



Original Article

Analysis of Village Economic Potential through Public Service Management in BUMDesma Sikompak Governance to Support Food Security in West Limboto District, Gorontalo Regency

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Abstract:

This study aims to analyze the economic potential of villages through public service management in BUMDesma governance with a focus on the principles of *good corporate governance* which include responsibility, openness, accountability, independence, and fairness. This study uses a qualitative method with a case study approach. Data is collected through observation, interviews, and documentation, then analyzed through the stages of data reduction, data presentation, and conclusion/verification. The results of the study show that the application of good corporate governance principles has not been maximized in increasing the business of BUMDesma in accordance with the provisions expected to strengthen the economy of the village community. Similarly, the factors of participation, cooperation, emancipation, and sustainability as determinants of the success of public services have not been carried out optimally due to various obstacles, including the lack of operational costs, government dominance in policy-making, lack of concern from the private sector for the interests of the community, conflicts of interest between stakeholders, and low entrepreneurial knowledge and competence of administrators. The recommendations of this study are the need to increase the capacity of BUMDesma administrators through entrepreneurship training, strengthening collaboration between the government, the private sector, and the community, as well as more transparent and sustainable management of village resources to support food security and the welfare of village communities.



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Introduction

Village development is one of the main focuses of national development because villages have great economic, social, and cultural potential. Villages are not only a buffer for people's lives, but also an important resource in maintaining national food security.

In this context, strengthening the village economy through effective institutions is a must, especially through Joint Village-Owned Enterprises (BUMDesma) which is present as an instrument for managing village potential. The role of BUMDesma is not only as a driver of the village economy, but also as a forum to strengthen public services based on community needs ([Putri & Niswah, 2021](#)). BUMDesma governance is one of the strategic issues because the success of village business management is highly dependent on accountable, transparent, and participatory public service management. In practice, BUMDesma's financial management still faces obstacles, both in terms of the recording system and supervision. This shows that good governance has not been fully achieved, thus creating a misalignment between expectations and reality. The financial accountability of BUMDesma, which is still simple, requires strengthening of governance in order to encourage the sustainability of village businesses ([Firdaus & Faisol, 2020](#)).

Efforts to transform the institutional transformation of BUMDesma have also begun to be directed at new principles, such as the conversion from a conventional model to a sharia model. This transformation is seen as able to expand the public service base, increase public trust, and grow the value of village economic sustainability. Sharia principles are projected not only as an ethical alternative, but also as a strategy to strengthen the competitiveness of BUMDesma in the midst of global economic dynamics ([Apriani & Apriani, 2024](#)). In addition to transforming business models, collaboration between stakeholders is also the key to managing BUMDesma. The concept of collaborative governance opens up opportunities for the government, the community, and the private sector to be involved in sustainable village development. This collaborative model allows for synergy in decision-making, benefit distribution, and performance monitoring, so that BUMDesma can develop as a forum for more participatory village economic empowerment ([Bisri et al., 2023](#)). Advances in information technology are also an important factor that affects the governance of BUMDesma. Digital information systems, such as cash flow recording and computer-based sales recording applications, are considered to improve work efficiency, reduce the risk of errors, and strengthen organizational transparency. Digitalization in BUMDesma's financial management has had a positive impact on the effectiveness of data management and the speed of public services ([Annisa & Marelita, 2022](#)).

In addition to being digital-based, the model of community empowerment through sharia contracts has also emerged as a form of socio-economic innovation. The implementation of sharia contracts in BUMDesma's business activities is able to create moral attachment between managers and the community. This bond strengthens the sense of collective responsibility in developing village businesses as well as being a driver for the realization of a just economy ([Rosyidah et al., 2021](#)). The management of BUMDesma which is oriented towards a success strategy through SWOT analysis shows that institutional strengthening requires a thorough understanding of existing strengths, weaknesses, opportunities, and threats. SWOT-based strategies are able to help BUMDesma determine more appropriate policy directions in utilizing the economic potential of villages and overcoming existing obstacles ([Masripah & Primasari, 2025](#)). In addition to institutional strategies, the effectiveness of the BUMDesma program, especially savings and loans, is also in the spotlight. There is still a potential for the village economy that has not been optimally worked on due to the lack of public service management in program management. Therefore, effectiveness is one of the key indicators in measuring the success of BUMDesma in improving community welfare ([Nadila et al., 2024](#)). The competency factor of human resources (HR) of managers also

has a significant effect on the sustainability of BUMDesma. Adequate competence is not only related to technical skills, but also organizational commitment which is an important mediator in maintaining the consistency of village business management. Without adequate competence, BUMDesma has the potential to stagnate and lose its strategic role in village economic development ([Surahmah, 2025](#)).

Although various studies have reviewed the role of BUMDesma in village development, there are a number of *gaps* that still need further research. First, previous research has highlighted many aspects of accounting, strategy, and institutional transformation, but there is still minimal that directly links public service management with the role of BUMDesma in supporting food security. Second, the digitalization of BUMDesma has begun to be discussed, but there have not been many studies exploring how information systems and public services are able to strengthen village food security in a sustainable manner. Third, the literature emphasizes more on the sustainability of the village economy in general, while the specific link between BUMDesma, public services, and food security is still a blank space that deserves research. Based on this gap, this research is focused on analyzing the economic potential of the village through public service management in the governance of BUMDesma Sikompak to support food security. The urgency of this research is based on data showing that around 63% of BUMDesMa in the West Limboto District area does not have effective management in running agricultural businesses.

This has an impact on the low contribution to village food security and the lack of sustainability of the business being run. In addition, only about 37% of BUMDesMa have extensive market access, while the rest still rely on a limited local scale. Therefore, this research is very important to be recommended as evidence that can be used in designing programs to increase the economic potential of villages through the principles of *good corporate governance* in supporting food security. This study aims to analyze the optimization of BUMDesma in improving village food security, identify factors that inhibit and support business success, and formulate a BUMDesma governance model with the implementation of a model based on innovation and technology, so as to be able to solve problems related to the National Research Master Plan in the focus area of Social Humanities with the theme of Strengthening Social Capital and the topic of Social Engineering and Rural Development.

The purpose of the establishment of Village/Joint Owned Enterprises (BUMDes/BUMDesMa) is to obtain financial benefits and especially provide benefits to the community through village resource management activities and potential, both natural, economic, cultural, social, religious, knowledge, skills, and living procedures based on local wisdom in the community. Other activities include the development of local resource-based processing industries, distribution and trade networks, financial services, public services for priority basic needs including food, electrification, sanitation, settlements, as intermediaries of goods/services including distribution and agencies, as well as other activities that meet eligibility ([Government Regulation Number 11 concerning Village-Owned Enterprises, 2021](#)).

The formation of BUMDesMa (Joint Village-Owned Enterprises) Sikompak aims to become the basis for village and regional economic development towards a *village holding business* company with village characteristics through cooperation schemes and MSME partnerships. The vision and mission of BUMDesma Sikompak also includes the development of village potential, economic improvement, services to the village community, village asset management, and food security in the village regarding the

availability, accessibility, quality, and stability of local food supply. To achieve the vision and mission of BUMDesMa, service management based on good corporate governance is needed. The success of the principles of good corporate governance can be measured from the application of the following principles: *responsibility, transparency, accountability, independency, and fairness* ([Sugiyanto, 2020](#)).

The principles of good corporate governance are the basis for business interests to achieve the company's goals and objectives. Meanwhile, the determining factors for the success of services in the BUMDesma business are determined by the factors of participation, cooperative, emancipation, and sustainability as indicators that must be applied in practice ([Purnomo, 2016](#)). For this reason, the focus of the study in this study is; Analysis of Village Economic Potential Through Public Service Management in the Governance of BUMDesma Sikompak to Support Food Security in West Limboto District, Gorontalo Regency, as well as to identify inhibiting and supporting factors that affect the success of BUMDesma in carrying out its role.

Methods

This study uses a qualitative method with *a case study approach* because it is considered to be able to provide a more comprehensive understanding of the social phenomena being studied. According to Rahardjo, the strength of *case studies* in qualitative research lies in its ability to explore meaning more deeply than other methods ([Rahardjo, 2017](#)). This is in line with the views of Assyakurrohim, Ikhrum, and Sirodj who affirm that *the case study* method is very relevant for exploring certain social phenomena in detail ([Assyakurrohim et al., 2022](#)). In line with that, Fitrah explained that *case study* research is a form of qualitative research that focuses on an in-depth study of the research object in a real context ([Fitrah, 2018](#)). Furthermore, Ilhami, Nurfajriani, and Mahendra stated that the application of *case studies* allows researchers to understand phenomena from various perspectives so that the research results become richer and more academically valid ([Ilhami et al., 2024](#)).

Based on this framework, this research was carried out through three systematic stages. First, identify and collect data on the economic potential of the village and the governance of BUMDesma through observation techniques, in-depth interviews, *focus group discussions* (FGD) with BUMDesma managers, village officials, and village business actors, as well as literature studies and documentation. Second, conducting data analysis using the perspective of the principles of good corporate governance and public service management theory to gain an in-depth understanding of BUMDesma's governance practices in supporting food security. Third, compile a research report that contains findings, analysis, and policy recommendations that can be used as a basis for strengthening the economic potential of the village and improving the governance of BUMDesma in a sustainable manner.

Results

Public Service Management in the Governance of BUMDesma Sikompak to Support Food Security in West Limboto District, Gorontalo Regency.

1. Responsibility of BUMDesma Governance

Responsibility as one of the principles of *BUMDesMa governance*, organizationally cannot be separated from business managers and must be upheld by every administrator in carrying out business activities. The responsibility function is carried out in accordance with the provisions as a business based on the principle of

sound control. The principle of responsibility that is used as a guideline in the governance of *BUMDesMa* Sikompak is not only imposed on the management, but also on *stakeholders* and other components of society. Togetherness in business management is a reinforcement in the implementation of the responsibilities of *BUMDesMa* administrators to their social obligations to the village community who have given trust in managing the business. The responsibility of *BUMDesMa* as a village company reflects awareness of the impact of business on the surrounding environment, which is expected to be able to support the level of community welfare through social responsibility. In managing the business, *BUMDesMa* emphasizes the principle of public services that are responsible for meeting the needs of the community. In the theory of democracy, services to the public interest must present *roles*, responsibilities, duties, and obligations of citizenship. Thus, public service is basically an extension of citizenship values. The effect of service with a *citizen* dimension does not run linear, but brings consequences in the form of *feedback* on the birth of *virtuous citizen* values for the environment (community) and nation, accompanied by a spirit of responsibility to serve each other ([Denhardt & Denhardt, \(2016\)](#)).

The West Limboto Sub-district Head as a representative of the Gorontalo Regency Regional Government at the sub-district level has responsibility for *BUMDesMa's business activities* because it is related to the implementation of government and development to improve community welfare. As part of development activities, the Sub-district Head is obliged to carry out coaching, guidance, direction, as well as facilitating and mediating when necessary. However, weaknesses are still seen in the District Government and Village Government which have the obligation to advance *the BUMDesMa business* as a support for the village economy, because it has not been maximized in establishing cooperation. On the other hand, *BUMDesMa* administrators, most of whom have limited educational backgrounds and experience in managing businesses, are less able to develop their businesses to grow sustainably. In fact, the West Limboto District area with an area of 168.67 km² is dominated by rice fields covering an area of 1,520 ha with rice production in 2024 reaching 234.86 thousand tons, as well as corn plants covering an area of 2,280 ha which supports Gorontalo Province's exports of up to 538,395 tons with a value of around IDR 2.6 trillion, both for inter-island trade and direct exports abroad such as the Philippines. This potential should be managed by *BUMDesMa*, but due to limited management and capital, these economic opportunities are actually taken advantage of by middlemen and exporters ([Association of Indonesian Corn Traders and Producers, 2024](#)).

The people of Gorontalo, who still make rice as a staple food, with consumption reaching 131.14 thousand tons in 2024, should be a golden opportunity for *BUMDesMa* to develop staple businesses that are able to increase village income. Similarly, the potential of corn that has received serious attention from the Central Government through the Ministry of Agriculture should be optimized with the support of the Regional Government in the form of superior seed assistance, agricultural machinery, and infrastructure improvements.

2. Openness of BUMDesma Governance

Openness in *BUMDesma* governance prioritizes material and relevant information that all businesses are open and can be seen by the village community and other parties, especially in the decision-making process regarding the businesses that must be developed. The principle of openness emphasizes the importance of transparency in providing clear, accurate, and easy-to-understand information to all

stakeholders in the management of BUMDesma. As a joint business venture, BUMDesma seeks to make comprehensive disclosures regarding its operations, including financial statements, ownership structure, and business policies. The application of transparency as one of the principles in BUMDesma governance management, although it has been carried out well, is still not optimal. The limited ability of management in business management causes transparency in business development and capital participation to not fully have a positive impact on business improvement. In addition, the lack of coordination and evaluation between stakeholders, especially between the sub-district government, village government, administrators, and community groups, makes the considerable potential of the village economy not able to be utilized optimally. Transparency means organizational openness in providing information related to public resource management activities to stakeholders. Transparency also means an explanation of the management of public sector organizations about activities, programs, and policies that have been, are being carried out, and will be carried out along with the resources they use ([Mahmudi, 2016](#)).

In the context of BUMDesma management, transparency as one of the principles of good corporate governance must be applied to encourage change and improvement of the village economy. As a condition for *effective good corporate governance*, the application of the principle of transparency will increase the trust of parties who want to invest capital or become shareholders and creditors to managers, especially in supporting BUMDesma's business operations to run in accordance with regulations and encourage performance improvement. Transparency also requires innovation in order to improve the quality of public services, both in the government sector and especially in the business sector. In practice in Indonesia, especially in rural areas, the government sector as a public service provider still tends to be static, formalistic, and rigid, so it is reluctant to provide full support for the development of village and urban businesses. The characteristics of the *status quo* inherent in the government sector are still an obstacle to the development of the community's economy which basically requires openness and change. Transparency is not only limited to the availability of information and its accessibility to the public, but also the timely presentation of the information. Information that is published in a timely manner will certainly be more useful and influential in public decision-making related to the administration of government, especially in regional financial management ([Ritonga & Syahrir, 2017](#)).

3. BUMDesma Governance Accountability

BUMDesma management should apply the principle of accountability in managing business ventures. The administrators who generally have a level of knowledge with a minimal educational background are in fact still able to maintain their business sustainably, even though their contribution to improving the economy of the village community in general has not been maximized. This limited education is the main obstacle in maximizing the accountability of BUMDesma's business business, especially in an effort to develop the business optimally in accordance with common expectations. The emphasis on accountability in relation to business management, particularly to the board of commissioners, shareholders, and other stakeholders, is intended to ensure that BUMDesma can operate efficiently, transparently, and responsibly. This is reflected in the results of supervision through annual *monitoring* and evaluation carried out to assess the extent of BUMDesma's business development, as well as identify problems and obstacles faced in maximizing sustainable business management.

Accountability is the obligation to account for what a person has done or not done by: (a) presenting information about decisions and actions taken during the operation of an entity or business unit, (b) allowing external parties such as legislators, auditors, and the general public to review the information, and (c) taking corrective action if necessary ([Mahmudi, 2019](#)). As a village economic institution, BUMDesma is a financial institution that is still needed to help people engaged in micro, small, and medium enterprises (MSMEs) in developing their businesses. The presence of BUMDesma for the village community in the West Limboto District area is expected to continue to grow and develop in a direction that is in line with the spirit of profit and operate independently so that it really brings benefits according to the character of the BUMDesma institution. Thus, even though it is benefit-oriented, BUMDesma still has a social function, namely improving the welfare of village communities by driving local economic potential.

4. BUMDesma Governance Initiative

In corporate governance management, the principle of *independence* is one of the important principles in the management of business ventures such as BUMDesma. *Independence* is a must in directing business management towards business independence, without ignoring the supervisory function that is still carried out as part of management to prevent opportunities for abuse of authority. However, in practice, the management and board of directors of BUMDesma have not fully implemented the principle of *independence*, which can be seen from the low level of independence in the company's decision-making. There is still intervention by the government as a consequence of capital participation, so that *the independence of the management and the board of directors* has not been able to produce an objective view of business management. Other problems related to the implementation of *independence* are also seen from the emergence of conflicts of interest between shareholders dominated by the sub-district government and village governments with the directors and certain community groups.

This condition makes the management and board of directors of BUMDesma less professional in developing business ventures, if the principle of *independence* in corporate governance is ignored. *Independence* is basically the key to maintaining trust, objectivity, and quality in financial decision-making and reporting. According to experts, *independence* is a mental attitude that is free from influence, not controlled by other parties, and not dependent on other parties in carrying out tasks, including auditing tasks. This requires honesty in considering facts and objectivity in formulating and expressing opinions. *Independence* also includes impartiality and is not easily influenced by any party. Thus, *independence* is a mental attitude that is free from intervention and reflects the honesty and objectivity of the auditor in considering the facts and expressing his opinion ([Mulyadi, 2019](#)).

5. Fair Governance of BUMDesma

In the management of BUMDesma business ventures, the principle of fairness is one of the important factors that must be carried out openly in business governance management. Although the profits obtained by BUMDesma in West Limboto District have not been able to make an optimal contribution in accordance with the applicable provisions to all stakeholders, both management, members, and other related parties, the management has tried to provide opportunities for the general public to participate in decision-making related to business opportunities that need to be developed. Thus, the community feels that they have and are responsible for the sustainability of

BUMDesma's business. However, the limited knowledge of rural communities who do not fully understand the meaning of fairness in business governance, especially in terms of fair treatment to every consumer who shops, is an obstacle in supporting business development.

So far, the business run by BUMDesma in West Limboto District has not shown maximum results, especially in the distribution of business results according to the provisions, namely 40% for capital addition, 25% for village treasury, 10% for commissioners, 10% for reserves, 5% for education, and partly for village original income (PADes), which has not been fully implemented. The low business development of BUMDesma can also be seen from its insignificant contribution in increasing PADes. The economic condition of the community, which is mostly low-income, is also a contributing factor. In the principle of *good corporate governance*, one of the important indicators is *fairness*, which emphasizes fairness and equality in fulfilling the rights of *stakeholders* in accordance with applicable agreements and laws and regulations. *Fairness* in corporate governance underlines the need for fair and equal treatment of all stakeholders, including shareholders, employees, and external parties. This includes fulfilling their rights in accordance with applicable regulations, as well as ensuring that there is no discrimination or unfair treatment ([Kristian & Gunawan, 2018](#)). In the context of BUMDesma management, the application of the principle of fairness that is carried out in a fair and transparent manner is still limited to the provision of information, services, and economic opportunities that can be developed. Although it has not been able to cover completely equal treatment for all stakeholders, including management, members, and third parties, BUMDesma still strives to disclose information about finances and operational activities openly and easily accessible to the village community.

Based on the results of the analysis, it can be concluded that the governance of BUMDesma Sikompak in West Limboto District in supporting food security still faces various challenges despite having great economic potential, especially in the rice and corn sectors. The application of *the principle of responsibility* shows that there is social awareness, but the limited experience of the management and the lack of synergy with the government make business management not optimal. The principle of *transparency* is already running, but information disclosure and coordination between stakeholders are still weak so that the economic potential of the village has not been utilized to the fullest. In terms of *accountability*, even though the business continues to run continuously, the limited knowledge of the management hinders professional and efficient accountability. The principle of *independence* has not been realized because there is still government intervention and conflicts of interest, which reduce the objectivity and independence of decision-making. Meanwhile, the application of *fairness* in the distribution of business results has not been maximized and has not been fully fair to all stakeholders. With these conditions, BUMDesma has not been able to optimize its role as a support for the village economy and a driver of food security, even though the potential for agricultural production in the West Limboto area is very large. Therefore, it is necessary to strengthen management capacity, more consistent government support, and apply the principles of *good corporate governance* as a whole so that BUMDesma really becomes a strategic instrument in improving the welfare of rural communities.

Factors of Success of Public Service Management in the Governance of BUMDesma Sikompak to Support Food Security in West Limboto

District, Gorontalo Regency.

1. Participatory

The principle of participation as one of the keys to the success of BUMDesma in developing business ventures, has not fully received attention, especially related to community involvement in general at the time of its establishment. The dominance of the Village Government and the District Government is still seen in the decision-making process starting from the establishment to the determination of the management, which is caused by the large capital participation of the two institutions. The lack of involvement of village community groups in the establishment of BUMDesma, including the selection of the type of business to be run, often cites time and cost efficiency. The lack of community participation in the management of BUMDesma can be seen from the decision-making stage, program implementation, utilization of results, to evaluation. Forms of community participation can include: (a) the decision-making stage, (b) the implementation stage, (c) the stage of enjoying the results, and (d) the evaluation stage. In addition, participation can also be in the form of financial, physical, material, and moral contributions, such as support, suggestions, encouragement, advice, advice, and mandates ([Nasution, 2019](#)).

Community participation actually reflects the value of togetherness and mutual cooperation as a cultural institution that has long been a characteristic of village communities. However, the level of community participation is fading along with the high dominance of the government in decision-making on planning, implementation, and supervision of village development programs. Village community institutions, such as the Village Consultative Body (BPD) and the Community Empowerment Institute (LPM), which are supposed to function to explore, accommodate, gather, formulate, and channel community aspirations, do not play an optimal role. As a result, people lose access to development resources according to their needs. The limited resources owned by the village and the dominance of the Regional Government over various resources after regional autonomy, make it difficult for the village to develop itself as an autonomous power within the framework of the state. Legally, the participation of the village community is emphasized that the establishment of BUMDes must be agreed through the Village Deliberation. However, in practice, these deliberations are often only used as administrative guidelines to legitimize the establishment of BUMDes facilitated by inter-village cooperation bodies, consisting of: (a) Village Government; (b) BPD members; (c) village community institutions; (d) other village institutions; and (e) community leaders by considering aspects of gender justice (Regulation of the Minister of Villages, Development of Disadvantaged Regions, and Transmigration of the Republic of Indonesia, 2015). The topics discussed in the Village Deliberation include: (a) the establishment of BUMDes according to the economic and socio-cultural conditions of the community; (b) BUMDes management organizations; (c) business capital of BUMDes; and (d) the Articles of Association and Bylaws of BUMDes. However, the results of deliberations are often only legitimized in the form of administrative reports as if the deliberations have been carried out, which are then used as guidelines for the Village Government and BPD in setting policies ([Regulation of the Minister of Villages, Development of Disadvantaged Regions and Transmigration of the Republic of Indonesia, 2015](#)).

To maximize BUMDesma's business in West Limboto District, it is necessary to strengthen governance through public services that follow the development of the new public management paradigm. This paradigm means that public administration no

longer focuses on government power alone, but must be oriented to the aspirations, needs, and interests of multiactors. Public services that are oriented towards meeting the basic needs of the community require the active role of *stakeholders* in management, not only dominated by governmental *actors*, but also by wider public participation. Fulfilling the basic needs of the community is the most urgent thing, considering that so far the poor have often had difficulty gaining access. Government programs aimed at the poor, especially in the form of subsidies, are often uneven, unfair, and inadequate. The topics discussed in the Village Deliberation include: (a) the establishment of BUMDes according to the economic and socio-cultural conditions of the community; (b) BUMDes management organizations; (c) business capital of BUMDes; and (d) the Articles of Association and Bylaws of BUMDes. However, the results of deliberations are often only legitimized in the form of administrative reports as if deliberations have been carried out, which are then used as guidelines for the Village Government and BPD in setting policies ([Village Regulation on the Establishment of Village BUM Regulation of the Minister of Villages, Development of Disadvantaged Regions and Transmigration of the Republic of Indonesia, 2015](#)).

2. Cooperative

The principle of cooperation is one of the keys to success in public services for the fulfillment of public interests. In the Great Dictionary of the Indonesian Language (KBBI), cooperative means cooperative or willing to help. In general, cooperative refers to an attitude or behavior that shows a willingness to cooperate with others, share, and help each other to achieve common goals. The emphasis lies in the aspect of willingness to participate and contribute to joint activities ([Anonymous, 2024](#)). Furthermore, the value of cooperation in the socio-cultural context of village communities is reflected in customary norms and cultural institutions that emphasize solidarity, togetherness, and mutual cooperation ([Tuloli, 2015](#)). However, the condition of the village community in West Limboto District with its diversity of ethnicities, religions, and cultures, shows that there is a bleaching of basic values and customary norms that are actually able to motivate everyone to work together in various life activities to meet common interests.

3. Emancipatory

As one of the principles in achieving the success of public services, emancipation is a profitable concept for the development of business ventures such as BUMDesMa. The presence of BUMDesMa, which is still colored by conflicts of interest between stakeholders, including the apparatus that is supposed to guide and direct the management to serve the interests of the community fairly, has not been fully able to invite all levels of society to participate in advancing joint efforts. BUMDesMa also faces difficulties in meeting the needs of people with diverse social, cultural, and economic backgrounds. Challenges arise when one aspect has to be placed more important than another, due to the differences in the interests of diverse communities. In this context, the principle of emancipation emphasizes equal treatment of all parties regardless of class, ethnicity, or religion. The main goal is to improve community welfare through a planned process that involves individuals, social institutions, communities, and government agencies in providing social services. The emancipatory concept emphasizes that all components involved in business management must be treated equally without discrimination ([Ridwan, 2021](#)). This principle is in line with the basis for the establishment of BUMDesMa which is aimed at the common interest, not the interests of certain individuals or groups. With the application of the principle of emancipation, it is hoped that village development programs can improve the quality of life of the

community equally, regardless of their social status or cultural identity.

4. Sustainable

The application of *sustainable principles* in public services for the management of BUMDesma is still hampered by the lack of knowledge of administrators who are not fully in accordance with their duties in managing business ventures. It is undeniable that the success of a business must be based on the ability to maintain sustainability, which requires special competence in the field of business being managed. In this case, BUMDesma needs the right management strategies and techniques to be able to survive. The basic principles required for the operational implementation of BUMDes are village communities that have an entrepreneurial spirit, and have a good personality, honesty, fairness, capability, and care for village economic efforts ([Regulation of the Minister of Villages, Development of Disadvantaged Regions and Transmigration of the Republic of Indonesia, 2015](#)). The principle of sustainability in the management of BUMDesma is part of the concept of *sustainable development*, which is development that is able to meet the needs of the current generation without sacrificing the ability of future generations to meet their needs. The main principle of sustainable development is to maintain the quality of human life both in the present and in the future continuously ([Widjajanti et., al, 2016](#)). Furthermore, sustainable development emphasizes the importance of paying attention to the social and economic impact on the environment. Every business activity must avoid environmental damage so that sustainability is maintained for future generations. In the context of village development, the principle of sustainability aims to encourage independence through community empowerment, increasing business productivity, providing economic facilities and facilities, strengthening production and marketing chains, and optimizing local resources as the basis for sustainable rural economic growth ([Regulation of the Minister of Villages, Development of Disadvantaged Regions and Transmigration of the Republic of Indonesia, 2015](#)).

However, the rapid development of science and technology, accompanied by changes in political, legal, and economic structures, often suppresses the values of local wisdom that have been the support of the lives of rural communities. The success of BUMDesma business services in West Limboto District, Gorontalo Regency still faces a number of obstacles, including low community participation due to the dominance of village and sub-district governments in management, the fading of cooperative values in the form of solidarity and mutual cooperation, the lack of optimal application of emancipatory principles which is characterized by conflicts of interest and unequal treatment of all levels of society, and the unrealized principles sustainability due to the limited knowledge and competence of management in managing the business professionally; All of these factors show that the success of BUMDesma is highly dependent on active community involvement, the application of the principles of justice and equality, strengthening the culture of cooperation, and increasing the capacity of the management so that the business can be managed sustainably to support the welfare of the village community.

Conclusion

Based on the results of the research study, the Government's efforts to improve the welfare of the village community through the establishment of BUMDesma still face various obstacles. The application of the principles of good corporate governance,

namely responsibility, openness, accountability, independence, and fairness, has not been optimal so that the purpose of establishing BUMDesma to strengthen the village economy has not been fully achieved. In addition, the determinants of the success of public services such as participation, cooperation, cooperative, emancipative, and sustainability have also not been implemented optimally. The main obstacles include limited operational costs, the dominance of the Government in policy making, the lack of concern of the private sector for the interests of the community, the existence of conflicts of interest among stakeholders, and the low knowledge and entrepreneurial competence of the management in ensuring the sustainability of the BUMDesma business.

Suggestion

To maximize the implementation of public service management and good corporate governance in the management of BUMDesma, it is hoped that the management and all members of BUMDesma, including stakeholders and components of the village community, can further improve the principles of responsibility, openness, accountability, independence, and fairness in corporate governance management so that the business can run healthily. The District Government and Village Government, together with the management, members of BUMDesma, and other stakeholders, are expected to pay more attention to the principles of participation, cooperative, emancipation, and sustainability in the management of BUMDesma.

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