

The Role of Village-Owned Enterprises (BUMDes) in Increasing Village Original Income (PADes) and Community Welfare of South Montong Baan Village, East Lombok Regency

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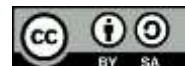
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ABSTRACT

This research aims to (1) find out the role of BUMDes in improving PADes (2) to find out the role of BUMDes in improving community welfare. The research approach used in this study is quantitative descriptive with data sources sourced from primary and secondary data. Data analysis techniques (1) the role of BUMDes on PADes using contribution analysis (2) the role of BUMDes on community welfare using the standard of community welfare indicators according to the Central Statistics Agency 2005. The results of the study show that the role of BUMDes in improving PADes and Community Welfare in South Montong Baan Village has been quite successful in improving the welfare of the community, 77% of the community (customers) are classified as families with a high level of welfare after joining BUMDes, while the results of the contribution analysis show that the contribution of BUMDes to PADes is included in the very low contribution criterion, which is <10%. To increase the role of BUMDes, the steps that the village government must take are to be more active in providing socialization related to BUMDes and related to SHU distribution regulations that need to be updated.

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1. INTRODUCTION

Rural development is one of the efforts to increase the original income of villages in Indonesia. Therefore, development in increasing rural economic income needs to be prioritized. In addition, rural development as an effort to increase the original income of the village, and community welfare can be seen as a program in rural development efforts that can be planned.

Economic growth in rural areas is considered slow compared to economic growth in urban areas. Village development

in disadvantaged areas has long been one of the government's agendas as a goal in realizing national development because the village is the smallest unit of a country's government which makes the benchmark for success in a country that must be prosperous, in addition, villages still dominate the poverty that occurs in Indonesia. navel. Therefore, it is hoped that the government can implement a new approach and then it is hoped that the new approach will be able to encourage and revive the rate of economic growth in rural areas.

The village government has a very important role, especially in an effort to create conditions that can motivate the development of ideas and community resources in the countryside which is carried out through development advice, direction to the community. Participation in development and distribution of village community expectations to improve development activities in rural areas. Rural development is shown for village development which involves the use of developed resources to increase development involvement relationships between sectors (trade, agriculture, and industry) between villages, strengthening overall national development [1].

According to Rahardjo [2], development carried out in rural areas has an important role because 70% of Indonesian people live in rural areas. Therefore, development that takes place in the countryside must continue to be developed by developing human resources located in the countryside so that it is expected to be able to provide ideas, ideas and participate in active roles in community activities, the village government and the community have an obligation to manage the potential resources owned by the village.

As a form of support to realize rural development as an effort to improve the welfare of the community, the government provides financial assistance as stipulated in the Village Law No. 6 of 2014 which is required for community development and empowerment. With the existence of village funds, it is hoped that it will be able to have a great impact on the physical development of the village and community empowerment so that community welfare is created. One of them is by allocating village funds for the capital of Village-Owned Enterprises (BUMDes) Wiratna et.al [3]. By managing BUMDes is a solution in increasing Village Original Income (PADes) and community welfare through the potential of natural resources and human resources owned by the village.

Village-Owned Enterprises (BUMDes) is a business institution established by the village government engaged in the management of assets and economic resources owned by the village which aims to improve the economy of the village community because with the existence of BUMDes the village community has business opportunities and the creation of village economic independence and is expected to increase the Village Original Income (PADes) so that the economy of the rural community is increasing and the creation of community welfare [4].

Regulations on BUMDes are regulated in Government Regulation No. 11 of 2021 concerning BUMDes. With the existence of this Government Regulation, the Ministry of Villages PDPT issued Regulation of the Minister of Villages PDT No. 3 of 2021 concerning the acquisition, data collection, and ranking, coaching and development, and procurement of goods and/or services of Village-Owned Enterprises in Indonesia in carrying out their role as economic drivers in villages. Villages have the right to manage and explore the potentials of the village. In East Lombok Regency, Sikur District, precisely in South Montong Baan Village, is one of the villages that formed (BUMDes) as one of the efforts to increase Village Original Income and Community Welfare. South Montong Baan Village has various kinds of agricultural, farming, and trade potentials that indeed some of this potential has not been managed optimally. South Montong Baan Village is the majority (70%) of the community with a livelihood as farmers, with agricultural commodities produced in the form of rice, crops, corn, soybeans and tobacco. While the rest make a living as traders, livestock, employees and some of the people make a living as TKW/TKI.

Before the formation of BUMDes, people were more interested in working outside the region and abroad because there were no jobs and the lack of ability to manage the potentials of existing resources, and for farmers only relying on agricultural products, for traders in developing their businesses, the

capital of traders was carried out by borrowing loans at banks or loan sharks which in the system of interest rates were very high so that they could hinder the developing his business and the additional income obtained is low. As a solution to the problems faced by the community, the village government has made one of the programs that is expected to bring change, namely by establishing a Village-Owned Enterprise in 2017 called Cahaya Mandiri Village-Owned Enterprises (BUMDes). The Village Government provides capital to BUMDes Cahaya Mandiri in the form of cash of IDR 5,660,000 and a bank account of IDR 151,297,596 as initial capital in carrying out economic activities and businesses run in BUMDes

Based on the results of the initial observations made, that of the various types of businesses that have indeed been programmed by BUMDes in the business unit, it turns out that there are several business units that are not running well The business units that are still running in BUMDes Cahaya Mandiri until now are in the field of crediting economics (goods credit), savings and loans, while business units in the field of leasing are still not able to be run properly, In making loans or discounts (credit for goods) at BUMDes Cahaya Mandiri, the person in charge is given to the Regional Head (Kawil) of each hamlet for the loan.

The existence of BUMDes Cahaya Mandiri has an effect on increasing Village Original Income (PADes). Village Original Revenue (PADes) is the entire income in the form of money generated from the village account which is the right in one budget year and the village has no obligation to pay back (updesa.com). The presence of Cahaya Mandiri Village-Owned Enterprises (BUMDes) is in order to increase Village Original Income (PADes) and improve Community Welfare which is based on the potential resources and needs of the Village. Apart from business results (BUMDes), the original source of income for South Montong Baan Village comes from the results of village

assets, namely the management of village treasury land (Pecatu).

The details of BUMDes Cahaya Mandiri's revenue for the last 5 years from 2018-2022, where in 2018 BUMDes revenue amounted to IDR 30,400,000, then there fluctuated for 4 years and became IDR 40,475,000 in 2022 with an average annual revenue growth of 7.4%. (SHU BUMDes Cahaya Mandiri in 2018-2022).

Based on the amount of revenue received by BUMDes Cahaya Mandiri, the author wants to know what the role of BUMDes Cahaya Mandiri is, so the author is interested in conducting research with the title "The Role of Village-Owned Enterprises (BUMDes) Cahaya Mandiri on Village Original Income (PADes) and Community Welfare in South Montong Baan Village, Sikur District, East Lombok Regency".

2. LITERATURE REVIEW

2.1 Village-Owned Enterprises (BUMDes)

According to article 1 paragraph 6 of Law Number 6 concerning villages, Village-Owned Enterprises (BUMDes) are business entities whose entire capital is owned by the village which is accompanied directly by the source of the village's wealth which is set aside and then used to manage assets, services, and other businesses to create the welfare of the village community [6].

2.2 Purpose of Establishment of BUMDes

The establishment of Village-Owned Enterprises (BUMDes) according to articles 2 and 3 of Pemendes article number 4 of 2015 is an effort to accommodate all activities in the field of economy or public services managed by villages or cooperation between villages. The establishment of village-owned enterprises aims to:

- 1) Improving the village economy and the economy of the village community
- 2) Optimizing assets owned by villages so that they can be used for the welfare of the village community

- 3) Increasing the efforts of the village community in managing the potential of economic resources in the village
- 4) Creating expectations and market networks that can support the needs of public services
- 5) Creating jobs
- 6) Increase the income of the village community and the original income of the village
- 7) Improving community welfare through improving public services and leveling the village economy.

2.3 Village Original Income (PADes)

Based on the Law of the Republic of Indonesia Number 6 of 2014 states that village original income (PAD) is income derived from village authority based on the right of origin and authority of the village on a local scale. According to the provisions of Law Number 6 of 2014 concerning villages, Article 71 Paragraph (1) Village finance is all village rights and obligations that can be valued in money and everything in the form of money and goods related to the implementation of village rights and obligations.

2.4 Village Original Income Groups (PADes)

According to Law No. 6 of 2016 Article 72, Village Original Income consists of business results, asset results, self-help, participation and mutual cooperation and other Village Original Income.

2.4.1 Business Results

According to Pemendagri Number 20 of 2018 Article 12, business results include BUMDes profit sharing, business results consist of:

- a. BUMDes Results
- b. Village Treasury Land Products
- c. Share of profit from capital participation in State-owned companies/State-Owned Enterprises
- d. Share of profits from capital participation in Regional-owned companies/Regional-Owned Enterprises
- e. Profit from capital participation in privately owned companies or community business groups
- f. Other legitimate village businesses.

2.4.2 Asset Yield

According to Pemendagri Number 20 of 2018 Article 12, the proceeds of intermediate assets are: village treasury land, boat moorings, village markets, public baths, irrigation networks, and other asset proceeds in accordance with authority based on the rights of origin and local authority on a village scale.

2.4.3 Self-Help, Participation, and Mutual Cooperation

According to Pemendagri Number 20 of 2018 Article 12, Swadaya, participation and mutual cooperation are receipts that come from donations from village communities. The results of self-help, participation, and mutual cooperation consist of the following objects:

- a. Self-help and participation in the form of goods
- b. Self-help and participation in the form of energy
- 1) Other Original Village Income

According to Pemendagri Number 20 of 2018 Article 12, other villagers' original income includes the results of village levies. Other Village Original Income (PADes) consists of the following objects:

- a. Village levy
- b. The proceeds of the sale of undivided village wealth
- c. Current account services/bank interest income
- d. Receipt of commissions, deductions or other forms as a result of the sale and/or procurement of goods and/or services by the village
- e. Acceptance of village compensation claims
- f. Income from social facilities and public facilities
- g. Receipt of voluntary contributions from the community

2.5 Community Welfare

According to the Great Dictionary of the Indonesian Language (KBBI), welfare comes from the word prosperous which means safe sentosa, peace and safety from various types of disturbances. Welfare is an individual who during his life is free from

poverty, deprivation, ignorance, fear, and worry so that in his life he is given comfort and peace both physically and mentally.

2.6 Community Welfare Standards

The welfare standards set by the Central Statistics Agency (2005) have eight indicators including:

1) Income

Income is income obtained from the income of the head of the family in the household, both from fathers, mothers, and children. The income is then allocated to meet the needs of clothing, food, and boards as well as other needs. Revenue measurement can be classified into three parts, namely:

- a) High (Rp.>5,000,000)
- b) Medium (Rp. 1,000,000-Rp.5,000,000)
- c) Low (< Rp.1,000,000)

2) Household consumption and expenditure

In this period, there is a growing understanding that the level of welfare of a household can be determined by the proportion of total household expenditure spent on food consumption. The large proportion of household expenditure on food shows that households have low incomes. The higher the household income level, the lower the proportion of total household expenditure spent on food. In other words, a household or family will be better off if the portion of expenditure on food is much lower than the portion of expenditure on non-food. Based on the level of welfare, indicators of the level and consumption patterns of the Central Statistics Agency, the category of food expenditure is divided into three parts, with the following criteria:

- a) High (Rp.>5,000,000)
- b) Medium (Rp. 1,000,000-Rp.5,000,000)
- c) Low (< Rp.1,000,000)

3) Residence

Residence is one of the assessments in the public welfare standard which is assessed to consist of 5 items, namely the roof of the house, walls, home ownership status, floor and floor area. Of the 5 items, they are then classified into 3 criteria, namely:

a) Stay

The criteria for permanent residence are assessed by the quality of the walls, roof and floor. A house building is said to be permanent if the walls are made of high-quality walls/wood, then the floor is made of high-quality tiles/wood and the roof is made of zinc/tiles/shingles/asbestos (BPS, 2012)

b) Semi-Permanent

Semi-permanent houses are houses whose walls are half walls/bricks without plaster/low-quality wood, then made of low-quality tiles/wood/cement and the roof is zinc/tiles/shingles/asbestos (BPS, 2012)

c) Non Permanen

A non-permanent house is a house whose walls are very simple, namely made of bamboo/boards/leaves, the floor is made of soil and the roof is made of leaves or a mixed roof of zinc/used tiles and the like (BPS, 2012).

4) Residential Facilities

The residential facilities assessed consist of 12 items, namely from the yard, electronic devices, coolers, lights, owned vehicles, fuel for cooking, clean water sources, drinking water facilities, how to get drinking water, drinking water sources, toilet facilities (bathing, washing, toilets), and the distance from home. Of the 12 items, they are then classified into 3 criteria, namely:

- a) Complete
- b) Sufficient
- c) Less

5) Ease of Access to Health Services

The ease of accessing health services consists of 5 items, namely the distance to the nearest hospital, the distance to the drug store, the handling of medicines, the price of medicines, and contraception tools. Of the 5 items, they are then classified into 3 criteria, namely:

- a) Easy
- b) Sufficient
- c) Difficult

6) Family Member Health

Health is one of the important indicators of the quality of human development in a region, the healthier the state of a society, the more the development process and dynamics will be supported, so that the economy of a country or region will

be better. In the end, the results of economic activities will still be achieved despite the high productivity level of the local population. Health indicators of family members are classified into 3 criteria, namely:

- a) Good (>25% often sick)
- b) Sufficient (25% - 50% often sick)
- c) Less (< 50% are sick frequently)

7) Ease of Putting Children in Education

Education is the activity and effort of a human being to improve his personality through the development of his personal or spiritual potential (thinking, spontaneity, feelings, creativity, conscience). Education refers to the institution responsible for establishing the philosophy (goals), content, and system of education, and the organization of education. The indicator of the ease of enrolling children in education consists of 3 factors, namely school fees, school distance, and the admission process. Of the three items, they are classified into 3 criteria, namely:

- a) Easy
- b) Sufficient
- c) Difficult

8) Ease of Getting Transportation Facilities

The ease of getting transportation facilities consists of 3 items, namely vehicle costs, vehicle facilities, and vehicle ownership status. Of the 3 items, they are then classified into 3 criteria, namely:

- a) Easy
- b) Sufficient
- c) Difficult

3. METHODS

This type of research is field research using a quantitative descriptive approach. According to Sugiono [5], quantitative research is research that uses a certain sample or population, in data collection research instruments are needed, and data analysis is quantitative or statistical. Meanwhile, according to Sugiono, the descriptive approach is a method that displays an image that is then used to analyze the results of the research and is not used for broad decision-

making. The data collection techniques in this study were carried out by documentation, interviews, and observations. The type of data used in this study is primary data obtained from respondents who are customers and village officials as well as BUMDes administrators and secondary in the form of documents, literature, internet, journals and other sources. The analysis used in this study is quantitative descriptive using simple statistics. To find out the role of Village-Owned Enterprises (BUMDes) on Village Original Income (PADes), contribution analysis was used, while to find out the role of Village-Owned Enterprises (BUMDes) on Community Welfare, analysis was used by looking at community welfare indicators according to BPS (2005).

4. RESULTS AND DISCUSSION

Existing tables or figures are presented with sufficient explanations and by including numbers and titles. Complete the existing tables and figures by writing the source under each table/figure. The table is created without a vertical border. Example table.

Based on the research that has been carried out, the results of the research were obtained in the form of data on all variables to be studied, namely Village-Owned Enterprises (BUMDes) as variable X and Village Original Income (PADes) as variable Y1 and community welfare as variable Y2. The data that has been obtained is then analyzed using simple statistical analysis. The analysis used to see the role of BUMDes in PADes is used contribution analysis, which can be calculated by dividing the part of the remaining business results (SHU) of BUMDes with the realization of PADes in 2018-2022 and then multiplied by 100%. The analysis used to understand the role of BUMDes in community welfare was used by looking at community welfare indicators according to BPS (2005) The researcher used BUMDes customers as respondents. The respondents in this study were 21 Cahaya Mandiri BUMDes customers in 2022.

4.1 Analysis of BUMDes' Contribution to PADes

Based on the contribution analysis formula, it can be seen that the contribution of BUMDes to PADes can be calculated by dividing the part of the remaining business results (SHU) of BUMDes with the realization of PADes then multiplied by 100%.

$$\text{Contribution} = \frac{\text{Bagian dari (SHU)}}{\text{Realisasi PADes}} \times 100\%$$

After finding the percentage of the calculation results, then the next step is to classify the results using the classification of attribution criteria.

Table 1. Classification of BUMDes Percentage Contribution

It	Percentage	Criterion
1	< 10%	Very less
2	10,10% - 20%	Less moderate
3	20,10% - 30%	Keep
4	40,10% - 50%	Pretty good
5	>50%	Excellent

Then based on the criteria, it can be concluded that the higher the contribution calculation results, the level of contribution of BUMDes to PADes is said to be very good or high, and vice versa, if the percentage produced is low, then the contribution of

BUMDes to PADes is said to be very low or low. The following is the calculation of the business profit sharing (SHU) of BUMDes Cahaya Mandiri in contributing to the Village Original Income (PADes) in South Montong Baan Village in 2018-2022.

Table 2. BUMDes' Contribution to PADes in South Montong Baan Village in 2018-2022

Year	SHU BUMDes	Realization PADes	Result Contribution	Criterion
2018	IDR 3,040,000	IDR 28,000,000	10,85%	Less Moderate
2019	IDR 3,252,000	IDR 35,200,000	09,25%	Very Less
2020	IDR 3,662,400	IDR 21,354,000	17,15%	Less Moderate
2021	IDR 4,870,300	IDR 53,000,000	09,18%	Very Less
2022	IDR 4,047,500	IDR 50,200,000	08,06%	Very Less

Source: APBDes (processed)

Based on the above, it can be seen that the realization of BUMDes to PADes has fluctuated. After an analysis of the contribution of BUMDes to PADes Montong Baan Selatan in 2018-2022.

Based on the results of the calculation, it was obtained that the contribution of BUMDes in increasing PADes in 2018-2022. Where in 2018 it was 10.85% with very low criteria, in 2019 the contribution of BUMDes was 09.25% with less moderate criteria, in 2020 it increased to 17.15% The increase in

PADes revenue from BUMDes this year was due to the fact that the source of PADes revenue was only sourced from the results of village assets and BUMDes profit sharing, then in 2021 the contribution of BUMDes decreased to 09.18% with very low contribution criteria, and in 2021 the contribution of BUMDes again experienced a slight decrease from the previous year, which was 08.06% with very low contribution criteria.

4.2 Analysis of Community Welfare Indicators

Based on the Indicators according to the Central Statistics Agency (2005) to determine the role of BUMDes Cahaya Mandiri on the level of community welfare in South Montong Baan Village using 8 approaches including: Income, Consumption or household expenses, housing conditions,

housing facilities, health of family members, ease of health services, ease of sending children to the education level, and ease of getting transportation facilities. Then from the 8 indicators, each is reclassified into 3 criteria and given a score according to the criteria.

Table 3. Community Welfare Indicators

It	Welfare Indicators	Criterion	Score
1	Income	<ul style="list-style-type: none"> • High income level (> Rp 10,000,000) 3 • Medium income level (IDR 5,000,000-10,000,000) 2 • Low income level (< 5,000,000) 1 	
2	Household consumption and expenditure	<ul style="list-style-type: none"> • High consumption level (Rp > 5,000,000) 3 • Medium consumption level (Rp 1,000,000-5,000,000) 2 • Low consumption rate (Rp < 1,000,000) 1 	
3	Housing conditions	<ul style="list-style-type: none"> • Stay 3 • Semi-permanent 2 • Non permanen 1 	
4	Residential facilities	<ul style="list-style-type: none"> • Complete 3 • Enough 2 • Less 1 	
5	Ease of access to healthcare	<ul style="list-style-type: none"> • Easy 3 • Enough 2 • Difficult 1 	
6	Family members' health	<ul style="list-style-type: none"> • Good (<25%) 3 • Less (25-50%) 2 • Fair (>50%) 1 	
7	Ease of enrolling children in education	<ul style="list-style-type: none"> • Easy 3 • Enough 2 • Difficult 1 	
8	Ease of access to transportation facilities	<ul style="list-style-type: none"> • Easy 3 • Enough 2 • Difficult 1 	

The criteria for each clarification are as follows:

High level of well-being: total score of 20-24

Moderate level of well-being: total score of 14-19

Low level of well-being: total score of 8-13.

Based on the total score value, it is then added up so that each clarification of these criteria can be determined. The results

of the respondents' statements can be seen in the table of recapitulation of respondents' responses as follows:

Table 4. Recapitulation of respondents' responses based on community welfare indicators according to the Central Statistics Agency (2005)

No. Respond	Score								Sum	Criterion
	A	B	C	D	And	F	G	H		
1	2	2	3	2	2	3	3	3	20	Tall
2	2	2	3	3	3	3	3	3	22	Tall
3	1	2	3	1	2	3	3	3	19	Keep
4	1	2	3	2	3	3	3	3	20	Tall
5	2	2	3	3	3	3	3	3	22	Tall
6	2	2	3	3	1	3	3	3	20	Tall
7	1	2	3	3	3	3	3	3	21	Tall
8	2	2	3	3	3	3	3	3	22	Tall
9	1	2	3	1	2	3	3	3	18	Keep
10	1	2	2	2	2	3	3	3	18	Keep
11	2	2	3	3	3	3	3	3	22	Tall
12	1	2	2	2	3	3	3	3	19	Keep
13	2	2	3	3	3	3	3	3	22	Tall
14	1	2	3	2	3	3	3	3	20	Tall
15	2	2	3	3	3	3	3	3	22	Tall
16	2	3	3	3	3	3	3	3	23	Tall
17	1	3	3	3	2	3	3	3	21	Tall
18	2	2	3	3	3	3	3	3	22	Tall
19	1	2	2	2	3	2	3	3	18	Keep
20	1	2	3	3	2	3	3	3	20	Tall
21	2	3	3	3	1	3	3	3	21	Tall

Source: Primary Data (processed) 2024.

Information:

- A: Income.
- B : Household consumption and expenditure.
- C : Residential conditions.
- D : Residential facilities.
- E : Health of family members.
- F : Ease of getting health facilities.
- G : Ease of entering children to the level of education.

H : Ease of getting transportation facilities.

DISCUSSION

The Role of BUMDes in Improving South Montong Baan PADes in 2018-2022

Based on the results of the analysis of BUMDes' contribution to PADes Montong Baan Selatan in 2018-2022. The results of the calculation were obtained that the contribution of BUMDes in increasing PADes was included in the very low contribution

criterion, which was <10%, in 2018 it was 10.85% with the criterion of less moderate contribution, in 2019 the contribution was 09.25% with the criterion of very less, in 2020 it increased slightly to 17.15% with the criterion of less moderate contribution, in 2021 the contribution of BUMDes to PADes decreased to 09.18% with the category of very and in 2022 the contribution of BUMDes again decreased slightly from the previous year to 08.06% and is still included in the very low contribution criteria.

The contribution of Village-Owned Enterprises (BUMDes) to the increase in Village Original Income (PADes) was the lowest in 2022, which was only 08.06%. caused by an increase in the decrease in BUMDes revenue, the net income distribution was determined based on the deliberations of supervisors and managers of Cahaya Mandiri Village-Owned Enterprises (BUMDes), after deducting operational costs, which according to the policy was determined based on the AD/ART of PADes revenue sourced from BUMDes was only 10%.

In addition, the increase and decrease in the percentage of BUMDes' contribution to PADes is influenced by the high and low amount of BUMDes income, even though only 10% of BUMDes' income for PADes, if the amount of income increases, it can affect the percentage of BUMDes' contribution to PADes. The decrease in the amount of BUMDes income is influenced by the lack of socialization by the village government and BUMDes staff related to BUMDes programs.

The results of the study show that based on the results of the analysis of the contribution of BUMDes in increasing PADes, the average contribution criterion is included in the very low contribution criterion, which is <10%. In addition, based on the results of the interviews, several village staff and BUMDes administrators who are respondents from the institution in this study stated that, from the beginning of its establishment until now, BUMDes Cahaya Mandiri has been able to contribute the results of its efforts to PADes even though it has not been able to contribute as much as possible, which is only <10% and

stated that related to the year-end profit that has been determined based on AD/ART needs to be updated policies related to regulations so that the distribution the remaining BUMDes business results for PADes must be greater than the operational implementers which reach 50%. This is in line with research conducted by Dewi (2023) which states that BUMDes have a positive and significant effect on increasing Village Original Income.

The Role of BUMDes in Improving the Welfare of the People of South Montong Baan

Based on the results of questionnaire data analysis from 21 respondents who are active customers of BUMDes Cahaya Mandiri in 2022 regarding the role of BUMDes in improving the welfare of the people of South Montong Baan. Based on the results of the questionnaire, it can be stated that as many as 16 respondents (77%) are classified as families with a high level of welfare and 5 respondents (23%) are classified as families with a moderate level of welfare. Based on the three criteria used, it basically shows that most of the BUMDes customers in South Montong Baan belong to families with a high standard of living.

The savings and loan business is one of the business activity units in BUMDes Cahaya Mandiri. This business unit provides opportunities for the community to save and provide loans to the community. Loans are distributed to people who want to establish a business or develop their business either in the fields of agriculture, livestock, trade or service business. From the results of the questionnaire answers, 77% of customers stated that the results of capital loans have been able to help develop their businesses and for people who previously did not have a business or job can open their own business and also increase their income, so it can be said that the presence of BUMDes Cahaya Mandiri has succeeded in improving people's welfare through increasing income.

In addition to the savings and loan business, business activities carried out by BUMDes include leasing and crediting (credit for goods). With the existence of BUMDes Cahaya Mandiri has helped the people of

South Montong Baan not need to borrow from banks or loan sharks with a long process and fairly high interest, in addition to meeting the needs of the community in the form of renting equipment needed for development and crediting such as credit for electronic goods needed by the community that can support the sustainability of the business or business they are running. With the existence of BUMDes, it is hoped that it can continue to help the community and become the key driver of the village economy in the future.

These results are in line with research conducted by Fajar (2018) where the results of his research stated that BUMDes Tirta Mandiri Ponggok has succeeded in improving the economy of its community. The presence of BUMDes makes them able to meet their living needs and no longer depend on loan sharks. In addition, BUMDes income makes the village government form a program that can be enjoyed by the community.

5. CONCLUSIONS

- 1) Based on the results of the analysis of BUMDes' contribution in improving PADes, the average is included in the very poor contribution criterion, which is <10%. The lowest contribution occurred in 2022, which was only 08.06%, the amount of this contribution was in accordance with the distribution of net income based on the agreement in the AD/ART BUMDes "CAHAYA MANDIRI". So it can be concluded that the contribution of BUMDes in improving PADes is included in the contribution criteria is very less than the source of PADes from village assets and other original village income.
- 2) Based on the BPS Indicator in 2005, it is known that customers who are classified as high welfare level as many as 16 respondents (77%) and 5 respondents (23%) are classified as families with medium welfare level. Based on the three criteria used, it basically shows that most of the BUMDes customers in South Montong Baan belong to families with a high standard of living. Based on this, it is generally known that the standard of living of the people in South Montong Baan Village is relatively prosperous.
- 3) The presence of BUMDes opens up job opportunities and business opportunities in each hamlet, BUMDes also opens business opportunities to the community. The level of community income before and after the existence of BUMDes has increased, before joining BUMDes the monthly income is <Rp.5,000,000 and after joining the income is Rp. 5000,000-10,000,000.

SUGGESTION

After conducting research on the Role of Village-Owned Enterprises (BUMDes) in increasing Village Original Income (PADes) and Community Welfare of South Montong Baan Village, East Lombok Regency, as the end of writing this thesis, the following suggestions can be submitted:

- 1) For BUMDES, it is necessary to make more progress to be able to participate in developing the economic potential of the village, which can be managed independently by the village and managed with the community through the management of economic potential, which has been partially managed by the community, while to increase capital in addition to capital sourced from village funds, it is also necessary to carry out cooperation (partnerships) with other companies, so it is hoped that BUMDes' income will increase, and related to customers, BUMDes will not only provide loans but also coach and monitor customers.
- 2) For the village government to continue to support the development of BUMDes businesses in the form of increasingly large capital participation budgeted from village funds as an example of capital participation every year increased between 25-50%, as well as conducting re-deliberations related to regulations on the distribution of BUMDes final profits.
- 3) For people who use BUMDes funds so that they are used as efficiently and

- effectively as possible so that their business develops.
- 4) For future researchers, it is hoped that they can see the role of BUMDes from the

other side and can be a reference material to be the basis for examining more sources in conducting research.

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