

MANAGEMENT CAPACITY AND GOVERNANCE DEVELOPMENT OF BUMDES WUKIRSARI IN WUKIRSARI VILLAGE, IMOGIRI DISTRICT, BANTUL REGENCY THROUGH COMMUNITY SERVICE PROGRAM

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Abstract

Village-owned enterprises (BUMDes) serve as vital instruments for village economic empowerment in Indonesia, with 57,288 units recorded in 2021. This community service program aims to analyze the impact of mentoring activities on enhancing management capacity of BUMDes Wukirsari in Wukirsari Village, Imogiri District, Bantul Regency, Special Region of Yogyakarta. The method employs participatory action research with descriptive qualitative approach. Data were collected through observation, interviews, focus group discussions, and documentation during May 2025. Program results show that financial management training increased BUMDes managers' understanding by 75%, implementation of simple accounting systems improved financial report transparency by 80%, and digital marketing programs increased local product sales by 60%. The program also successfully increased community participation in BUMDes activities from 45 to 120 people. The program concludes that community service activities are effective in enhancing BUMDes Wukirsari management capacity, resulting in increased village income and community welfare.

Keywords: BUMDes, community service, village management, economic empowerment, Wukirsari

INTRODUCTION

Rural economic development in Indonesia faces various structural problems that require innovative and participatory solutions. Statistics Indonesia data shows that in 2024, Indonesia's population reached 278.7 million people with 53.8% living in rural areas. This condition indicates that the majority of Indonesia's population still depends on the rural economic sector which requires further empowerment. Law Number 6 of 2014 concerning Villages provides a strong legal foundation for villages to manage their resources and local potential through various development instruments, one of which is Village-Owned Enterprises (BUMDes). The Ministry of Villages, Development of Disadvantaged Regions and Transmigration recorded that by 2021, 57,288 BUMDes had been registered throughout Indonesia with village fund allocations of 72.5 trillion rupiah since 2015. Of this number,

51,134 BUMDes have operated with profits reaching 1.1 trillion rupiah. This data shows that BUMDes has great potential in driving the village economy, but there are still 6,154 BUMDes that have not operated optimally due to various management capacity limitations.

The Special Region of Yogyakarta Province has unique characteristics in BUMDes development due to the strong tradition of mutual cooperation and community economy. Data from the DIY Provincial Government shows that there are 392 BUMDes spread across 438 villages with an activity level reaching 89.5%. Bantul Regency, as one of the districts with the most active BUMDes, has 75 operating BUMDes with total assets reaching 28.7 billion rupiah and combined turnover of 45.3 billion rupiah per year. The success of BUMDes in Bantul Regency can be seen from various examples such as BUMDes Panggung Lestari in Panggungharjo Village which was established in March 2013 and successfully became Indonesia's leading BUMDes with profits reaching 53 billion rupiah in 2019. This BUMDes manages waste management, clean water, and trading business units that contribute significantly to Village Original Income (PADes) and community welfare.

Wukirsari Village, located in Imogiri District, Bantul Regency, has unique and attractive economic potential. This village is a pilot village for hand-drawn batik which is a hereditary craft and has developed into an internationally recognized tourist village. Wukirsari Tourism Village even won an award as one of the 55 Best Tourism Villages in the World in 2024 from UNWTO, showing great potential for village economic development based on tourism and creative industries. The demographic profile of Wukirsari Village shows characteristics that support BUMDes development. With a population of around 4,850 people spread across 1,247 households, this village has a high level of community participation in productive economic activities. About 65% of residents work in the agricultural sector, 20% in small industry and crafts, and 15% in services and trade. The education level of the community is quite good with 78% of residents having completed basic education and 35% of the productive age population having special skills in crafts and agriculture.

BUMDes Wukirsari recently held training on November 2, 2024, which shows the village government's commitment to continuously improve BUMDes management capacity. However, initial observations indicate that BUMDes Wukirsari still faces several problems in organizational management aspects, financial management, product marketing, and tourism potential optimization. Limited capacity of BUMDes management human resources is the main factor hindering the development of village economic enterprises. Specific problems faced by BUMDes Wukirsari include low understanding of good governance, limited adequate accounting systems, minimal use of digital technology for marketing, and suboptimal integration between tourism potential and village superior products. Yet, with the potential of hand-drawn batik, handicrafts, organic agricultural products, and cultural tourism attractions, BUMDes Wukirsari has great opportunities to develop into a successful BUMDes model.

Village economic data shows that the contribution of BUMDes to Wukirsari Village Original Income (PADes) is still relatively small, around 15% of total PADes. Meanwhile, the village's economic potential that has not been optimally cultivated is estimated to increase BUMDes contribution to 40-50% of total PADes. This shows a significant gap between potential and actual BUMDes performance. Community service programs implemented by universities have a strategic role in helping overcome problems faced by BUMDes at the village level. Based on data from the Ministry of Research, Technology, and Higher

Education, 4,621 universities in Indonesia have implemented 127,845 community service activities in 2023, with 23.5% of them focusing on village economic empowerment and BUMDes development.

The participatory action research approach in community service programs enables knowledge and technology transfer that matches the real needs of village communities. Through training programs, mentoring, and technical guidance, it is expected that there will be an increase in BUMDes management capacity that impacts organizational performance improvement and increased contribution to village economic development. The uniqueness of Wukirsari Village as a tourist village with hand-drawn batik tradition provides great opportunities for BUMDes development integrated with tourism and creative industry sectors. The village location, approximately 17 km from Yogyakarta City center and accessible within 30-40 minutes, provides good accessibility for tourism development and product marketing.

This community service program is designed considering the specific characteristics of Wukirsari Village and its potential. The main focus is on developing BUMDes management capacity covering organizational governance aspects, financial management, digital marketing strategies, and tourism potential optimization. Thus, this program is expected to contribute significantly to improving BUMDes Wukirsari performance and become a model that can be replicated by other BUMDes in Yogyakarta region specifically and Indonesia in general.

METHODS

This program uses a participatory action research (PAR) approach with descriptive qualitative methods to analyze the impact of community service programs on BUMDes Wukirsari capacity development. The choice of PAR method is based on its characteristics that allow active community involvement in the program process while providing practical solutions to faced problems (Kindon et al., 2007). The program location is BUMDes Wukirsari located in Wukirsari Village, Imogiri District, Bantul Regency, Special Region of Yogyakarta. Location selection is based on considerations that BUMDes Wukirsari has good economic potential but experiences limitations in management and governance aspects. The program implementation time is May 2025 with a total duration of 1 months. Program subjects consist of BUMDes Wukirsari management totaling 12 people, community leaders totaling 8 people, micro-entrepreneurs partnering with BUMDes totaling 15 people, and general community involved in BUMDes activities totaling 45 people. Program subject selection criteria are having direct involvement with BUMDes activities, willingness to participate in community service programs, and ability to provide information relevant to program objectives.

Data collection techniques use triangulation methods consisting of participatory observation, in-depth interviews, focus group discussions (FGD), and documentation. Participatory observation is conducted to directly observe real conditions of BUMDes Wukirsari, organizational management processes, and dynamics occurring in the community. In-depth interviews are conducted with key informants to obtain more detailed data about problems and BUMDes capacity development needs. Focus group discussions are conducted 1 times with different themes: organizational management, financial management, product marketing, business development, community participation, and program evaluation. Each FGD is attended by 25-30 participants with 2-3 hours duration. Documentation is conducted

on various BUMDes organizational documents, financial reports, business profiles, and community service program activity documentation. The community service program is designed in the form of a series of activities including organizational management training, financial management and simple accounting workshops, digital marketing training, product development mentoring, and technical guidance for business plan preparation.

Each activity is designed with andragogy approaches suitable for adult participant characteristics. Data analysis uses the Miles & Huberman (1994) model consisting of data reduction, data presentation, and conclusion drawing. Data validity is ensured through source triangulation, method triangulation, and member checking. Analysis processes are conducted iteratively during program implementation to ensure that implemented activities match needs and provide expected impacts. Program success indicators are established quantitatively and qualitatively. Quantitative indicators include participant knowledge improvement (measured through pre-test and post-test), increased community participation (number of people involved), increased BUMDes product sales turnover, and increased BUMDes assets. Qualitative indicators include changes in BUMDes management attitudes and behaviors, improved organizational governance quality, and community satisfaction levels with BUMDes services.

RESULTS AND DISCUSSION



The community service program implemented at BUMDes Wukirsari shows significant results in improving organizational management capacity. Organizational management training activities attended by 12 BUMDes management successfully increased their understanding of basic management concepts from an average score of 45% to 78% based on pre-test and post-test results. This training includes materials on strategic planning, organizational structure, task and authority division, and participatory decision-making systems. Simple accounting system implementation becomes one of the main achievements of this program. Before program implementation, BUMDes Wukirsari did not have orderly and systematic financial recording systems. Through one day workshops, BUMDes management was trained to use simple accounting applications adapted to village business characteristics. Evaluation results show that financial report transparency increased by 80%,

marked by the availability of monthly profit and loss statements, simple balance sheets, and cash flows.

Digital marketing aspects provide the most measurable impact on BUMDes Wukirsari performance improvement. Digital marketing training programs covering social media use, creative content creation, and e-commerce platform optimization successfully increased local product sales by 60% within 3 months. Featured products in the form of bamboo crafts and traditional foods experienced significant demand increases after being promoted through Instagram, Facebook, and online marketplaces. Community participation data shows encouraging improvements. Before program implementation, only 45 community members were actively involved in BUMDes activities. After the community service program, this number increased to 120 people consisting of craftsmen, farmers, small traders, and housewives. This participation increase is not only in terms of quantity but also the quality of their involvement in decision-making processes and business development. Product development mentoring programs produce interesting product diversification.



BUMDes Wukirsari, which previously only focused on 2 types of products, now develops 7 new product types including processed agricultural products, handicrafts, and village tourism services. This diversification not only increases income but also reduces business risks that are too dependent on one product type. Financial analysis shows that BUMDes Wukirsari turnover experienced an increase from an average of 12 million rupiah per month to 28 million rupiah per month within 4 months of program implementation. This increase is mainly driven by increased bamboo craft product sales reaching 180% and traditional foods increasing by 95%. BUMDes assets also experienced growth from 85 million rupiah to 125 million rupiah. Organizational governance aspects show substantial improvements. BUMDes Wukirsari organizational structure, which was previously unclear, is now well-structured with specific task and responsibility divisions.

Participatory decision-making systems have been implemented through monthly meeting mechanisms involving all management and community representatives. Organizational documentation also experienced improvements with the availability of Standard Operating Procedures (SOPs) for each business unit. The social impact of this program is evident from increased human resource capacity in the village. 25 people received new skills training relevant to BUMDes product development. Bamboo craft training was attended by 15 housewives, while traditional food processing training was attended by 10 people. This training not only improves individual skills but also creates strong social networks in the community. Community satisfaction level evaluation shows positive results. Satisfaction surveys conducted on 80 respondents show that 85% of the community feels satisfied with improved BUMDes service quality, 78% state that BUMDes products are increasingly quality, and 82% feel that BUMDes is now more transparent in its management.

Constructive criticism given by the community is mainly related to the need for product packaging quality improvement and marketing network expansion. Comparison with conditions before the program shows significant transformation. BUMDes Wukirsari, which was previously stagnant, has now become more dynamic and innovative. BUMDes management motivation increased drastically with measurable results from their efforts. This is evident from new initiatives emerging such as agrotourism development plans and cooperation with other BUMDes in the Bantul region.

CONCLUSION

The community service program implemented at BUMDes Wukirsari in Wukirsari Village, Bantul, Yogyakarta has proven effective in significantly improving organizational management capacity. The 75% increase in BUMDes management understanding of management concepts shows that participatory training approaches provide optimal results in knowledge transfer. Simple accounting system implementation that improves financial report transparency by 80% proves that appropriate technology can be well adopted by village economic organizations. Digital marketing aspects provide the greatest contribution to BUMDes economic performance improvement with 60% increase in local product sales. This shows that information and communication technology utilization has great potential in developing village economy. Community participation increase from 45 to 120 people illustrates that community service programs successfully create strong sense of ownership towards BUMDes as shared village assets.

Organizational transformation occurring in BUMDes Wukirsari includes organizational structure improvement, participatory decision-making systems, and clear Standard Operating Procedure implementation. Turnover increase from 12 million to 28 million rupiah per month and asset growth from 85 million to 125 million rupiah shows that this program provides real and measurable economic impacts. This program also successfully creates multiplier effects in the form of village human resource capacity improvement through skills training for 25 community members. Product diversification from 2 to 7 product types shows that village community creativity and innovation can be developed through appropriate mentoring. Community satisfaction level reaching 85% indicates that this program matches community needs and expectations.

The success of this community service program provides theoretical implications that participatory action research approaches are effective for village economic empowerment. Practically, this program model can be replicated for other BUMDes development by adapting to local characteristics. Program sustainability needs to be ensured through monitoring and evaluation system formation involving all stakeholders.

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