

Empowering Rural Communities through Strengthening Village-Owned Enterprises (BUMDes) for Sustainable Socioeconomic Development: A Case Study of Mekarsari Village, Garut Regency

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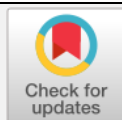
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ABSTRACT

Strengthening Village-Owned Enterprises (BUMDes) is crucial for reducing economic disparities in rural areas and promoting sustainable community development. While previous studies have primarily focused on financial structures and regulatory frameworks, this research adopts a participatory approach that actively engages local stakeholders in capacity-building efforts. Using BUMDes Mekarsari in Garut Regency as a case study, the study examines how participatory strengthening programs enhance the socio-economic resilience of rural communities. Employing qualitative methods – including in-depth interviews and field observations – it identifies key factors influencing BUMDes effectiveness, such as continuous training, institutional collaboration, and improved access to finance. The findings reveal that a participatory model not only fosters community engagement but also improves business sustainability and expands economic opportunities. In particular, the involvement of women and local artisans demonstrates the program's inclusivity and potential for social transformation. Moreover, the integration of digital marketing strategies has opened new market access, further supporting rural entrepreneurship. To maximize practical impact, the study offers concrete policy recommendations, including strengthening institutional support for BUMDes, fostering multi-sector partnerships, and enhancing financial accessibility through local and national policies. These insights contribute to a more inclusive framework for rural economic empowerment, providing policymakers with a strategic foundation for designing community-driven BUMDes programs that ensure their long-term success as catalysts for local development.

Keywords: Community Participation; Economic Empowerment; Rural Socio-Economic Development; Sustainability; Village-Owned Enterprises

1. Introduction

Village-Owned Enterprises (BUMDes) play a strategic role in strengthening rural economies through local resource management and community empowerment. Various policies have been implemented in Indonesia to support BUMDes development, including regulations and funding through village funds. However, BUMDes effectiveness still faces significant challenges, such as weak governance, low community participation, limited product innovation, and restricted market access. Despite their vast potential as drivers of village economies, many BUMDes have yet to operate optimally and sustainably.

Most previous studies have primarily focused on institutional and regulatory aspects, such as policy implementation (Alfatih et al., 2021) and the impact of village funds on the local economy (Arifin et al., 2020). However, few studies have explored participatory approaches in strengthening BUMDes capacity. The majority of research has emphasized financial independence as the primary success indicator, while the impact of active community participation in BUMDes management on business sustainability remains underexamined.

Rural communities' local capacity for managing development does not stand alone but is influenced by existing political and economic structures (Bebbington et al., 2006). This study complements that perspective by highlighting the significant impact of social structures on rural development (Daskon & Binns, 2009; Ojha et al., 2016).

This study aims to bridge this gap by developing a participatory-based BUMDes strengthening model, which includes managerial training, product innovation, and digital marketing strategies. Unlike previous studies, this research not only examines the institutional effectiveness of BUMDes but also highlights how active community involvement and multi-stakeholder synergy—among village governments (PemDes), academics, and the private sector—can enhance the sustainability of village enterprises (Beard, 2007; Ojha et al., 2016; Sessin-Dilascio et al., 2015).

By analyzing BUMDes Mekarsari in Garut Regency as a case study, this research explores the economic potential of bamboo-based crafts and the challenges faced, such as limited market access and lack of product innovation. Through a participatory approach, this study contributes to the literature on sustainable rural development by offering a BUMDes management model applicable to various regions with similar economic potential.

Furthermore, by incorporating digital marketing strategies into BUMDes development, this study introduces a new perspective on enhancing the competitiveness of local products in a broader market. This approach not only helps expand market reach but also enables village flagship products to gain higher added value. Therefore, this research contributes not only to the academic domain but also provides practical solutions for more inclusive and sustainable BUMDes management.

Mekarsari Village, located in Selaawi Sub-district, Garut Regency, West Java, was selected as the focus of the BUMDes strengthening program due to its significant potential for community empowerment through BUMDes management and the utilization of its flagship product—bamboo birdcage crafts, which have gained national recognition. Although this industry serves as the primary livelihood for the local community, its potential remains underutilized, with the largest profit margins still being enjoyed by external parties. Therefore,

the main challenge is to enhance the managerial capacity of BUMDes administrators and the creative skills of artisans while introducing local wisdom to a broader market.

Mekarsari Village Head, Ajie Nugraha, emphasizes that the village possesses substantial local economic potential, encompassing natural resources, human capital, institutions, financial assets, and infrastructure. However, this potential has yet to be fully optimized. The presence of BUMDes Kriya Mekar is expected to catalyze more effective local resource management, driving economic progress in the village and improving community welfare.

Despite its significant economic potential, the people of Mekarsari Village still face social welfare challenges such as poverty, income inequality, and limited access to markets and technology. This indicates that economic development alone is insufficient without parallel efforts to strengthen social welfare. Therefore, the successful management of BUMDes in Mekarsari is expected to serve as a model for other villages to develop local economies based on unique regional products while also enriching the literature on rural development in Indonesia.

BUMDes Kriya Mekar in Mekarsari Village, Selaawi Sub-district, plays a strategic role in supporting the development of a creative bamboo-based industry. However, challenges such as limited human resource capacity, weak institutional governance, and a lack of bamboo-based product innovation continue to hinder its optimal performance (Handayani et al., 2021).

This BUMDes strengthening program is designed to enhance institutional capacity and human resources through training, mentoring, and product innovation. Its primary goal is to establish a sustainable institutional framework while encouraging community involvement in managing the village's key economic potential. The program aligns with the mandate of Village Law No. 6 of 2014, which emphasizes the importance of managing village assets and resources for the well-being of the community. Consequently, the development of BUMDes Kriya Mekar can serve as a model for competitive and sustainable local resource management (Martomo et al., 2022).

The management of Mekarsari Village's potential still faces various challenges that hinder the optimal utilization of local resources. These challenges include institutional and managerial weaknesses in BUMDes Kriya Mekar, with limited organizational structure, low managerial capacity, and underdeveloped business strategies. Additionally, human resource capacity remains a concern, as the community's knowledge and skills in financial management, marketing, and product innovation are still inadequate. Another critical issue is market access, where external parties enjoy the highest profit margins, while direct market access for local producers remains restricted. Infrastructure and facilities, such as roads, irrigation, and production spaces, are also insufficient to support business growth. Furthermore, the limited use of technology, particularly in digital marketing, impedes product outreach, while the lack of product innovation results in monotonous bamboo crafts that fail to attract broader market interest.

Most previous studies have primarily focused on structural and financial challenges in BUMDes management without deeply exploring how community engagement influences business sustainability (Cornwall, 2008; Cornwall & Aghajanian, 2017). Therefore, this study examines a participatory approach to addressing human resource limitations, market access constraints, and product innovation within BUMDes operations. These challenges indicate that the development of Mekarsari Village requires not only institutional and financial improvements but also community-based interventions. Thus, training, mentoring, and community empowerment programs are needed to enhance institutional capacity, foster product innovation, and strengthen market competitiveness. With this strategy, Mekarsari

Village can maximize its potential as a bamboo craft center while ensuring sustainable community welfare.

The BUMDes Kriya Mekar strengthening program in Mekarsari Village is a collaborative effort between the Mekarsari Village Government (PemDes), Parahyangan Catholic University, and Astra International. This synergy aims to integrate academic expertise, local resources, and corporate support to build a more prosperous village. Each stakeholder plays a crucial role in this initiative: the Village Government ensures maximum community participation and optimizes local resource management through policies and administrative support. Parahyangan Catholic University provides academic assistance, managerial training, and product innovation based on applicable research. Meanwhile, Astra International supports funding, marketing, and infrastructure development to ensure the program's sustainability.

The collaborative approach in this study highlights that the success of BUMDes does not solely rely on government and corporate support but also on active community participation. Through participatory training, local residents do not merely receive benefits but also contribute to decision-making and the management of village enterprises. This approach ensures that community empowerment in Mekarsari Village is not only economically driven but also fosters a sustainable partnership model. With strong synergy between the government, private sector, and local community, this program is expected to serve as a model for other villages in improving community welfare effectively.

Unlike previous studies that primarily focused on regulatory and financial aspects, this research emphasizes participatory strategies in strengthening BUMDes. The study involves key stakeholders in Mekarsari Village, including BUMDes leaders, village officials, bamboo artisans, and community figures. This collaboration ensures that capacity-building efforts are not merely top-down but also aligned with the needs and aspirations of the local community, thereby creating a more adaptive and sustainable BUMDes management model.

The program aims to achieve several key outcomes, including strengthening BUMDes managerial capacity by enhancing the strategic, operational, financial, and human resource management skills of its administrators. It also seeks to empower bamboo artisans by providing training and mentoring in design, product innovation, and community-based business management. Furthermore, the initiative aims to improve market access by leveraging branding strategies, digital marketing, and partnerships with external stakeholders. Product innovation is another focus, with an emphasis on creating new bamboo-based products that are market-attractive and highly competitive. Lastly, the program targets infrastructure development to support the production and distribution of key village products.

Based on these objectives, this research seeks to explore how BUMDes Mekarsari can contribute to improving the social welfare of the village community. It also aims to identify the key factors that influence the effectiveness of BUMDes in enhancing community participation and ensuring a fair distribution of economic benefits. Furthermore, this study examines the strategies for strengthening BUMDes and their role in promoting sustainable social welfare development in Mekarsari Village. Through these inquiries, the research provides insights into how participatory approaches and multi-stakeholder collaboration can optimize the impact of BUMDes in rural economic development.

2. Research Methodology

Unlike previous studies that primarily used quantitative or descriptive (Alfatih et al., 2021; Arifin et al., 2020), this research adopts a participatory approach that directly involves the community, BUMDes management, and the village government (PemDes) in every stage of the

process. The participatory approach is chosen because it allows for a deeper understanding of the challenges and opportunities in BUMDes operations from the community's perspective. Unlike conventional top-down evaluations, this approach ensures that local stakeholders' voices are integrated into the analysis, making the research findings more contextual and applicable. By combining various qualitative techniques, this study provides a more comprehensive picture of the factors influencing the sustainability of BUMDes Mekarsari.

This participatory approach offers a new contribution by ensuring that the community is not only a beneficiary but also an agent of change in strengthening BUMDes. Additionally, it enables a more accurate identification of local needs and enhances the community's sense of ownership over the BUMDes strengthening program. Collaboration with Parahyangan Catholic University and Astra International adds a new dimension to BUMDes development, which has not been extensively explored in previous studies as a multi-stakeholder participatory approach.

This participatory research aims to empower the local community by involving them in decision-making and activity planning while providing them with opportunities to contribute directly to solving existing challenges. It positively impacts several key aspects, including increasing the community's sense of ownership, as their involvement in every stage of the program fosters greater responsibility and commitment to its outcomes. Furthermore, decisions made through a multi-stakeholder approach tend to be more relevant and widely accepted by the community, ensuring higher program effectiveness. The active participation of community members also enhances the sustainability of the program, as they become better prepared to maintain and develop its outcomes even after formal implementation ends. Moreover, this approach promotes community empowerment by positioning individuals not merely as recipients of benefits but as active agents of change capable of independently improving their quality of life. Lastly, the participatory method allows for more precise identification of community needs, as program development is guided by real local conditions through direct discussions and collaboration.

2.1. Participatory Research Design

2.1.1. Selection of Respondent Participants

The respondents, who also act as participants in this study, were selected based on their roles in managing BUMDes and bamboo-based economic activities in Mekarsari Village. The selection criteria include: (1) BUMDes Kriya Mekar administrators directly involved in business management, (2) bamboo artisans actively producing birdcages and other derivative products, and (3) village government (PemDes) officials responsible for village economic development. A total of 30 participants were involved, consisting of 10 BUMDes administrators, 15 bamboo artisans, and 5 PemDes officials. Participants were selected based on recommendations from the village head and the BUMDes chairman to ensure they had relevant knowledge and experience related to the research focus.

2.1.2. Data Collection Techniques

Data were collected using three main techniques: (1) in-depth interviews with BUMDes administrators and PemDes officials to understand the challenges and opportunities in BUMDes management, (2) focus group discussions (FGDs) with bamboo artisans to explore their perceptions and needs regarding BUMDes strengthening, and (3) participatory observation during training and mentoring sessions to monitor program implementation. The interviews and FGDs were conducted in a semi-structured manner using pre-prepared question

guidelines, while participatory observation was employed to gather direct data from field activities.

2.1.3. Data Analysis Techniques

To ensure data validity and reliability, this study applied triangulation techniques to enhance the accuracy and objectivity of findings. Source triangulation was conducted by comparing information from different participants, such as BUMDes administrators, village officials, and bamboo artisans, to obtain a more comprehensive perspective. Additionally, methodological triangulation was applied by combining multiple data collection techniques, including in-depth interviews, FGDs, and participatory observation, ensuring that the research findings were robust and not reliant on a single method.

Qualitative data from interviews and FGDs were analyzed using thematic analysis to identify patterns and emerging themes related to BUMDes strengthening. The analysis process involved coding the data, grouping codes into themes, and interpreting the findings. Quantitative data, such as participant demographic information and satisfaction survey results, were analyzed using descriptive statistics to provide an overview of participant profiles and their responses to the program. The qualitative and quantitative analyses were then integrated to provide a comprehensive understanding of the effectiveness of the BUMDes strengthening program.

2.2. Stages of Participatory Research

This participatory research was structured into five phases. The first phase involved identifying problems and needs by collecting data on community and BUMDes challenges through in-depth interviews, FGDs, and observations. This phase focused on uncovering issues faced by the community, BUMDes administrators, and bamboo artisans regarding product development, marketing, and business management. The findings from this phase served as the foundation for designing a more targeted program.

The second phase consisted of training and workshops, based on the problem identification results, aimed at enhancing the skills of BUMDes administrators and the local community. These activities included:

- a) BUMDes Management Training, which focused on improving the capacity of BUMDes administrators in institutional management and strategic decision-making.
- b) Bamboo Product Innovation Training, which targeted bamboo artisans to create innovative, high-value, and market-competitive bamboo products. This training also introduced branding strategies and the use of digital marketing to expand market access for BUMDes products.
- c) Strengthening Institutional Collaboration, through facilitated coordination meetings (matching sessions) between BUMDes, PemDes, and other institutions to develop a shared understanding of BUMDes' strategic role in driving the village economy.

The third phase involved mentoring and monitoring activities provided to BUMDes administrators and bamboo artisans during program implementation. This included product development, business management, and marketing strategy application. Additionally, regular monitoring was conducted to track progress and ensure that each step proceeded as planned.

The fourth phase focused on Infrastructure Development to support production and distribution efficiency. This included improving and developing necessary infrastructure such

as production tools, workspaces, and distribution facilities. The goal was to enhance the quality and quantity of products produced by BUMDes Kriya Mekar and facilitate market access.

The fifth phase involved Evaluation and Reflection to assess the achievements and impacts of the program on the community and BUMDes. Reflection sessions engaged all stakeholders to provide feedback and recommendations for improvement. The evaluation results were used to formulate corrective actions and determine strategies to ensure the program's sustainability.

2.3. Operationalization of Participatory Research

The implementation of this participatory research program involved several key elements to ensure its success, including stakeholders, target beneficiaries, and the program timeline.

2.3.1. Involved Stakeholders

Three main stakeholders were involved in the operationalization of this program: Parahyangan Catholic University, PemDes Mekarsari, and Astra International. Their respective roles were as follows:

- Parahyangan Catholic University acted as the primary facilitator in training and mentoring, providing experts for managerial training and digital marketing techniques while supporting the capacity-building activities of BUMDes.
- PemDes Mekarsari and BUMDes Kriya Mekar provided administrative support, logistics, and venues for program implementation. PemDes and BUMDes coordinated with the local community to ensure smooth execution. Meanwhile, BUMDes administrators and bamboo artisan groups carried out the strengthening program's activities on a daily basis.
- Astra International contributed to infrastructure development and funding for capacity-building activities for BUMDes and bamboo artisans, as well as providing production and distribution facilities.

2.3.2. Target Beneficiaries

The primary beneficiaries of this program were BUMDes Kriya Mekar administrators and bamboo artisans in Mekarsari Village. BUMDes administrators benefited from improved managerial capacity and institutional management skills, enabling them to manage their businesses more efficiently and sustainably. Meanwhile, bamboo artisans received training on bamboo product innovation, enhancing product quality and market competitiveness, as well as digital marketing workshops to expand their market reach.

2.3.3. Implementation Timeline

This participatory research was conducted from early 2021 to December 2022. The activities were divided into three periods: the needs identification phase, the program implementation phase, and the evaluation and reflection phase.

The first period, lasting for the first two months, focused on identifying the needs of target beneficiaries and developing an activity plan. This included data collection through interviews, group discussions, and surveys to explore problems and set priority activities. Stakeholders involved in this phase included village government officials, BUMDes administrators, and selected bamboo artisans.

During the second period, the program was implemented through training sessions, workshops, intensive mentoring, and the provision of necessary tools. These activities were

carried out sequentially and integrated to provide comprehensive support for BUMDes administrators and bamboo artisans.

The final two months of the program were dedicated to evaluation and reflection, assessing the outcomes achieved, identifying areas for improvement, and formulating strategies for the program's sustainability.

3. Results

The Head of Mekarsari Village, Ajie Nugraha, stated that this community empowerment program is highly relevant to the needs of the community, BUMDes Kriya Mekar, and the village government. Mekarsari Village is known as the center for bamboo birdcage craftsmanship in Garut Regency. However, artisans still face challenges such as limited market access, profit margins largely benefiting external parties, and a lack of product innovation. On the other hand, BUMDes, as a strategic village enterprise, still requires capacity strengthening to optimize the management of local potential (Antlöv, 2003).

This program was designed to involve village government officials, BUMDes administrators, and the artisan groups fostered by BUMDes. Through a participatory approach, the program provides space for all stakeholders to collaboratively design, implement, and evaluate empowerment and strengthening activities (Yulian et al., 2022). This approach is expected to enhance synergy between the village government and BUMDes in promoting sustainable rural socio-economic development.

This approach enables closer collaboration among stakeholders, which not only fosters a sense of ownership over the program's outcomes but also ensures that the solutions generated are relevant to local needs (Ilhamsyah & Purba, 2019).

Additionally, both the Village Head and the BUMDes Chairman separately emphasized that this BUMDes strengthening program is also crucial in encouraging BUMDes Kriya Mekar to develop as the primary driver of the village economy.

The program prioritizes partnerships with village institutions and the Mekarsari village government, as well as actively involving the local community, particularly bamboo artisans, in every stage of the initiative (Silvianita et al., 2023). By enhancing the managerial capacity of BUMDes administrators, strengthening institutional synergy, and empowering the community through skill training and product diversification, this program aims to create a sustainable village business ecosystem (Handayani et al., 2021).

3.1. Enhancing the Managerial Capacity of BUMDes Administrators

A planning training session was conducted using the Appreciative Inquiry approach to explore potential and strategy development through SMART and SWOT analysis, followed by the creation of a Business Model Canvas. The Chairman of BUMDes Kriya Mekar stated:

"This training encourages BUMDes administrators to develop business plans and operational strategies."

Administrators also learned basic financial administration, including profit and loss statements, balance sheets, and amortization. Additionally, computer training helped them manage administrative documents more efficiently (Figure 1). The Chairman of BUMDes Kriya Mekar further emphasized:

"The training on formulating the vision, mission, and program plans for BUMDes provided valuable insights for business development."

These outcomes align with the need to strengthen the managerial capacity of BUMDes, as highlighted by the Mekarsari Village Government. As a strategic entity, BUMDes requires strong administrative and planning skills to improve organizational governance. Furthermore, one of the BUMDes administrators also shared their experience:

"Previously, we only focused on production without paying much attention to detailed financial record-keeping. After attending the training, we realized the importance of transparency and proper financial documentation to ensure business sustainability."

This training provides a critical foundation, but further intensive mentoring is necessary to ensure that the skills acquired are effectively implemented in daily operations.

3.2. Bamboo Product Development and Innovation Training

This training involved both bamboo artisans and BUMDes administrators. Participants gained new insights into product diversification, such as creating alternative bamboo crafts with higher market value (**Figure 2**). However, the implementation of training outcomes remains limited to the initial planning stage. One of the artisans shared their thoughts:

"I just started envisioning how to create more innovative and market-driven derivative products from birdcages."

"Developing birdcage derivative products adds more economic value to my business."

Product diversification is a strategic step to reduce dependence on birdcages as the main product. These findings align with the business development needs of BUMDes and the empowerment of the local community. The Head of Mekarsari Village emphasized:

"The Mekarsari Village Government needs BUMDes to play a bigger role in driving innovation and enhancing the competitiveness of village products."

However, the realization of this training requires additional capital and further mentoring to ensure that new products can be effectively marketed.



Figure 1. Managerial Capacity Building for BUMDes Administrators and Training on Computer and Office Applications



Figure 2. Training on Bamboo Product Innovation Design Development



Figure 3. Strengthening Collaboration Among Institutions in Mekarsari Village

Bamboo-based product innovation has become one of the key strategies to enhance the competitiveness of BUMDes Mekarsari. Several strategies have been implemented, including: (1) developing new designs with a modern touch to attract the urban market, (2) training on more efficient production techniques to increase output without compromising quality, and (3) product diversification, such as bamboo-based souvenirs beyond birdcages, to expand market segments. One artisan stated:

"Previously, we only made traditional birdcages, but now we have started producing other items such as decorative lamps and bamboo household accessories. This has helped increase our income."

Further analysis shows that the most successful innovation strategies are those supported by strong marketing efforts. Products with new designs promoted through digital media tend to be accepted by the market more quickly than innovations without an effective marketing

strategy. However, several challenges remain in market expansion efforts, such as limited capital to increase production capacity and the lack of a systematic digital marketing strategy. Therefore, continuous mentoring is needed to optimize market expansion efforts. A village official also stated:

"We see that without government support in connecting BUMDes with broader market networks, it is difficult for artisans to grow. Collaboration with the private sector is also crucial for local products to compete in larger markets."

3.3. Strengthening Inter-Institutional Collaboration

A coordination meeting between BUMDes, the village government (PemDes), and other institutions established a shared understanding of BUMDes' strategic role as a driver of the village economy (McCallum, Donaldson, & Anderson, 2011). However, operational synergy between institutions still requires strengthening. To address this, a coordination meeting was held with the full participation of village officials (**Figure 3**), focusing on aligning perspectives regarding each party's duties and roles. This initiative is expected to foster more effective collaboration among institutions.

Strong collaboration between village institutions and BUMDes is key to the success of village-based economic development (Alfatih et al., 2021). The Mekarsari village government recognizes the need for this synergy to optimize local resource management. These findings indicate a positive initial step, but its sustainability depends on the commitment and support of all stakeholders involved. The Village Head of Mekarsari and the Head of BUMDes agreed that:

"Cooperation and collaboration have not been effectively implemented so far, and moving forward, this must become a shared priority for the advancement of Mekarsari Village."

3.4. Achievements of Participatory Research Objectives

During the reflection and evaluation phase, a Focus Group Discussion (FGD) was conducted, attended by the Head of Mekarsari Village, the management of BUMDes Kriya Mekar, and several artisans. The discussion resulted in several key findings:

- 1) The objectives of this program have been largely achieved. Management and product innovation training successfully provided new insights to BUMDes administrators and artisans. However, implementing training outcomes still requires further mentoring to ensure long-term success. This achievement indicates that the program has been running well, although improvements are needed in implementing work plans.
- 2) The training and mentoring provided have strengthened BUMDes's foundation in managing the village's flagship product, bamboo crafts. However, the sustainability of this capacity highly depends on the commitment of BUMDes administrators to enhance their competencies and establish strategic partnerships continuously.
- 3) Improved infrastructure and broader market access are also necessary to ensure that BUMDes can effectively fulfill its role as a driver of the village economy. Astra International's provision of equipment support has created opportunities for better product development.
- 4) BUMDes administrators and artisans responded positively to this program, particularly in terms of skill enhancement and the new knowledge gained.

Both BUMDes administrators and artisans recognize the importance of collaboration and innovation in enhancing product competitiveness. However, some administrators noted that a major challenge remains the limited resources available to implement the training outcomes. Additionally, the impact on community welfare cannot be achieved immediately or easily. Sustainable support from various stakeholders, including the village government (PemDes) and external partners, is necessary (Srirejeki et al., 2020).

4. Discussion

The research findings indicate that the strengthening of BUMDes is influenced by three main factors: managerial capacity building, product innovation, and market expansion. A participatory approach and multi-stakeholder collaboration in training programs have been shown to enhance BUMDes administrators' skills in business planning, financial management, and identifying business opportunities. Additionally, this program has encouraged creativity in product diversification and facilitated broader market access, which is key to improving the competitiveness of village enterprises.

Although the training has had a positive impact, its implementation effectiveness varies. Some participants successfully applied the strategies taught, while others struggled to adopt new approaches. The success of this program heavily depends on participants' prior experiences and the continued support from the village government (PemDes) and business partners. Furthermore, bamboo-based product innovation and the utilization of digital marketing strategies represent new contributions to enhancing the competitiveness of local products in a broader market.

These research findings align with the concept of community-based economic development, where the success of an initiative largely depends on active community involvement in program planning and implementation. Unlike previous studies that focused more on institutional and regulatory aspects (Kania et al., 2021; Muryanti, 2020). This study demonstrates that a participatory approach can enhance the managerial capacity of BUMDes administrators and the technical skills of the community in managing enterprises.

Moreover, these findings complement the argument presented by Bebbington et al., which states that the success of rural development is not solely determined by political and economic factors but also by the social structure of rural communities (Bebbington et al., 2006). Community involvement in rural development often depends not only on relationships with the state and business sector but also on the social networks within the village itself. This study finds that the success of BUMDes is also influenced by village regulations and access to markets and capital.

However, program implementation still faces challenges such as limited field experience, restricted market access, and insufficient business capital. Therefore, follow-up programs focusing on operational mentoring are necessary to ensure that the acquired skills can be optimally applied in BUMDes management.

4.1. The Role of BUMDes in Improving the Social Welfare of Village Communities

The Head of Mekarsari Village, Ajie Nugraha, and the Chairperson of BUMDes Kriya Mekar, Ahmad Jalaludin, stated that this program is highly beneficial for both the village government and BUMDes. The village government needs BUMDes to increase the Village's Original Revenue (PADes) and to manage village resources optimally. At the same time, BUMDes requires technical skills, capital, and market access to meet these expectations. The program has opened wider opportunities for rural economic development, with its main impact being the increase in community income – particularly for bamboo artisans – through broader

market access and product diversification. Additionally, the program has created more job opportunities for local labor and encouraged the involvement of women's groups in bamboo-related businesses following community-based skills training.

In terms of institutional governance, the program has contributed to enhancing the effectiveness of BUMDes management as a village economic institution. The success in improving the social welfare of the village community cannot be separated from various supporting and inhibiting factors that affect BUMDes effectiveness. The program has helped strengthen the capacity of BUMDes administrators in planning, administration, and business diversification. However, the management of new business units—such as raw materials and clean water—is still in its early stages. This indicates that, although the program has laid a strong foundation, its sustainability requires further assistance to achieve optimal results.

4.2. Factors Influencing the Effectiveness of BUMDes in Community Participation and Economic Benefit Distribution

The effectiveness of BUMDes in enhancing community participation and the distribution of economic benefits is influenced by various supporting and inhibiting factors. Continuous training and mentoring play a crucial role in strengthening the managerial capacity of BUMDes administrators as well as the technical skills of the community, while collaboration among BUMDes, village governments (PemDes), and the private sector fosters infrastructure development, market access, and innovation in village enterprises. The utilization of digital technology also serves as a strategic factor in expanding marketing reach and improving the competitiveness of local products.

However, the success of these programs still faces challenges, such as limited working capital, low human resource capabilities in business management and marketing, and a lack of coordination among stakeholders. These issues can hinder strategic decision-making and policy implementation. Therefore, stronger synergy between the community, village government, and BUMDes is needed to ensure the sustainability of programs and to enhance both economic and social impacts on rural communities.

When supporting factors are optimized and inhibiting factors are minimized, BUMDes have a greater opportunity to achieve a more equitable distribution of economic benefits. Increased community participation in BUMDes-managed economic programs also reinforces the long-term sustainability of these initiatives as more community members develop a sense of ownership and become actively involved in sustaining village enterprises. Thus, the effectiveness of BUMDes depends not only on internal management but also on external support and active community engagement in local economic development.

This increase in community participation is facilitated by the village government's role as a facilitator, supporting collaboration between BUMDes and local artisans. BUMDes are adopting a more inclusive approach to engage all stakeholders in maximizing village potential (Afrizal et al., 2024).

4.3. Strengthening Strategies for BUMDes toward Sustainable Social Welfare Development

Figure 4 presents a conceptual framework for achieving the effectiveness and sustainability of the BUMDes program and its impact on the community. To ensure the sustainability of BUMDes programs, a comprehensive strengthening strategy is required. One of the main strategies that has been implemented is intensive mentoring and continuous monitoring to ensure optimal program implementation. In addition, improving market access through

branding strategies and digital marketing is also a key step in expanding the distribution of the village's flagship products and enhancing their competitiveness in the national market.

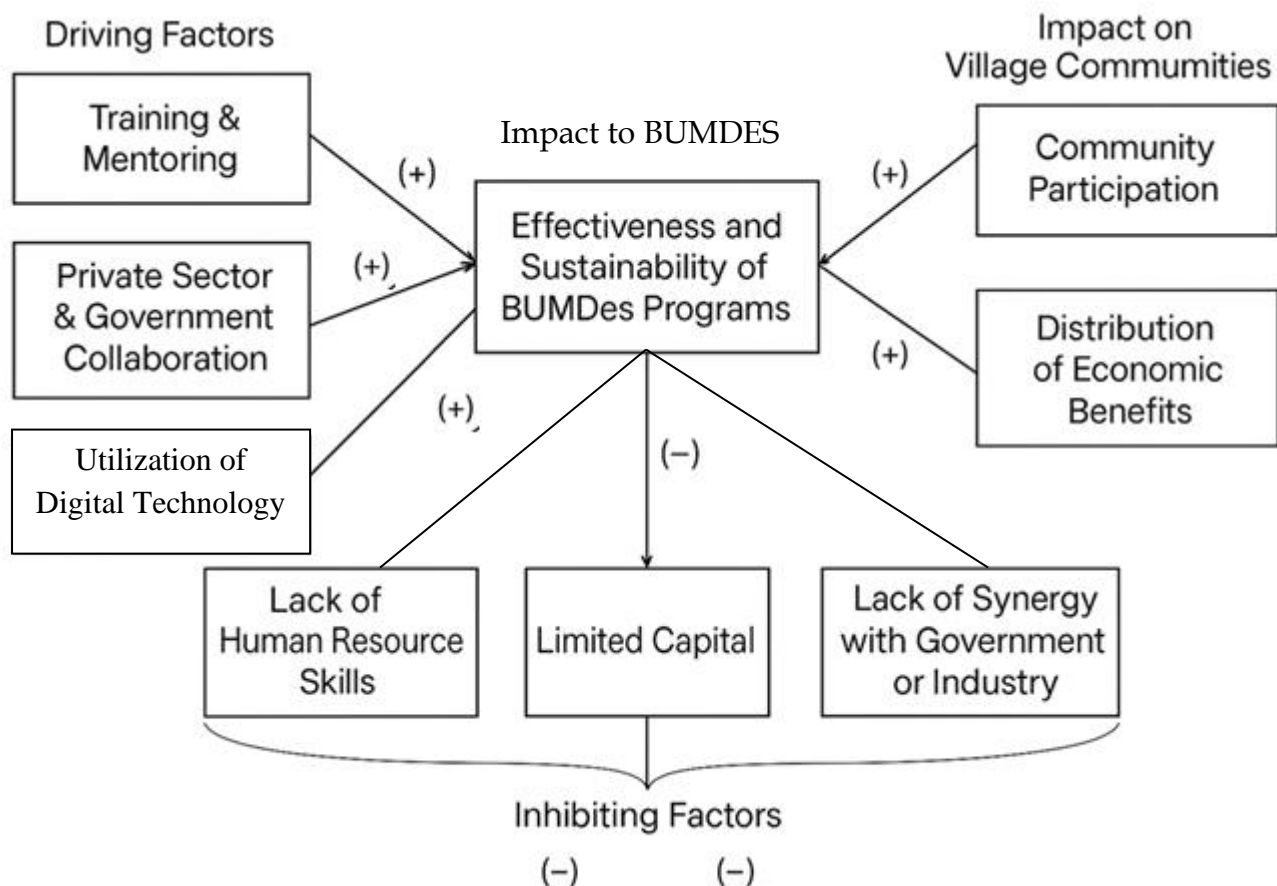


Figure 4. Conceptual framework of the causal relationship between factors influencing the effectiveness and sustainability of the BUMDes program in community participation and economic benefit distribution

In addition to marketing aspects, strengthening partnerships with the private sector and financial institutions has also been carried out to obtain alternative funding that can be used to support business diversification. A participatory institutional management model has also been applied to increase community involvement in every stage of BUMDes management. Through this approach, the community not only acts as beneficiaries but also plays an active role in shaping policies and the development direction of BUMDes.

The sustainability of BUMDes Mekarsari's empowerment efforts largely depends on stronger synergy among various stakeholders. Therefore, it is crucial to ensure that the program continues to receive support from both the village government (PemDes) and external partners so that the positive impacts already achieved can be sustained in the long term. With this strategy, BUMDes Mekarsari is expected to become a model of more inclusive and sustainable village economic governance.

The findings of this study align with the theory of community empowerment (Rappaport, 1987), which emphasizes the importance of active community participation in the development process. Through a participatory approach, the people of Mekarsari Village are not only beneficiaries but also act as agents of change in strengthening BUMDes. This indicates that

community empowerment can be a key factor for success in sustainable rural economic development.

Furthermore, these findings support the study by Alfatih et al., which demonstrates that collaboration among government, communities, and the private sector can enhance BUMDes' effectiveness (Alfatih et al., 2021). However, unlike previous studies that primarily focus on institutional aspects, this research emphasizes the importance of product innovation and digital marketing strategies as key factors in improving the competitiveness of local products. These findings also align with the study by Kania et al., which advocates for a holistic approach to strengthening BUMDes, including improving human resource capacity and market access (Kania et al., 2021).

Theoretically, this research expands the understanding of the role of participatory approaches in strengthening BUMDes. Practically, it demonstrates that multi-stakeholder collaboration and product innovation can be effective strategies for enhancing rural community welfare. These implications are consistent with sustainable development theory, which emphasizes the importance of balancing economic growth, social inclusion, and environmental preservation (Hummel et al., 2017). Therefore, the findings of this study enrich the literature on BUMDes by showing that participatory approaches and multi-stakeholder collaboration can be key to successful BUMDes empowerment. Previous studies have mainly focused on institutional and regulatory aspects (Alfatih et al., 2021; Arifin et al., 2020). In contrast, this study highlights the importance of community participation and product innovation. Moreover, collaboration with the private sector and academia adds a new dimension that has not been widely explored in earlier studies.

4.4. Limitations of the Participatory Approach in Strengthening BUMDes

Although the participatory approach enhances community involvement, several limitations need to be considered. Its success heavily depends on community motivation, as not all members exhibit the same level of participation. While some artisans are actively engaged in training and product innovation, others remain passive in decision-making processes. Moreover, potential conflicts of interest among stakeholders—such as differing priorities between BUMDes administrators and village officials—can hinder coordination and program effectiveness. One BUMDes administrator stated:

"We want to focus more on developing product innovation, but the village officials are more concerned with maintaining BUMDes' financial stability. This sometimes slows down decision-making."

Another limitation is ensuring the program's sustainability after the initial intervention. Although training and mentoring have been provided, there is a risk that without continued external support, community participation will decline, and the initiatives that have been developed may stagnate.

4.5. Challenges in Replicating the Model to Other Villages

Replicating the BUMDes empowerment model in other villages faces several challenges, particularly the limited financial resources available for training, procurement of production tools, and marketing. Not all villages have adequate access to funding, making it necessary to develop alternative strategies such as partnerships with the private sector or corporate social responsibility (CSR) programs. In addition, differences in village policies and bureaucratic

hurdles related to fund management and business licensing can affect the effectiveness of implementation.

Program success also depends on the level of community engagement. Villages with strong leadership and active communities are more likely to adopt and implement the program successfully compared to those with low participation. As highlighted in studies on local capacity in Indonesian villages (Bebbington et al., 2006; Beck, 2016; Ojha et al., 2016), strengthening village capacity requires policies that not only focus on regulatory aspects but also consider the social and economic dimensions that shape community participation dynamics.

5. Conclusion

This study confirms that a participatory approach and multi-stakeholder collaboration offer significant contributions to the strengthening of Village-Owned Enterprises (BUMDes). These contributions are evident in the improvement of managerial capacity, product innovation, and digital marketing strategies – areas that have not been extensively explored in previous studies. By involving active community participation and fostering collaboration between village governments (PemDes), academia, and the private sector, this research introduces a more holistic and sustainable model of BUMDes empowerment. This conclusion complements the argument made by Bebbington et al. (2006) that rural development is influenced not only by economic and political factors within the village but also by social dynamics.

The training programs implemented have had a positive impact on community involvement, particularly among women and bamboo artisans, who have acquired new skills and broader access to marketing networks. As such, BUMDes holds great potential as a sustainable driver of local economic development when managed with appropriate strategies and supported by diverse stakeholders. Factors that influence the effectiveness of BUMDes in enhancing community participation and distributing economic benefits include ongoing training and mentoring, access to working capital, and strong synergy between BUMDes, PemDes, and the private sector. Strengthening strategies for promoting sustainable social welfare through BUMDes require a holistic approach that incorporates advanced training, optimized funding access, and consistent monitoring and evaluation. The involvement of both government and private sectors is key to sustaining BUMDes initiatives in the long term, while partnerships with private actors and academic institutions introduce a new dimension that benefits both BUMDes empowerment and the broader effectiveness of village governance.

To support rural development more broadly and sustainably, this study recommends several practical policy directions: continuous managerial capacity building for BUMDes administrators, financial support for local product innovation, facilitation of strategic partnerships between BUMDes, the private sector, and educational institutions, use of digital platforms for market expansion, and the establishment of structured systems for ongoing monitoring and evaluation. These strategies aim to overcome the challenges of BUMDes effectiveness by fostering stronger synergy among village governments, BUMDes, and local communities. With village governments acting as facilitators of external linkages and BUMDes taking a proactive role in innovation and collaboration, models such as BUMDes Mekarsari have the potential to serve as competitive and socially impactful village enterprises.

Nevertheless, this study has certain limitations. The scope of data is confined to Mekarsari Village, which means the findings must be generalized to other contexts with caution. The research relies primarily on a qualitative, participatory approach, which does not fully capture the quantitative impact of BUMDes empowerment on community welfare. Limited access to

detailed village economic data also posed challenges in comprehensively measuring program outcomes. Therefore, future studies are encouraged to adopt quantitative methods and conduct cross-regional comparisons to provide a more holistic understanding of BUMDes effectiveness in the context of sustainable rural development.

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We hope the findings of this research will be beneficial for the development of BUMDes and inspire the strengthening of community-based economies in other villages.

7. Declaration of Conflicting Interests

The author has declared no potential conflicts of interest regarding this article's research, authorship, and/or publication.

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