



RESEARCH ARTICLE

The Role of Village-Owned Enterprises (BUMDes) in Community Empowerment: A Case Study of Slealale Village, South Buru Regency, Indonesia

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ARTICLE INFO	ABSTRACT
Received: Oct 18, 2024 Accepted: Dec 5, 2024	The study explores the role of Village-Owned Enterprises (BUMDes) in empowering the community of Slealale Village, Leksula District, South Buru Regency, Maluku, Indonesia. Slealale Village faces socio-economic challenges, with most villagers working as low-income farmers and high unemployment rates. BUMDes Fudeslamat was established to optimize local potential and support economic growth. Using a qualitative case study approach, data were collected through in-depth interviews with village officials, BUMDes administrators, and community members, as well as participatory observation and document analysis. The results show that BUMDes Fudeslamat has significantly contributed to community empowerment by effectively managing local resources, such as plantation products and village assets. BUMDes initiatives, including transportation services and kiosks, have increased village income, created jobs, and improved market access. However, challenges remain in ensuring transparency and equal access to benefits for all community members. The study highlights the potential of a community participation-based empowerment model, placing the community as the leading actor in identifying problems and implementing solutions. The findings offer practical insights for developing village empowerment policies in remote areas with high poverty rates and limited economic opportunities, contributing to Indonesia's more inclusive and sustainable rural development.
Keywords Village-Owned Enterprises (BUMDes) Community empowerment Local resources Plantation products Village assets	
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INTRODUCTION

Village community empowerment is one of Indonesia's leading national development focuses. Villages have a strategic role in supporting the success of the development agenda, mainly because of their contribution to social, economic, and environmental aspects. Based on data from the Central Statistics Agency (BPS) in 2021, around 43% of Indonesia's population lives in rural areas. This shows the importance of attention to managing social and economic problems in rural areas to achieve inclusive and sustainable development. At the global level, the United Nations Development Programme (UNDP) emphasizes that strengthening local communities is the primary key to supporting the achievement of the Sustainable Development Goals (SDGs). In particular, SDGs Goal 1 on poverty eradication and Goal 8 on decent work and economic growth are relevant to encouraging village development (UNDP, 2020).

Maluku Province, including South Buru Regency, reflects complex challenges and opportunities in the context of village empowerment. This province is known to have abundant natural resource potential, such as plantation, marine, and fisheries products. However, the poverty rate in Maluku is still relatively high. Based on data from the BPS of Maluku Province in 2022, the poverty rate in this province reached 17.54%, making it one of the provinces with the highest poverty rates in Indonesia. South Buru Regency, one of the areas in this province, recorded a significant poverty rate (BPS Maluku, 2022). This condition indicates the need for a more effective development strategy, one of which is managing Village-Owned Enterprises (BUMDes).

Slealale Village, located in Leksula District, South Buru Regency, is one example of a village that seeks to optimize local potential by establishing BUMDes Fudeslamat. Over the past five years, this BUMDes has managed various village assets and potentials, including plantation products (nutmeg, copra, cloves, palm, and chocolate) and other assets such as village kiosks and transportation. However, Slealale Village still faces various social and economic challenges. Most villagers work as low-income farmers, ranging from IDR 500,000 to IDR 1,000,000 monthly (BPS Buru Selatan, 2024). The high unemployment rate also reflects the limited economic opportunities in the village. This condition shows that more innovative and sustainable BUMDes management is needed to improve the welfare of village communities.

The results of previous studies have shown that empowering village communities through the development of local potential has a significant impact on economic growth and poverty reduction, as described by Adi (2013), who emphasized the importance of developing communities based on local potential. In managing Village-Owned Enterprises (BUMDes), Hamzah and Sutisna (2019) found that BUMDes could encourage village economic growth by effectively managing local assets. However, it still faced operational challenges, such as limited management capacity. The community-based approach has also proven relevant, as stated by the World Bank (2020), which stated that village development programs based on community participation have succeeded in increasing program sustainability and poverty alleviation at the rural level.

Previous research results show that empowering village communities through developing local potential significantly impacts economic growth and poverty reduction, as described by Adi (2013), who emphasized the importance of developing communities based on local potential. In managing Village-Owned Enterprises (BUMDes), Hamzah and Sutisna (2019) found that BUMDes could encourage village economic growth by effectively managing local assets. However, it still faced operational challenges, such as limited management capacity. The community-based approach has also proven relevant, as stated by the World Bank (2020), which stated that village development programs based on community participation have succeeded in increasing program sustainability and poverty alleviation at the rural level.

In addition, Suharto (2014) highlighted that empowerment strategies that place communities as the main actors in the decision-making process provide more effective results in various contexts, including remote areas. This is reinforced by Haryono and Taufiq (2021), who identified the importance of utilizing local resources to support village development in the Maluku region, which has unique social, economic, and cultural characteristics. On the other hand, the report of the Ministry of Villages, Disadvantaged Regions and Transmigration (2021) noted that increasing the capacity of BUMDes is one of the key factors in expanding village economic opportunities and supporting the achievement of national development goals. This study also confirms the findings of Widjaja (2016), which states that BUMDes plays an important role in encouraging sustainable development by integrating economic, social, and environmental aspects in its management.

Although many studies have been conducted regarding the role of BUMDes in empowering village communities, most studies focus more on the success of village asset management or general economic impacts without exploring in-depth sustainability-oriented operational strategies and their impact on poverty alleviation and unemployment reduction at the local level. In addition, research that explicitly discusses local potential in remote areas such as South Buru Regency, especially Slealale Village, still needs to be completed. This area has unique social, economic, and cultural characteristics, which can affect the effectiveness of BUMDes-based empowerment programs. Therefore, this study fills the gap in understanding how BUMDes can optimally empower communities in areas with high poverty rates and limited economic opportunities.

The novelty of this study lies in its holistic approach to evaluating the role of BUMDes Fudeslamat in Slealale Village, covering economic, social, and environmental aspects to create long-term impacts. This study emphasizes a community participation-based empowerment model, which places the community as the leading actor in identifying problems, planning, and implementing solutions. In addition, this study offers an innovative strategy for managing BUMDes that considers local challenges, such as low income levels, high unemployment rates, and limited access to resources and markets. By examining the context of remote areas that have unique characteristics, this study also

has the potential to be an important reference for developing village empowerment policies in other areas with similar conditions. Thus, this study contributes to academic literature and offers relevant practical solutions to support more inclusive, innovative, and sustainable village development.

Objectives

The study of the role of BUMDes Fudeslamat in empowering the economy of the Slealale Village community is critical. BUMDes-based empowerment aims to increase community income, create new job opportunities, reduce poverty, and strengthen village independence. One model that can be applied is A participatory approach involving the community in identifying problems, planning, and implementing solutions. This study aims to evaluate the extent to which BUMDes Fudeslamat can optimize local potential, support economic growth, and reduce social inequality in Slealale Village. In addition, this study also aims to provide strategic recommendations for developing a more effective BUMDes model, both for Slealale Village and other villages in Indonesia.

The results of this study are expected to provide theoretical and practical contributions to village development in Indonesia. Theoretically, this study will enrich the literature related to the BUMDes-based village empowerment model. Practically, this study is expected to guide policymakers, local governments, and BUMDes managers in designing empowerment strategies more oriented towards sustainability and community welfare. By placing villages as the main actors of development, this research supports Indonesia's vision of strengthening the position of villages as the driving force of the nation's economic development.

METHODS

This study uses a qualitative approach with a case study type to explore the role of Village-Owned Enterprises (BUMDes) in empowering the Slealale Village community. A qualitative approach was chosen because it allows researchers to thoroughly understand the social and cultural context and interactions between individuals in a complex environment (Creswell, 2014). Through this approach, the data obtained includes an in-depth perspective on the community's experience interacting with BUMDes and the impact of empowerment programs on their daily lives. The research was conducted in Slealale Village, Leksula District, South Buru Regency, which has had an active BUMDes for over five years. This location was chosen because of the diversity of empowerment programs that have been implemented, such as processing agricultural products and handicrafts, which have contributed to increasing the income of the village community (PMD Buru Selatan, 2022). The study lasted six months, from January 8 to June 8, 2024.

This study's informants were selected using a purposive sampling technique. Ten informants were selected: three village government administrators, three BUMDes administrators, two community leaders, and two BUMDes administrator members. This technique ensures that the information obtained is relevant and representative of the phenomenon studied by Lameky and Nugroho (2024). Informants were selected based on their direct involvement with BUMDes activities and experience utilizing the empowerment programs provided.

Data were collected through in-depth interviews, participatory observation, and document analysis. In-depth interviews were used to obtain informants' perspectives on the role of BUMDes in community empowerment. Participatory observation was conducted to directly observe the interaction between BUMDes and the community and its various operational activities. Document analysis was carried out on BUMDes activity reports and relevant statistical data. This combination of techniques aims to increase the validity and reliability of the data by the recommendations (Tetnowski, 2015).

The data obtained were analyzed using inductive data analysis. This approach allows conclusions to be drawn from specific facts or findings obtained during the study, such as interview results, observations, and document analysis. These facts are then analyzed to find relevant patterns, themes, or relationships, ultimately used to draw general conclusions. Inductive analysis is very suitable for qualitative research because it prioritizes understanding the context and experiences of individuals or groups that are the objects of study. This process involves organizing, reducing data to focus on relevant information, and in-depth interpretation. This way, the analysis results reflect more accurate social dynamics and realities according to the research context (Lameky & Nugroho, 2024).

RESULTS

A. Overview of Research Location

3.1 Geographical and Topographical Overview of Slealale Village

Slealale Village, which is administratively located in Leksula District, South Buru Regency, Maluku Province, has an area of 1,000,500 km². Geographically (Figure 1), this village borders Unet Village to the north, Waeturen Village to the south, Waewili Village to the east, and Waehka Village to the west. The topographic conditions of Slealale Village are diverse, including plains, hills, and mountains. This village is located in an area with a tropical climate influenced by two main seasons, the west season (December–March) and the east season (May–October), with the transition season as a transition between the two seasons. This climate pattern affects the community's agrarian activities, especially in planting patterns.

Topographically, Slealale Village can be grouped into three central units: mountains, hills, and plains. Mountainous units dominate the village area in the southeast, south, west, and central parts of Buru Island, with steep slopes covering about 70% of the area. Hill units are spread around the mountains, forming a series of hills with heights of up to 800 meters above sea level. Meanwhile, plains units are divided into lowlands and intermountain plains, primarily found in the northern part of the village and along the river. Variations in the slope level of the area include flat (0-3%), gently undulating (3-8%), undulating (8-15%), rather steep (15-30%), steep (30-45%), to very steep (>45%). Based on height, Slealale Village is divided into three classes, namely 0-500 masl, 500-1000 masl, and >1000 masl. The highest peak in this village is Mount Kaku Gilegan, with a height of ±2,736 masl. The combination of plains, hills, and mountains creates a unique yet challenging geographical landscape that provides excellent opportunities for community empowerment by managing diverse natural resources.



Figure 1. Geographical Location of Slealale State

3.2 Climate

Slealale Village, located in Leksula District, South Buru Regency, has a tropical climate (Af) with significant local influences. Unlike most other regions in Indonesia, this region experiences the highest rainfall from June to July, when most other regions have entered the dry season. This climate pattern characterizes the Slealale Village area, which affects community activities, especially in the agricultural sector.

The air temperature in Slealale Village is relatively constant in the lowland areas, ranging from 22°–33°C. In the highlands and mountains, temperatures tend to be lower, with an average of ≤24°C. The humidity level in this village is also relatively high, varying between 60%–90%. This combination of rainfall, temperature, and humidity creates environmental conditions that support the management of agricultural land and local ecosystems but also requires effective adaptation strategies from the local community to maximize the potential of this area.

3.3. History of Slaelale Village

The origins of the Slealale Village community come from a community that initially inhabited the Dano Rana plains. They believe in the power of nature and ancestral spirits but also recognize the

existence of God as the giver of blessings, which in the Buru language is called Opo Geba Ptarat. The God who maintains is called Opo Geba Blangadan, and God as the creator is called Opo Geba Snulat. Over time, various events around the Dano Rana plains, including the high death rate, prompted some groups to leave the area. This group first settled in a place called Waepasa.

In Waepasa, they rely on hunting and looking for resin as their main livelihood. However, because the distance from Waepasa to the coast is quite far, making it challenging to market the resin and their hunting results, this group moved to another place called Wafumerat. In Wafumerat, they continued the same economic activities. At that time, they also received visits from relatives from the Waeturen and Waemulang communities. However, the relationship was more familial and did not yet involve the spread of the Gospel.

3.4. Demographics

The population composition in South Buru Regency is mainly made up of indigenous people of Buru Island, who have a strong attachment to the natural environment in the area. Negeri Slealale includes four villages or soa, with population data detailing the number of residents by age and gender. Based on information obtained from the Slealale Village Office, Leksula District, South Buru Regency, it is known that Slealale Village has 152 heads of families. The total population of this village reaches 767 people, consisting of 403 men and 364 women. Based on this data, further analysis can systematically classify the population by age group (Table 1).

Table 1. Population by Age and Gender

No	Age Classification	Male	Female	Total
1	0-3	114	123	141
2	4-6	125	174	106
3	7-9	174	38	86
4	10-12	168	57	145
5	13-16	233	55	124
6	46-59	197	68	127
Total		403	364	767

Slealale Village shows the characteristics of a population with diverse livelihoods, although most of the population, as many as 745, work as farmers (Table 2). This reflects that the villagers still closely relate to nature and local customs. In order to support national development, one important aspect must be considered is education. Education plays a role in improving the quality of learning through engaging and innovative methods, especially for children. Using adequate environmental facilities can support learning, create meaningful learning experiences and instil positive mindsets. This is expected to encourage the development of intelligence potential and create significant work or achievements. Education must also be designed to facilitate the development of scientific attitudes, such as curiosity, perseverance, critical, careful, responsible, independent, cooperative, and problem-solving skills. These attitudes not only support individuals facing challenges but also improve the community's quality of life.

Table 2. Population by Livelihood

No	Livelihood	Total
1	Farmers	736
2	PNS	8
3	Private	3
4	Pensioners	1
6	Toddlers/Infectious=Not/Not Yet Working	19
Total		767

3.5. Road Infrastructure

The condition of connecting roads in Slealale Village, including neighbourhood roads, footpaths, and garden roads, is currently quite concerning. Most still need to be paved and are still dirt or gravel

roads. The total length of the circular roads in this village is 4.8 km (Table 3). The development of village road infrastructure plays an important role in improving connectivity between regions, facilitating community access to public services, and encouraging local economic growth. Good and well-maintained village roads can improve accessibility to education, health, and market facilities, improving the community's quality of life.

Table 3. Length of Roads and Complementary Buildings and Their Conditions

No	Building Type	Length (Km)	Types of Pavement			Condition		
			Land (Km)	Asphalt (Km)	Concrete (Km)	Severely Damaged (Km)	Slightly Damaged (Km)	Good (Km)
1	Main Road	1.5 km	-	1.5 km	-	-	-	√
2	Neighborhood Road	3.3 km	3.3 km	-	-	-	-	-

3.6. River

In Slealale Village, a river crosses the community settlement, starting from the southern tip of the Slealale Village Administrative District. This river mostly usually flows in the west season, but in the rainy season, it often overflows and causes flooding. This is a significant concern for the community and village government in managing the impact of disasters.

3.7. Clean Water

Clean water services in Slealale Village are provided through water sources from Aer Pancorang, which are collected in reservoirs before being distributed by gravity through a network of pipes to each housing unit. Although managed independently, this system dramatically supports the community's needs. However, improvements are still needed in terms of both capacity and service coverage to meet the increasing needs.

3.8. Housing Conditions

Most of the community housing in Slealale Village is in good condition, with 150 houses built. However, around 20 Heads of Families (KK) still do not have housing, so attention is needed to provide decent housing for them.

3.9. Environment

Environmental issues in Slealale Village reflect global issues that require serious attention. Excessive exploitation of natural resources without considering environmental carrying capacity has triggered problems such as global warming, extreme climate change, erosion, flooding, and landslides. In addition, the bad habit of people littering, such as into ravines, drainage channels, and rivers, worsens environmental conditions. Increasing public awareness of the importance of good waste management is needed to maintain the balance of the ecosystem.

3.10. Village Government Sector

Regarding village government, the division of areas and community service policies must run optimally. This is due to the weak function of customary institutions in the village. The community service process, from the Neighborhood Association (RT) level to the Slealale Administrative Village Government, has been implemented but could be more optimal. Increasing institutional capacity and service systems is a challenge that needs to be overcome to provide better services to the community.

B. Village Area Division

The public service policy in Slealale Village still needs to be entirely adequate. This is influenced by the condition of traditional institutions that are not functioning optimally. The division of village areas and coordination between regions need to be strengthened to improve the quality of services to the community.

3.1. Public Services

The institutional mapping study shows that public services, from the Neighborhood Association (RT) to the Slealale Administrative Village Government, have been implemented but could be more optimal. Efforts must be made to improve the service system to more effectively meet the community's needs.

3.2. Community Democratic Rights

The political democratic rights of the Slealale Village community are pretty respected. This can be seen from the implementation of democratic celebrations, such as the election of the President, legislative members, and Regional Heads, which took place without friction. Public awareness of these democratic rights must be maintained as a local force in strengthening national and state life.

3.3. Office Facilities and Infrastructure

The quality of village services is highly dependent on good human resources and adequate facilities and infrastructure. In Slealale Village, the available work facilities include one village office unit, administrative equipment such as desks, chairs, computers, filing cabinets, and operational vehicles. However, these facilities still need to be improved to support government activities and community services.

3.4. Village Institutions

Village institutions are important in planning and supervising physical and mental development implementation. They also help empower women and strengthen human resources. Although not all village institutions in Slealale function optimally, their role remains important in supporting village development.

3.5. Religious Life

Religious life in Slealale Village has a long history since the first acceptance of the Gospel in 1953. This process began with three families who became the forerunners of the Maluku Protestant Church (GPM) Slealale congregation. Until now, the GPM Slealale congregation has grown to 158 heads of families with 636 people. The rapid development of the church shows the important role of religion in the lives of the village community.

3.6. Education

Slealale Village has three educational institutions: a Kindergarten (TK), an Elementary School (SD), and a Junior High School (SMP). Most villagers have basic education and work as traditional farmers who depend on natural resources for their livelihood.

3.7. Plantations

The people of Slealale Village cultivate various plantation crops, such as coconut, cloves, chocolate, nutmeg, durian, and mango (table 4). Coconut is the main crop, with a land area of 100 hectares and the highest production among other types.

Table 4. Number of Plantation Crop Types in Slealale Country

No	Type of Plantation Crops	Business Land Area	Annual Production (Tons)
1	Coconut	100	100%
2	Cloves	20	0.75%
3	Chocolate	20	0.75%
4	Nutmeg	30	0.95%
5	Durian	5	0.25%
6	Langsat	3	0.25%

7	Mango	0.2	0.5%
8	Orange	0.2	0.5%

3.1. Village Government Structure

The Slealale Village Government comprises the Village Head, village apparatus, and Village Consultative Body (BPD) (Figure 2). The village head has a six-year term of office and is authorized to establish village regulations. The village apparatus assists the village head in carrying out his duties, while the BPD establishes village regulations with the village head and channels community aspirations. Slealale Village strives to improve services, strengthen institutions, and maintain a balance between physical, mental, and environmental development to provide maximum benefits to the community.



Figure 2. Organizational Structure of Slealale Village Government

C. Interview Results on the Role of Village-Owned Enterprises (BUMDes) Fudeslamat

Villages have various potentials in terms of human and abundant natural resources. If this potential can be managed well, villages have a great opportunity to improve the welfare of their communities. However, until now, development at the village level still needs to overcome various obstacles and shortcomings. The main obstacles in village development include low human resource competency and limited access to capital or finance. Although the government has tried to overcome these problems through various programs, including village development, these challenges remain significant. One of the government's initiatives to support village development is the establishment of Village-Owned Enterprises (BUMDes).

BUMDes is a form of government attention to supporting village development in the era of globalization. This program is designed to optimally utilize and develop village potential, empowering the community's economy. The existence of BUMDes is one way to encourage local economic growth, which in turn contributes to improving community welfare and poverty alleviation.

BUMDes is fully managed by the village government and the local community as a community-based economic institution. This allows village communities to play an active role in developing the local economy. In Slealale Village, the existence of BUMDes has had a significant positive impact. BUMDes helps reduce poverty and improves community welfare through various managed business units. After several years of operation, BUMDes has provided tangible benefits to the village community.

3.1. Results of interviews with the Head of Slealale Village

"So far, the collaboration between the BUMDes management and the community has been going very well. BUMDes is a social institution that strongly prioritizes the welfare of the community. Up to this point, the community has shown a good understanding of BUMDes management. The operation of BUMDes is entirely entrusted to the village community and is carried out without regard to group, ethnicity, or religion. Since its establishment, BUMDes has operated effectively, efficiently, and with shared responsibility from the government. Currently, the BUMDes initiatives include a village-

owned transportation vehicle, motorcycles, Tossa, and a kiosk. The implementation of BUMDes Fudeslamat in Slealale Village has led to an increase in village income, and the needs of the community, which were previously unmet, are now being gradually fulfilled." (Informant A, 2024).

3.2. Results of interviews with the Chairman, Secretary, and Treasurer of BUMDes

"The interview with the Chairperson, Secretary, and Treasurer of the Village-Owned Enterprise (BUMDes) reveals positive insights. The collaboration between the village government and the BUMDes management remains excellent. BUMDes acts as a social institution that benefits the community, evidenced by its significant assistance to villagers. The community has not only benefited from but also understood the concept of BUMDes. Established and operated collaboratively by the community and the government, BUMDes transcends differences in ethnicity, religion, and race. Financial transparency is maintained, with results displayed on information boards and shared during development planning meetings (Musrenbang). Since 2018, funding has been allocated effectively: an initial capital of IDR 180 million was used to purchase a vehicle; in 2019, the second phase of IDR 66 million funded agricultural seeds (vegetables, long-term crops, fertilizers, and other necessities); and in 2020, the third phase of IDR 85 million from village funds was used to buy goods for kiosk businesses. These BUMDes initiatives have greatly supported the community's daily activities. For example, people who previously struggled to access markets due to a lack of transportation can now visit markets daily. Many other positive impacts have been felt by the community through the presence of BUMDes." (Informant B, C, D, 2024)

3.3. Interviews with the community

"The interview with community members revealed their perspectives on the Village-Owned Enterprise (BUMDes). Both responded similarly: "The collaboration between the BUMDes management and the village government is not good. BUMDes itself does not represent us as ordinary citizens. During distributions, such as necessities or long-term plants like cloves and nutmeg, they always favour their families, leaving other community members without access to the distributed items. Furthermore, the community has expressed dissatisfaction regarding the assistance provided by the village government and BUMDes management." (Informant E, F, 2024).

DISCUSSION

This study's results align with the findings obtained during the direct research process in Slealale Village regarding the role of Village-Owned Enterprises (BUMDes) in community empowerment. The data presented and analyzed are based on relevant theories that support the research topic. The focus of the discussion includes:

4.1. The Role of Village-Owned Enterprises (BUMDes) in Community Empowerment in Slealale Village

The study results indicate that BUMDes is the primary driver in exploring village potential to be managed into business programs that support local economic growth. BUMDes Fudeslamat in Slealale Village strengthens the village's economic turnover and becomes a reference for improving community welfare through entrepreneurship development. The role of BUMDes in community empowerment is realized through easy community access to the facilities provided, which creates new jobs and becomes a forum for community business development.

Business programs managed by BUMDes include providing cars, tosa, motorbikes, Jonson boats, and kiosks. In addition, BUMDes also contributes to increasing village income, which is used for shared needs. The business units run have proven to have a positive impact, helping village communities to be independent and improving their standard of living. The village government hopes that the existence of BUMDes Fudeslamat can strengthen village economic development as a whole, as mandated by the Ministry of Villages, Development of Disadvantaged Regions, and Transmigration of the Republic of Indonesia (2015), Regulation of the Minister of Villages Number 4 of 2015 regulates the establishment, management, and administration of Village-Owned Enterprises (BUMDes) in Indonesia;

- 1) Improving the village economy.
- 2) Optimizing village assets for community welfare.

- 3) Improving community businesses through managing village economic potential.
- 4) Developing business cooperation between villages or with third parties.
- 5) Opening up opportunities and market networks that support community needs.
- 6) Opening up employment opportunities.
- 7) Improving community welfare through equitable economic growth.
- 8) Increasing the village's original income.

BUMDes, as a rural economic organization, is a strategic instrument for strengthening the local economy by utilizing various village potentials. In the context of Slealale Village, BUMDes Fudeslamat manages economic resources effectively to increase village competitiveness. For example, since 2018, BUMDes has used initial funds of IDR 180 million for business development, such as purchasing a car that year, providing vegetable seeds, fertilizer, cloves, and nutmeg in 2019, and procuring necessities for kiosk businesses in 2020.

The results of this study are supported by several previous studies showing that Village-Owned Enterprises (BUMDes) significantly contribute to empowering the economy of rural communities. Hailudin (2021), in his research, revealed that the existence of BUMDes can create new business opportunities while improving community welfare. A case study in Sleman Regency shows that BUMDes plays a role in absorbing local labour and optimizing the economic potential of the village—furthermore, research by Salihin (2021). Central Lombok Regency also found that business programs managed by BUMDes, such as trade and services, increased the village's original income and created new jobs. They emphasize that BUMDes can be a driving force for sustainable village development.

Research by Nurhasan, & Munawar, (2020). Supports this finding by showing that professional BUMDes management can increase community income and maximize local economic potential. Their study in West Java highlights the importance of community involvement in decision-making to ensure the sustainability of the BUMDes program. This research further strengthens what Pradnyani (2019) and Riyanti (2021) stated: that the existence of BUMDes contributes positively to improving community welfare and village income. This shows that BUMDes plays an important role in realizing independent village development, where people can manage the village economy without relying entirely on government assistance.

4.1. Research Implications

This study provides important insights into the strategic role of Village-Owned Enterprises (BUMDes) in empowering communities in remote areas, especially Slealale Village. The success of BUMDes Fudeslamat shows that a community participation-based approach can improve socio-economic welfare and create new job opportunities. These findings reference government policies in designing village empowerment models based on local potential management oriented towards sustainability and poverty reduction. In addition, the BUMDes management strategy, which is transparent and actively involves the community, can be replicated in other areas with similar conditions.

4.2. Research Limitations

This study is limited to the geographical and cultural context of Slealale Village, so the results need to be more generalizable to other areas with different characteristics. In addition, using a qualitative approach provides depth of analysis but needs more measurable quantitative data. Data collection also relies on interviews that may contain subjective bias from informants. For further research, it is recommended to expand the geographical and cultural context by conducting similar studies in other regions with different characteristics to test the relevance of the findings and enrich generalizations. Quantitative approaches can also be integrated through surveys or structured questionnaires to produce more measurable data and support the validity of the results. In addition, statistical techniques for data analysis, such as regression or cluster analysis, can be utilized to provide a deeper understanding of the relationships between variables.

CONCLUSION

This study concludes that BUMDes Fudeslamat plays a significant role in community empowerment through effective management of local resources. Despite facing challenges in transparency and

inclusion, BUMDes' existence has helped reduce unemployment and increase community income. With a participatory approach, BUMDes can create sustainable positive impacts, making it a relevant village empowerment model in Indonesia's local economic development context. Efforts to increase managerial capacity and strengthen collaboration with various parties are needed to improve BUMDe's performance in the future.

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