people like me who don't follow the technology, the main thing is to pay directly and get proof of payment and be close to home when paying taxes."

Moreover, the tourism business unit is currently running, but there is still less income from this unit. BUMDes Amanah frequently carries out fishing tourism with the lake as an asset in Piyaman Village. This lake is managed as a public fishing facility, which is packed in certain months after the fish seedlings have grown up. Once the fish are big enough and ready for consumption, BUMDes holds an event with fishing tours for the public. With the implementation of this event, it can be said that the business unit is already running, yet it

still earns a minimum. There has been an absence of assistance from the village regarding the development of the lake's tourism, so no development has been made in terms of management.

*"Interview with Mr. Eksan, the head of the tourism unit in Piyaman Village, the income of this fishing unit is still small to cover the expenses of operations, and the income is only generated if the fish seeds are ready to be harvested then fishing events are held, there is no other income. Apart from this event, in my opinion, there is a real need for real support from the village government in terms of expanding tourist areas to attract more visitors every day, not just during events. "The business development of this unit is considered poor with low resources, in terms of improvement."*

The data obtained can be analyzed as one way of developing the village economic potentials of BUMDes Amanah in Piyaman Village is to increase BUMDes income and have a positive impact on the Village Government of Piyaman Village. With the income from BUMDes getting better, the contribution to the Village will also be enhanced and be able to promote the welfare of its people.

### **3. Opportunities and Challenges of BUMDes AMANAH in Piyaman District**

Until recently, BUMDes AMANAH, in carrying out its business, has implemented all



activities following BUMDes programs by opportunities that exist in the Piyaman trying to make breakthroughs with various District:

**Table 4: Opportunities and Challenges**

| No | Opportunity   | Challenge   |
|----|---|---|
| 1. | <p>Opportunities for developing business units with the potentials of Piyaman Village and supporting the BUMDes AMANAH business unit, which are:</p> <ul style="list-style-type: none"> <li>• Rental of shophouses owned by the village government in the rest area around the BUMDes AMANAH office, which is not yet optimally used and can be recommended to be managed by the services of BUMDes Amanah.</li> <li>• Development of the lake tourism business unit by opening up land expansion around the lake for parking access and culinary development to increase BUMDes income and also the income of the surrounding community.</li> <li>• Development of trading units to meet the people's needs of Piyaman Village: Sales of handicraft products, agricultural products which can be managed by BUMDes.</li> <li>• Development of productive agricultural land such as agribusiness by utilizing land belonging to the Piyaman Village.</li> <li>• Development of fast and excellent service in other payment services such as vehicle tax.</li> </ul> | <p>The challenges dealt by BUMDes AMANAH cover two factors, namely:</p> <p>a. Internal Factors</p> <ul style="list-style-type: none"> <li>• Increasing the capacity of Human Resources in managing BUMDes</li> <li>• Strengthening the synergy between BUMDes and the village government to strengthen programs and develop business units</li> <li>• Increased BUMDes income in all business units that have been running for synergy with the village government so its income will automatically increase.</li> <li>• Compile the main tasks and functions of each business unit manager for clearer job description in its implementation</li> </ul> <p>b. External Factors</p> <ul style="list-style-type: none"> <li>• The urgency to strengthen collaboration or partners from both the private sector, regional banking and the Gunungkidul Regency regional government.</li> <li>• Understanding the purpose of establishing BUMDes so that BUMDes can meet the common good, not just one's individual interests.</li> <li>• There are still many people who have not been served by the management of household waste treatment with the potential for 4 villages that have not yet been served and the less utilization of the land belonging to the Piyaman District</li> </ul> |

Source: data processed by researchers

It is common for an organization to deal with challenges and opportunities, as BUMDes Amanah. There are definitely challenges that need to be addressed to make BUMDes intact with the progress to become

one of the contributors to increasing district income and promoting the community's welfare. With the existence of opportunities that can be based on the development of superior business in BUMDes, of course, a

more in-depth analytical study is required to be able to establish a new business unit, but this is one of the stages in an organization, for succeeding in identifying potential opportunities to be settled. The opportunities that can be developed are:

- a. Optimizing services from BUMDes for services to the people of Piyaman Village
- b. It is necessary to strengthen the main duties of each administrator so that they can provide faster and better service.
- c. Increased cooperation and assistance from the District Government and Village Government so that BUMDes become robust in implementing the activities of their business units.

#### **4. Efforts to implement the BUMDes AMANAH concept for sustainability**

BUMDes AMANAH, which was founded jointly by the Piyaman Subdistrict, aims to improve the economy of the Piyaman subdistrict. In this case, with the increasingly developing and advanced expansion of BUMDes, it will certainly become one of the bigger contributors to Kalurahan's income.

In the Accountability Report for the realization of the 2023 Piyaman District Revenue and Expenditure Budget, the Village Head invested capital in BUMDes AMANAH amounting to Rp. 50,000,000 and for BUMDes Bersama/BUMKALMA Rp. 5,000,000.00. Unfortunately, in that year, BUMDes failed to contribute income for District Original Income since the revenue was counted as empty. Referring to this it is considered as one

of the problems that must be resolved to achieve the BUMDes goal of promoting mutual community welfare.

In 2019, BUMDes AMANAH was founded but was affected by COVID-19, so it could not implement its business units' plan and started to operate in 2021. In 2022, it ran three business units: Waste Management, Trading in Goods and Services, and Tourism. Management in this business unit is carried out as follows:

- a. The waste management program is supported by one viar motorbike and one worker assigned for household waste collection in the Piyaman District. It can serve a total of 200 household users scattered across several padukuhan. This unit can cover its operations and suffer no loss.
- b. Trade and Services are carried out in partnership with the Regional Development Bank (BPD) by accessing Laku Pandai agents to serve PBB and electricity tax payments. However, in its implementation, the contribution to BUMDes for services is quite small, namely Rp. 500.00/SPPT. Electricity services are also still low since access to payments in the city is easier. Payment for Water/PDAM has been facilitated by the *Karang Taruna* management, so BUMDes skip PDAM-related payment services.
- c. Tourism, running the artificial lakes on the land owned by villages, currently used

for fishing, but has not provided significant income for BUMDes.

The Director of BUMDes AMANAH directly also specified, as stated in the 2022 BUMDes report, that there are several obstacles and challenges, including:

- 1). Limited facilities, it is required the procurement of 4-wheeled vehicles to support the waste management unit as well as the procurement of laptops and printers to improve services to the community
- 2). The underperforming management's function as they do not receive a steady income/wage in carrying out activities.
- 3). Local political conditions are less supportive

Until 2023, the business run by BUMDes AMANAH still covers three units, as follows:

- a. Waste management from the waste management business unit in Piyaman Village, which is managed by BUMDes, has actually been going well by employing one viar motorbike as a daily tool to collect household waste in the Padukuhan community in Piyaman Village. In the 3rd year running, it has been shown that these activities can cover operational costs in BUMDes, yet a problem is revealed at the end of 2023: there was a decrease in waste service users by around 30 customers. Various efforts have been made to expand collection locations in several other

villages. The reason why consumers switch to private waste services due to its ability to collect more waste volume and are faster service since a truck is utilized for daily operation.

- b. Implementation of the trading business unit

The running of this trading business unit is marked with the canteen opening that was ceremonially launched by the Regent of Gunungkidul Regency, Mr. H. Sunaryanta, by organizing a noodle festival event in the rest area near the BUMDes Amanah office. It is considered one of the efforts in running a business unit to meet its goal as an advanced business unit, among other various efforts made by BUMDes. Undoubtedly, it needs support, cooperation, and synergy from various parties.

Efforts are being made to improve services in service business units, namely PBB P2 payment services in several areas, by performing door-to-door collection in collaboration with the banking sector, namely BPD DIY Kanca Wonosari, by becoming a Laku Pandai agent.

- c. Tourism

The business unit run by BUMDes AMANAH from the tourism sector is the management of the Piyaman Village Pond for fishing that has been

running well but failed to gain profit that can cover operations in BUMDes. Several initiatives have been carried out by the Director of BUMDes by submitting various proposals, one of them is creating a design for the main face of the lake to attract the interest of visitors and also the renovation of locations around the lake.

Besides, an initiative has also been commenced to fill fish seeds in the lake, which has been actualized with assistance from the maritime and fisheries service by providing Tawas fish seeds.

## CONCLUSION

Potentials that can be used for the development of existing business units in BUMDes Amanah are: Agriculture, Agribisnis, Agroindustri, Craft, Educational Tourism. The opportunities and challenges that exist in BUMDes Amanah are important items to address so that important items to address so that if these opportunities are eventually taken, they will have a positive impact on BUMDes. Specific strategy to carry them out even though these efforts experience obstacles, internally and externally. The business concept carried out by BUMDes is moving towards the above stage, which BUMDes keeps developing, so it is necessary to elevate efforts in various business units related to improving management, supporting facilities, and infrastructure so that it can be

carried out sustainably by the business units being run.

## Suggestion

Optimizing services in all business units and creating breakthroughs to increase revenue in BUMDes. The Piyaman District Government provides full assistance and support in the progress of BUMDes, so the Village Government plays an important role in the progress of BUMDes Amanah. Carrying out wider collaboration that enables the Pentahelix synergy (Government, Private, Media, Universities, Community) for the progress of BUMDes Amanah.

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