



The Dynamics of Governance of Village-Owned Enterprise (BUMDes) Amarta in Strengthening the Economy of the Pandowoharjo Village Community During the Covid-19 Pandemic

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Abstract. This study aims to identify indicators of BUMDes governance and observe its practice by investigating the application of cooperative, participatory, transparent, accountable, emancipatory, and sustainable principles. This research employed a qualitative approach with primary data collection from interview transcripts. In contrast, secondary data were obtained through a literature study. The findings unveiled that Covid-19 has caused societal changes, posing a detrimental effect on BUMDes governance. The findings also revealed that the indicators for the participatory, transparent, and accountable principles have limited application. The participatory principle was displayed by a low level of BUMDes management intensity. The accountable principle was depicted by financial reports inconsistent with operating costs. The emancipatory principle was demonstrated by limited access to information about the development of BUMDes. Conversely, highly applicable principles of governance were discovered in the cooperative and sustainable principles, as evidenced by the establishment of multi-stakeholder cooperation among academics, businesspeople, communities, and government according to their respective fields of expertise and the waste management work programs that could mitigate environmental issues. In conclusion, BUMDes Amarta has low applicability to the ideal governance measure.

Keywords: BUMDes Governance · Village Community Economy · Covid-19 Pandemic

1 Introduction

This research is motivated by the Covid-19 pandemic, striking the economic sector and influencing the pace of rising poverty and underdevelopment, worldwide problems every country faces, particularly developing countries like Indonesia (Sayutri, 2011). Low economic issues are associated with low earnings and a rise in unemployment due to low levels of education. According to the Central Statistics Agency (BPS), in September 2021, villager poverty dominated (Table 1).

Table 1. Total Poor Population

Percentage of Poor Population by Region		
No.	Region	Total (%)
1.	City	7.60
2.	Village	12.53
3.	City + Village	9.71

Source: *Central Statistics Agency (BPS)*

The government addresses the issue of poverty by establishing a Nawacita program, encouraging development from the periphery by strengthening the village economy. Additionally, village autonomy contributes to the realization of poverty alleviation. The nature of the disparities between villages, both in the depth of customs and the diversity of cultures, demands village sovereignty. Therefore, governance rules need not be uniform. During the New Order era, there was uniformity in names, forms, and structures, and local governments interfered with the autonomy of village authorities. The New Order government believed that uniformity was necessary to foster development. Nonetheless, the strategy of village homogeneity is seen as inconsistent with the spirit of the constitution, which protects and respects the rights of village origins.

With the fall of the New Order dictatorship and the resurgence of democracy, it was a breath of new air when the village governance was reintroduced as an original region with the privileges and rights to implement village autonomy. Supported by the issuing of Law of the Republic of Indonesia Number 6 of 2014 concerning Villages, it has remarkable consequences for village development based on the principles of subsidiarity and recognition, enabling villages to be subjects or agents of development. It is strategic research since Indonesia is a mostly rural agricultural country. In this instance, Village Owned Enterprises (BUMDes) is an instrument of village autonomy as an economic entity managed to create potential geared toward enhancing the village economy and fostering social cohesion in rural areas.

It is envisaged that BUMDes would contribute to national economic development to accomplish the Nawacita program. The establishment of the business unit, BUMDes, is based on the initiative of the village community and the alignment of the community's potential and needs. In 2021, the Ministry of Villages, Development of Disadvantaged Regions, and Transmigration reported that the total number of BUMDes in Indonesia reached 57,273, of which 45,233 were active and 12,040 were inactive. The impact of the Covid-19 pandemic is one of the reasons for the inactivity of BUMDes. Following the Ministry of Villages, Development of Disadvantaged Regions and Transmigration statistics, 15,768 BUMDes were adversely affected by the Covid-19 pandemic.

BUMDes Amarta is one of the BUMDes impacted and surviving due to initiatives to improve governance. According to (Purnomo J., 2016), the effectiveness of BUMDes depends on the implementation of governance principles (cooperative, participatory, emancipatory, transparent, accountable, and sustainable) in management rotation. Following (Sofyani, 2020), the feeling of responsibility for the principal roles and functions

Table 2. BUMDes Amarta Revenue

Year	Revenue (Rp)
2018	184,380,391
2019	196,306,550
2020	93,275,621

Source: Treasurer of BUMDes Amarta

of each management actor are complementary and sustainable as a system that will provide output under the intended objective, particularly in revenue production. Following are BUMDes Amarta revenue data to gauge the achievement of BUMDes in the growth category (Table 2).

The revenue data of BUMDes Amarta depicted a severe drop in 2020. These results correspond with Covid-19 on March 2, 2020, which paralyzed all national and local economic activities. In addition, the revenue of BUMDes in 2018, its first year of operation, remained essentially flat until 2019. It demonstrates that BUMDes governance has not performed properly; thus, a literature study is required to identify unanswered research questions. Several studies have documented the principles of governance in public services. The quality of public services in information disclosure was investigated, emphasizing the pillars of transparency to realize the principle of a balance of human rights in obtaining public information based on exposure to the construction of information disclosure in Law No. 14 of 2008 (Wibawa, 2019).

Another study applying the nine pillars of good governance principles in the Population and Civil Registration Office of Bolang Regency discovered that good governance positively influenced the quality of public services by 21.9% (Lauma, 2019). In other words, establishing good governance has no meaningful impact. The prior research demonstrates that governance concepts can be applied to public service agencies and smaller companies, such as SMEs and BUMDes. However, the characteristics of the two entities are distinct. The objective of the SME business scale is profit, but BUMDes is a non-profit social company; hence, BUMDes must be socially and financially accountable. Specifically, social businesses are more focused on completing social objectives. Thus, their presence must be able to address village social issues, such as BUMDes Amarta, which addresses the growth in waste population as a possible business unit. Social enterprise governance prioritizes participatory governance embodied in the establishment, management, development and supervision (Hulgard, 2015).

Governance has varying meanings and purposes based on the situational setting, legal system, and economic sector. The governance determination is based on the classification of entities, including for-profit and non-profit organizations (Low, 2006). If NGOs utilize democratic governance, which prioritizes stakeholder interests, and profit corporations prefer to adopt stewardship governance, then stewardship theory provides governance that balances all stakeholders' interests (Clarke, 2005). The theory articulates that democratic governance is consistent with implementing BUMDes governance as a social enterprise. A dimension distinguishes commercial enterprise from social enterprise, namely the governance dimension, participative versus non-participatory. In this

case, BUMDes tends to be classified as participative governance, where the government prioritizes the interests of the principal to demonstrate good governance results.

The research studied by the author has novelty and differences from previous research, essentially novelty is an element of originality in findings that are new or discover things that have not been discovered and find new knowledge gaps, new problems and new methods from research that has been carried out, indicated by conceptual governance principles. Social enterprise institutions from (Purnomo J., 2016) in the BUMDes governance guidelines as a village economic institution studied have the same problems but have different results. The difference is from case studies that have positive actions from the downturn, with the evidence of increasing income in the following year. The difference from previous research is also found in the research method that uses descriptive qualitative data with semi-structured interview data collection, non-participant observation, equipped with library research and the validity of data triangulation sources. The use of the concepts of Cooperative, Participatory, Emancipatory, Transparent, Accountable, and Sustainable is considered relevant to measure the application of the reality of BUMDes governance. As, the purpose of this study is to photograph the dynamics of the compliance level of BUMDes governance from 6 (six) principles. This research contributes to BUMDes managers to implement proper governance after understanding the urgency of ideal governance interests.

2 Literature Review

2.1 Governance

Governance consists of procedures designed to make an agency or organization more effective and efficient. It functions as a tool for economically managing organizational resources and accomplishing objectives (Wibowo, 2010). It endeavors to provide the groundwork for democracy and strengthen governance to achieve good governance (Syuroh, 2009).

BUMDes possesses the qualities of a social business in this instance (Low, 2006). It is a social enterprise that aims to accomplish its social objective and a firm that uses market procedures (Santos, 2012). The social purpose might be seen as addressing village-related issues, such as the social problem of Pandowoharjo Village, which generates a substantial amount of waste that needs efficient waste management to prevent harmful environmental effects. These endeavors also contribute to the implementation of the sustainable principle. Six principles must be followed to manage BUMDes (Purnomo, 2016).

- a. Cooperative implies that all parties and stakeholders engaged in the management of BUMDes must work together to ensure company growth and continuation.
- b. Participatory denotes that all parties participating in BUMDes are prepared to contribute assistance and input in decision-making to advance the business of BUMDes.
- c. Transparent is a factor influencing the general public's interests and must be simply and publicly accessible to all levels of society.

- d. Accountable indicates that all BUMDes actions must be technically and administratively responsible.
- e. Emancipatory signifies that all persons participating in BUMDes must be treated equally, irrespective of class, race, or religion.
- f. Sustainable implies that the community must foster and maintain the commercial activity of BUMDes.

This definition of the governance principles becomes the ideal measure to assess the application of BUMDes governance. Therefore, it will be considered successful if these principles have been applied.

2.2 BUMDes

In essence, BUMDes has been mandated in Law No. 32 of 2004 concerning Regional Government and Government Regulation No. 71 of 2005 concerning Villages. The formation of the business entity must be accompanied by initiatives to bolster capacity and supported by regional (district/city) rules that safeguard and assist village-owned companies from the danger of capital rivals. BUMDES is a village-based economic entity; hence the government must provide the groundwork for its formation (Ramadana, 2013).

Moreover, (Wijaya, 2018) explained that the foundation of BUMDes intends to assist the consumptive and productive requirements of public funds, become the principal distributor of basic goods, and promote economic development in rural regions. The institutional structure of BUMDes is stipulated by Law No. 32 of 2004 on Regional Government and Government Regulation No. 72 of 2005 on Villages. Article 213, paragraph 1 of Law No. 32 of 2004 on Regional Government states that villages can create village-owned enterprises in line with their requirements and capacity. The content of the law asserts that villages can establish village-owned enterprises following their requirements and capacity. The substance of the law highlights the promise of fulfilling requests in the framework of village-level development to increase village welfare.

The core of BUMDes is developed by community initiatives based on the ideals of participation, cooperation, emancipation, transparency, and accountability, using member-based and self-help methods (Wijaya, 2018: 93). Based on this approach, BUMDes management must be conducted independently and competently. BUMDes is a legal entity that complies with the applicable laws and regulations and applies in line with the community-developed agreements (Ramadhani, 2017). BUMDes community welfare is a village business institution operated by the village administration and the community to promote and strengthen the Sagita village economy, established based on the village's potential and requirements (Sagita, 2017). In Law No. 6 of 2014, it is stated that BUMDES is a business entity entirely and mostly held by the village through direct involvement from village assets, services, and other enterprises for the benefit of the village community (Safitri, 2020).

BUMDes is a community-based business entity that conforms to independence and should prioritize the acquisition of funds from the community and the village administration. BUMDes are institutions in the form of legal entities, working in the economic sector (services, manufacturing, trade) capital consisting of community participation and village government participation in a ratio of 51% and 49%, which is the center of

economic activity for rural communities to generate income and provide services (Suleman, 2020). BUMDES is capable of operating savings and lending institutions, waserda, water supplies, village tourist items, folk crafts, transportation, fisheries, agriculture, agroindustry, and animal husbandry.

3 Research Method

This study applied the descriptive qualitative method to create a descriptive image of the study phenomena (Moleong, 1995). Qualitative research can delve deeply into meaning (Creswell, 2016). The phenomena are BUMDes Amarta governance's dynamics in strengthening the economy using governance tools loaded with primary data from sources that best comprehend the problem's situations. The Director and Secretary of BUMDes Amarta, Pandowoharjo Village community, Pandowoharjo Village apparatus, and waste management employees were interviewed to collect primary data. The interview method employed a semi-structured strategy. Semi-structured interviews are systematic questions prepared with additional questions to enrich the data (Sugiyono, 2017). Thus, it is advantageous to acquire responses that account for all factors.

In addition, the authors made non-participant observations by observing the performance of BUMDes management, including the implementation of governance principles emphasizing the primary tasks of function, income transparency, accountability or performance of BUMDes management, collaborative interactions, and measures of community involvement in the management of BUMDes. Subsequently, triangulation data were validated to assess the veracity of information from each source's perspective. This research utilized secondary data from documentation sources, such as the 2018–2020 BUMDes report and the financial report of BUMDes Amarta. The secondary data are references supporting the study under consideration. The acquired data were given narratively to describe the performance of BUMDes Amarta in the governance dynamics during the Covid-19 pandemic. The data were subsequently processed following the theory outlined in a concise explanation. All processed data were given to solve research questions.

4 Results

According to social business, BUMDes is a village economic entity with hybrid (social and economic) features (Widiastuti, 2019). Therefore, the effort of the rural community has led to the formation of BUMDes. BUMDes is an economic business entity with a balance of trade-offs between maximizing profit and efficiency and accomplishing its social objective, as BUMDes Amarta finds waste solutions to boost the local economy. However, Covid-19 has resulted in societal shifts that necessitate a revision of BUMDes governance to exist and preserve economic stability. As judged by the notion of ideal governance by (Purnomo J., 2016), BUMDes Amarta had a low degree of governance application. In this instance, ideal governance indicators are outlined in Table 3.

Table 2. Describes the level of application of the principles of BUMDes governance from the results of the research studied. It shows that there are dynamics of BUMDes management as shown by the participatory, transparent, accountable, and emancipatory

Table 3. Portrait of Amarta BUMDes Governance

No.	Principle	Indicator	Applicability Level
1.	Cooperative	Cooperation between BUMDes and other parties in business development	High
2.	Participatory	Establishment of BUMDes through village deliberations	High
		BUMDes management intensity	Low
		Selection of types and business units of BUMDes	High
3.	Transparent	BUMDes financial report	Low
		BUMDes manager selection system	High
		Monitoring and evaluation mechanism	High
4.	Accountable	BUMDes Amarta fund management accountability	Low
		BUMDes strategic direction and policies	High
5.	Emancipatory	Equal opportunities for the community in accessing BUMDes activities	High
6.	Sustainable	Periodic community needs survey	High
		Protection of the impact of BUMDes activities on the environment	High

Source: Data Processed by the Author

principles in the indicators that have low applicability. The following describes the findings of the dynamics of problems from the Amarta BUMDes which are not able to achieve ideal governance.

4.1 Participatory

4.1.1 BUMDes Management Intensity

The participative principle was weak in the intensity of BUMDes management, determined by the manager's participation in management activities. It was caused by the prevalence of Covid-19, harming income and causing managers to seek part-time employment or dual positions at other institutions, such as Farmer Group Association (GAPOKTAN) or MSMEs. These conclusions were derived from original data using triangulation to measure the validity. The following is the interview result with the Director of BUMDes Amarta.

“BUMDes Amarta’s income has dropped by more than 50% since the Covid-19 pandemic because the education business unit, which generates the largest revenue, has been abandoned.”

Furthermore, the employee of the Integrated Waste Disposal Site (TPST) of the BUMDes Amarta Waste Business Unit stated as follows.

Table 4. BUMDes Formation of Personnel

No.	Position	Team Position
1.	Village Head	Person in charge
2.	Village Secretary	Coordinator
3.	Village Community Empowerment Institution (LPMD)	Chairman
4.	Head of the Village Consultative Agency (BPD)	Vice-Chairman
5.	Head of Development	Secretary
6.	Villagers	Member
7.	Villagers	Member
8.	Farmer Group Association	Member
9.	Villagers	Member
10.	Village Family Welfare Development	Member
11.	Village Staff	Member
12.	Villagers	Member

Source: *BUMDes Amarta Handbook*

“Covid-19 has caused a significant decline. Some managers and workers are looking for side jobs to fulfill basic needs, including me, by working as a rice field worker.”

In line with the employee of the TPST of the BUMDes Amarta Waste Business Unit, the Head of Welfare of the Pandowoharjo Village Government also stated.

“The intensity of the BUMDes Amarta management has also decreased since the Covid-19 pandemic, especially because the BUMDes operation has stalled.”

In conclusion, Covid-19 has weakened the participatory principle of BUMDes Amarta, especially in reacting to the Covid-19 pandemic, which has a high transmission pattern, requiring BUMDes management to develop new approaches for managing solutions.

4.1.2 Establishment of BUMDes through Village Deliberations

The participatory form was discovered in establishing BUMDes, carried out through village meetings by creating interaction between BUMDes management and involving related parties through regularly scheduled meetings. Then, there were regular casual chats, and through these communication and interaction sessions, the BUMDes management came to understand each other; it occurred because they had a mutually agreed-upon objective. This participatory approach established BUMDes by identifying village issues and opportunities and forming a study committee with a village chief’s proclamation. The people for the planning and formation team of BUMDes Amarta are detailed in Table 4.

The following table is a list of the founding members of BUMDes categorized in the form of: participatory. At the stage of forming BUMDes, BUMDes socialization was also carried out to all Pandowoharjo Village communities to equate understanding of the perspective and orientation of BUMDes, as well as alternatives to agree on the development of BUMDes as one of the village economic institutions that creates prosperity. The village deliberation stage is a tool for making the highest decisions, in this forum you can choose and dismiss BUMDes management or determine the dissolution of BUMDes and other strategic policies.

Participatory action was also taken after the BUMDes formation stage by socializing it with the entire Pandowoharjo Village community to create a common understanding of the perspective and orientation of BUMDes, as well as alternatives to agree on the development of BUMDes as one of the economic institutions creating prosperity for the village. The village discussion stage has become a mechanism for making the most important choices; in this forum, BUMDes management could be selected and dismissed, and the dissolution of BUMDes and other strategic policies could be determined.

4.1.3 Selection of Types and Business Units of BUMDes

The business unit has become one of BUMDes's initiatives to maximize the management of village potential by establishing job possibilities, market opportunities, and networks to fulfill rural communities' service demands. In light of this, BUMDes Amarta has prepared planning and evaluation, focusing on identifying the needs of rural communities by utilizing village potentials and assets through village consultations with the participation of village communities, village governments, and other village organizations to create several business units based on the improvement of the community's economy and rural community development. Initially, BUMDes Amarta constructed waste management by building the location and surrounding environment and establishing appropriate work patterns. It continued by working with Jejamuran Restaurant and UPN Yogyakarta until the product could be produced and sold to customers.

Moreover, participatory activities also involve establishing new business units by altering the village's potential and assets along with the livelihoods of the population as farmers. Consequently, BUMDes took the initiative to establish a food business unit with GAPOKTAN partners to meet the requirements during the Covid-19 pandemic. The rice production business unit, operating as the first line of food delivery throughout the pandemic, has enabled this synergy with partners. As a result of this production, it is intended that the farmer groups in Pandowoharjo Village would develop innovative rice products; thus, increasing their family income. Then, it is advantageous to recognize that local resources are abundant in rural regions and can be processed into goods with a higher economic worth (added value), creating a synergy between the usage of local materials and the production of products with a higher economic value. Subsequently, with the creation of BUMDes, farmer organizations would sell their goods at uniform pricing. It would encourage GAPOKTAN to manufacture and compete healthily concerning product quality and sustainability. The Table 5 describes the business units of BUMDes Amarta.

Table 5. Business Units of BUMDes AMARTA

No.	Business Unit	Products
1.	Waste Management	<ul style="list-style-type: none"> – Organic and inorganic waste treatment – Garbage craft – Organic compost fertilizer
2.	Rental	<ul style="list-style-type: none"> – Rental – Party supplies – Meeting hall – Shophouse – Sound system – Others
3.	Service	<ul style="list-style-type: none"> – Educational services
4.	Cultivation	<ul style="list-style-type: none"> – Fresh fish
5.	Food	<ul style="list-style-type: none"> – Local rice – Pandowo Culinary Park

Source: Book Report on Study Results and Establishment of BUMDes

The community has been involved in forming the BUMDes business units through village dialogues to accept recommendations and opinions about the design. This comprehensive community engagement initiative has embodied freedom of speech and constructive participation.

4.2 Transparent

4.2.1 BUMDes Financial Report.

The transparent principle had a deficiency in the indicator of recapitulation of BUMDes financial reports, as evidenced by the absence of publication of financial reports on the internet. It caused difficulty for the public to monitor its development. Financial reports were only submitted to the BUMDes director, as stated by a resident of Pandowoharjo Village.

“Prior to Covid-19, financial reports were submitted at village meetings, but during the Covid-19 period, there was no reporting because there was no deliberation agenda.”

Observation results have corroborated this interview result, signifying that BUMDes Amarta did not yet have a personal website with information on the management and development of BUMDes.

4.2.2 BUMDes Manager Selection System

The selection of BUMDes administrators was conducted directly by the local community. Activation of the community’s voice utilized the community’s trust value when selecting

managers. It is crucial for the administration of a company or organization. The presence of public confidence indicates that the community has supported the growth and expansion of BUMDes Amarta. The community selected the board of directors based on the candidate's qualifications; each manager was judged qualified and capable of carrying out his duties. As all administrators were inhabitants of Pandowoharjo Village, the community had complete faith in the administration. In addition, this confidence was strengthened by the village community, who understood the administrators' character and was familiar with each other. The establishment of confidence in BUMDes Amarta was predicated on its management application of the integrity value through the company's openness or transparency.

4.2.3 Monitoring and Evaluation Mechanism.

Monitoring and evaluation have been performed in each business unit. During the operations of each business unit, monitoring aimed to verify the consistent implementation of the planned and mutually agreed-upon plans. The evaluation was carried out concurrently with filing financial reports after each semester (June and December), and every interested partner was involved. It was carried out to openly perform the evaluation, with direct knowledge of the accomplishments conducted following the set plans and those not carried out for each activity phase. An instantaneous collective solution could be developed if a mistake or constraint was discovered during the evaluation.

4.3 Accountable

4.3.1 Fund Management Accountability of BUMDes Amarta

The accountability for village fund management was weak. The data collected through triangulation consisted of a review of resource individuals from the management and staff of BUMDes, revealing discrepancies in the reporting of the allocation of expenditures for operational activities or the absence of such evidence in the notes. In this instance, the following is the interview result with the Director of BUMDes.

“Accountability for the management of income and expenditure funds has been recapitulated in the financial book by the Treasurer obtained from the head of the business unit.”

However, the BUMDes workforce mentioned the following statement.

“The management of BUMDes funding is deemed inappropriate because there is no harmony in the bookkeeping of expenditures with the goods obtained.”

This statement is reinforced by the results of observations, depicting a list of purchases of Waste Management Business Unit goods, namely office equipment to support the needs of the BUMDes office. However, the office facilities were still minimal, and even computers and printers were not found.

Furthermore, there is the management of BUMDes that has met the ideal level of governance principles. The indicators of governance principles considered to have reached a high level of exposure are explained, including the following.

Table 6. Strategy and Policy Direction

Mission	Strategy	Policy Direction
Development of economic enterprises through local businesses in the real sector	<ul style="list-style-type: none"> – Skills training – Human resource development – Training of business unit potential identification 	Realization of business unit development
Development of social services with priority for poor households	<ul style="list-style-type: none"> – Providing job opportunities for rural communities – Skills training 	Realizing social services for poor households
Development of village infrastructure that supports the village economy	<ul style="list-style-type: none"> – Building infrastructure that supports the village economy – Implementation of <i>gotong royong</i> in contributing to village infrastructure development 	Building infrastructure that supports the village economy
Developing a network of economic cooperation with various parties	<ul style="list-style-type: none"> – Providing opportunities for the community to establish partners with BUMDes and other parties – Developing business units 	Building a network of economic cooperation based on academics, business, community, and government (ABCG)
Managing program funds that enter the village in the form of revolving funds, especially in the context of poverty alleviation and business economic development	<ul style="list-style-type: none"> – Update of revenue review management recap – Business unit development 	Utilizing income to build business development

Source: *BUMDes Amarta*

4.3.2 BUMDes Strategic Direction and Policies

The BUMDes accountability structure has incorporated the approach applied by BUMDes Amarta. Strategy accountability is an endeavor to attain the intended objectives, notably poverty reduction, development of local economic potential, fairness, sustainability, and interconnectedness through various activities. The strategic orientations and policies of BUMDes are aligned with each mission of BUMDes, as described in Table 6.

In Table 6, it can be understood that the accountability element is implemented from the mission, then formulates a strategy by analyzing the strengths and weaknesses of the internal BUMDes, and the opportunities and challenges for the external BUMDes which are continued to be tested and calculated in order to get the quadrant position. This is to find out the gaps in determining the right strategy, so as to achieve the desired policy direction.

4.4 Cooperative

4.4.1 Cooperation between BUMDes and Other Parties in Business Development

BUMDes Amarta has established a cooperative engagement with multi-stakeholders based on their respective areas of competence due to the necessity of gaining new partners and contacts. In this instance, BUMDes Amarta has cultivated partnerships with academia, the commercial sector, the government, the community, and the media. The establishment of these cooperative efforts was meant to promote mutualism through contributions or roles corresponding to the capabilities and skills of each partner since it has become an obligation requiring villages to open themselves up to be independent. In developing collaboration, however, aspects of synergy and connectedness with partners are required to enhance participation and democratic nature. The Director of BUMDes stated as follows.

“Synergy is manifested in the division of roles of each partner with the same goal and focus on the area of expertise of each partner to improve the quality of production and the success of BUMDes.”

Cooperation with partners is highly beneficial to BUMDes Amarta, particularly in enhancing and expediting the implementation of village governance, village economic development, village community economic development, and village economic empowerment. The vehicle for BUMDes collaboration, according to Minister of Home Affairs No. 96 of 2017 about Procedures for Cooperation in the Field of Village Administration, is a Collective Agreement through a Village Deliberation agreement. The extent of collaboration, area of cooperation, provisions in the execution of cooperation, duration of time, rights and obligations, financing, processes for postponement, revision, cancellation, and dispute resolution are included in the joint rules and collective agreements. Figure 1 illustrates the partners obtained from primary data interviews with the Director of BUMDes, Secretary of BUMDes, Village Government, and GAPOKTAN Managers, compiled and concluded by the authors.

- 1) Academic Partners as drafters, such as standardization of processes in the activities carried out as well as certification and human resource skills. BUMDes Amarta has academic partners from the Faculty of Agriculture UPN Yogyakarta in providing assistance and training in making quality compost to improve the quality of employees and increase consumer demand
- 2) As part of their position as promoters, private partners played a role in increasing sales of BUMDes goods by supporting production outcomes and creating product innovation. Resto Jejamuran and GAPOKTAN were among the private partners of BUMDes Amarta. Resto Jejamuran has collaborated to promote BUMDes production, namely compost and recycling of economic value goods, while GAPOKTAN has focused on collaboration in the rice processing industry.
- 3) In this scenario, community partners have a significant role in developing this relationship. The importance of the community’s role in developing BUMDes has increased due to its formation following the initiatives of the village community. Therefore, BUMDes must involve the village community and adhere to democratic principles in every decision-making process.

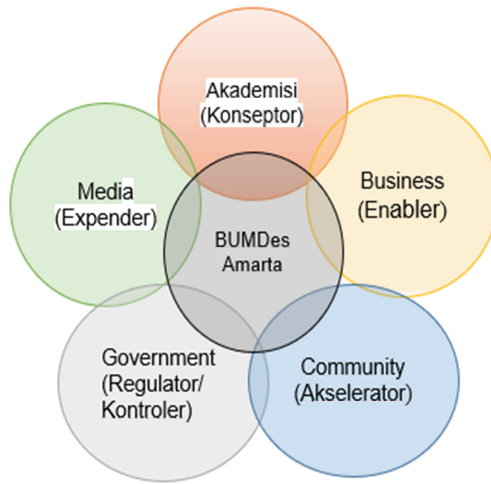


Fig. 1. Patners of BUMDes Amarta

- 4) The government partner in question is the village government, which has a role in growing the village community's economy as both a regulator and a controller responsible for creating business units and enforcing laws. Then, it incorporates a variety of actions, including planning, execution, monitoring, and assessment. Additionally, the government's role is to provide various types of concrete support and attention in socializing the program BUMDes has launched to rural communities, including making programs. Moreover, the government has completed public facilities that are still below capacity, such as those relating to infrastructure. The Sleman Regency Agriculture Office is required to assist the compost fertilizer business unit in constructing a government-wide network.
- 5) Mitra Media has been responsible for publishing brand promotion and image creation. Since it harmonizes the development of the contemporary period, technology and media predominate and have an extremely positive influence; the media's presence has become a significant factor in the growth of business units. In this example, BUMDes has attempted to be active on the social media platform Instagram and publish articles posted through www.masterplandes.com/ and www.bumdeswahanasentosa.id.

4.5 Emancipatory

4.5.1 Equal Opportunities for the Community in Accessing Activities and Information About BUMDes

BUMDes Amarta has several components, including the village administration, BPD, community, and partner networks, all of which must get the same treatment regardless of their distinct histories. The same treatment and services have been provided by BUMDes management in each component. It is consistent with the conclusions of primary data collected from the resource person, the Director of BUMDes, who declared such.

“There is no change in the provision of services. So far, BUMDes managers have endeavored to offer customers services following the appropriate Standard Operating Procedures. So, the intended service outcomes are the same, and there is no variation in treatment or service since many BUMDes managers are also BUMDes clients.”

In order to examine the veracity of the assertion made by the BUMDes sources on the emancipatory principle, data were also collected from the village community. In this case, the village community agreed on the emancipatory principle.

“In order to allow village communities to express their hopes for the renewal of BUMDes development, information on the development of BUMDes since Covid-19 is only shared through WhatsApp groups, as face-to-face meetings will increase the transmission of Covid-19.”

It becomes evident that BUMDes Amarta has pursued liberation through the application process.

4.6 Sustainable

4.6.1 Periodic Community Needs Survey

BUMDes Amarta performed a survey to determine the difficulties through direct delivery during meetings. It was conducted not only about the difficulties inside BUMDes Amarta but also regarding the demands of the community or the problems within the local community. Criticism and recommendations from the community were sent directly to the BUMDes administration, which was then considered at the meeting. It would eventually change BUMDes, as each program or activity requiring improvement would be enhanced. In addition to demonstrating community engagement through fresh ideas, criticism, and recommendations, the survey has demonstrated management’s interest in the community by revealing its needs and present issues.

4.6.2 Protection of the Impact of BUMDes Activities on the Environment

The BUMDes business unit has strived to reduce environmental effects across all operations by transforming trash into fertilizer and fostering a creative economy. The pursuit of sustainable waste management inspired this program. It has negatively influenced environmental conditions and human health because garbage is a never-ending issue. In addition, Pandowoharjo Village is situated in a semi-urban region with a high population density and culinary businesses that generate garbage, hence expanding the waste population.

In this instance, the BUMDes managers have performed a community needs survey incorporating the issue of trash population growth. The phases of waste management consist of garbage collection, processing, and recycling to reduce environmental, aesthetic, and health consequences. Waste management entails liquid, gas, and solid substances and unique skills and procedures for each kind of material to restore natural resources. This trash management program has been carried out by BUMDes for a long time and has

benefited the community since, in the past, people who lacked time to handle garbage, particularly domestic waste, just heaped it up and left it dispersed. The costs for garbage at the Integrated Waste Disposal Site (TPST) of BUMDes Amarta are described below.

The waste management process has become a business unit contributing to creating the village community's economy, one of the strategic aspects derived from the initial analysis of community requirements. In this instance, BUMDes operations have created both trash and economic empowerment, requiring cash, human resources and resources. Currently, BUMDes has been able to meet the community's ambitions; effective waste management has become the solution to community demands, environmental conservation, and the anticipation of environmental contamination. Hence, a waste-free environment has been accomplished.

5 Conclusion

This study's primary purpose is to assess the indicators of BUMDes Amarta governance. Literature and regulatory research were applied to develop governance indicators, categorized as (1) cooperative, (2) participatory, (3) emancipatory, (4) transparent, (5) accountable, and (6) sustainable. The findings disclosed that the implementation of governance principles of BUMDes Amarta, particularly a growth category, has declined throughout the Covid-19 era. These governance indicators have been deemed too ideal, resulting in relatively low exposure to BUMDes governance. The participatory principle of BUMDes managers did not provide consistency of enthusiasm in BUMDes management due to decreased turnover that did not meet their personal needs. In addition, there was no renewal of information transparency efforts associated with the management of BUMDes on the internet for simple monitoring of BUMDes progress by village communities. Subsequently, there was a lack of congruence between BUMDes' financial reporting and the actualization of income expenditures concerning the idea of the accountable principle.

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