



Comparative Analysis of The Establishment of Village-Owned Business Enterprises in Karawang and Bogor Regency: Policy, Organization and Business Dimensions

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Abstract. Residents of rural communities, most of whom work as farmers, have a low level of socio-economic welfare. Various regional policies, including those in Karawang Regency and Bogor Regency have been issued, including regarding Village-Owned Business Enterprises (BUM Desa) in the form of regional regulations (perda) and regent regulations (perbup). These policies are Number 4 of 2019 and Number 6 of 2015, as well as District Head Regulations Number 35 of 2020 and Number 79 of 2018, which relate to public interests. The research aims to examine comparatively the dimensions of policy, organization and business contained in the two regional policies in the two regencies. The research uses normative juridical methods, policy evaluation and literature review. The results of the study showed that the similarities in the policy dimensions include juridical references to village and regional government laws, the goals of regional government regulations as regional policies, and the aims and objectives of BUM Desa as policy objects. The differences include setting the scope of the policy and the mechanism of the policy establishment stages. Similarities from the organizational dimensions include arrangements regarding the form of organization, management organization, organizational structure, as well as guidance and supervision. The differences include setting the job requirements for operational executors and supervisors. The similarities in the business dimensions include capital arrangements, classification of types of business, and business management strategies. The difference lies in setting the details of the type of business and BUM Desa employee spending. There are several policy substances in the two regent regulations that must be perfected.

Keywords: Comparative Analysis, Policies, Organization, Business, Village-owned Business Enterprises.

1 Introduction

Various steps have been taken by the government in an effort to improve the welfare of the villagers, the majority of whom work as farmers. Socio-economically the level of welfare of the Indonesian people is still not encouraging, because data as of September 2022 there are 9.57% of the poor, an increase of 0.03% from March 2022, some of

whom live in rural areas [1]. The political will of the state regarding various aspects of the countryside has changed in several eras of government along with the political dynamics and strategic environment in the form of laws.

Finally, specifically in the form of laws that regulate villages, namely Law Number 6 of 2014, which in Articles 87 to 90 regulates several matters regarding Village-Owned Enterprises (BUM Desa). As stated in Article 1 number 6, that this BUM Desa is a business entity whose capital is wholly or substantially owned by the village through direct participation originating from village assets which are separated to manage assets, services, and other businesses as the greatest possible welfare for the village citizens.

What the government is doing by encouraging the establishment of BUM Desa is inseparable from development and economic growth in general and empowerment of rural communities. Widiatmaka and Sri Wibawanti stated that economic development which the government focus is carried out starting with developing rural areas by improving the quality of human resources owned by empowering the community. The development of the economic sector through community empowerment in rural areas is the government's effort to reduce the problem of poverty. One of the ways is an economic-based institution whose formation and management are directly managed by the village community, namely the Village Owned Enterprise [2]. With regard to its institutional characteristics, Mustaqim stated that BUM Desa is also developed on the basis of community initiatives based on the principles of mutual assistance, participatory, transparent, emancipatory, accountable, and sustainable with member-based mechanisms and independence [3].

Academically, the issuance of state regulations regarding institutions that require an increase in the socio-economic welfare of the villagers can be seen from at least three perspectives, namely public policy, organization, and business. From a public policy perspective, this is an interesting topic to discuss, because the issuance of this law is a state policy decision regarding public interests and issues that are determined by public institutions/officials in accordance with the authority attached to them. The enactment of this law has gone through a long process that takes place in the political infrastructure and political superstructure and involves various actors and policy institutions in both settings. This is in line with what Anderson stated that public policies are those policies developed by government bodies and officials [4].

The regulation regarding BUM Desa is then stipulated by public officials at the level of government below them, namely the Ministry of Village and PTT in the form of ministerial regulation (Permen) Number 4 of 2015 concerning Establishment, Administration and Management, and Dissolution of Village-Owned Enterprises. At the district government level as an integral part of the national government, each local government and district government establishes regional policies, in the form of regional regulations (perda) and regent regulations (perbup). In this study, what will be the focus is what will be published in Karawang Regency in the form of Regional Regulation Number 4 of 2019 and Regent Regulation Number 35 of 2020, and in Bogor Regency in the form of Regional Regulation Number 6 of 2015 and Regent Regulation Number 79 of 2018. In this context, there are several dimensions of public policy that are used

to examine various state/government policies at all these levels, especially regional regulations and regent government regulations, including policy issues, policy objectives, policy juridical basis, policy actors, policy institutions, policy resources, policy hierarchy, environment policies, as well as policy stakeholders.

From an organizational perspective, the analysis of the two regional regulations and regional government regulations will be related to the fact that this BUM Desa is an organization specifically formed to improve the socio-economic welfare of the community. There are several organizational dimensions that can be used to examine both regional regulations and regional government regulations, including the type of organization, duties and functions, obligations and responsibilities, hierarchy and reporting, and professionalism. The arrangements regarding several dimensions of the organization in the two regional regulations and the regional government regulations are a juridical and operational reference for policy stakeholders regarding BUM Desa in the regions, especially village heads and BUM Desa managers. The relevance of the study from an organizational perspective is in line with the definition of organization, including according to Robbins who states that an organization is a consciously coordinated social entity, with a relatively identifiable boundary, that functions on a relatively continuous basis to achieve a common goal or a set of goals [5].

The study from the business aspect of the two regional regulations and regent regulations regarding BUM Desa is important because it is clear that this institution is deliberately regulated in state and government regulations to carry out business activities. Therefore, several things can be used to examine BUM Desa from a business aspect, including the type of business, capital, business strategy and personnel spending. This study from the business aspect is important and relevant because the purpose of establishing an economic institution will have a positive impact on village communities when they can carry out their main task, namely business. This is in line with what was stated by Pride et al., defining business as the organized effort of individuals to produce and sell, for a profit, the goods, and services, that satisfy society's needs. To be successful, a business must perform three activities. It must be organized, it must satisfy needs, and it must earn a profit [6].

Therefore, the arrangement regarding BUM Desa from the dimensions of public policy, organization, and business in the two districts is interesting to study comparatively, by discussing the similarities and differences. With this, it is hoped that there will be a complete picture as a basis for the implementation of the policy for the establishment and development of BUM Desa, as well as the possibility of improving regulations in the future. This study aims to examine comparatively the dimensions of policy, organization and business contained in the two regional policies in the two regencies.

2 Methods

The research uses two methods, namely normative juridical and literature review. The focus of the normative juridical method is on all state and government regulations relating to BUM Desa, particularly in Karawang and Bogor districts, as well as other relevant government documents. The researcher conducted a comparative study of the

substance and context of all these regulations related to BUM Desa. Literature review is carried out by collecting, classifying, and reviewing all documents in various forms, in the form of books, journals, reports, papers, website news and other sources of information that are relevant to the research objectives.

3 Results and Discussion

3.1 Similarities from Policy Aspects

Juridical references are very fundamental in public policy analysis, because as Anderson stated that in its positive form, public policy is based on law and authoritative [4]. Policy without law has no power to implement. The legitimation of law is critical in modern democracy. It is called public accountability, which means a formal agreement written for the public shall be accounted for publicly [7]. Several statutory regulations in the form of laws, government regulations and ministerial regulations, became a juridical reference for the issuance of this district head regulation in Karawang and Bogor Regencies. The similarities in terms of juridical reference to the two regional regulations include Law Number 23 of 2014 concerning Regional Government and Law Number 6 of 2014 concerning Villages. Several regulatory reference similarities in the business/financial sector include Law Number 40 of 2007 concerning Limited Liability Companies and Law Number 1 of 2013 concerning Microfinance Institutions. Likewise, the two regional regulations in the two districts place Law Number 23 of 2014 and Law Number 6 of 2014 as the legal basis for their formation, in addition to Government Regulation Number 43 of 2014 concerning Regulations for Implementing Law Number 6 of 2014 concerning Villages.

This also shows the existence of a policy hierarchy, policy stakeholders and the policy environment. The policy hierarchy is indicated by the existence of a vertically arranged policy arrangement regarding BUM Desa, which, following Bromley's opinion, are all at the policy level, organizational level, and operational level [8]. Policy stakeholders consist of actors and institutions that have a stake and has an interest in the presence of policies regarding BUM Desa, which are in the community and government order. The policy environment is in the form of public expectations for increasing the socio-economic welfare of rural communities. According to Dunn, this environment is a special context in which events surrounding policy issues occur, affect, and are influenced by policy makers and public policies [9].

Policy objectives are fundamental for policy stakeholders because this will guide their implementation, especially for policy implementers. This is in line with what Anderson put forward that one of the characteristics of public policy is purposive or goal-oriented action rather than random or chance behavior is our conscience [4]. In this regard, the role of policy actors and institutions is very important and decisive, both in the political infrastructure and the political superstructure. According to Gerston, these policy actors are who present, interpret, and respond to those issues [10]. Policy institutions are the structures and organizations of the state, society, and the international

system [11]. In this regard, the regent and regional apparatus, DPRD members, government observers, social activists, village heads and their officials, BPD members, BUM Desa managers, and members of the media are policy actors in the regions. The policy institutions are DPRD, Regent, social institutions, mass media, BUM Desa institutions and other institutions with an interest in BUM Desa.

Explicitly, the purpose of this policy in Karawang Regency is stated in Article 2 paragraph (2) of Perbup Number 35 of 2020, which is to facilitate the establishment, management and dissolution of BUM Desa and/or BUM Desa Bersama; ensure the management and development of BUM Desa and/or BUM Desa Bersama business activities in accordance with the principles of good corporate governance; and to support the optimization of village assets in order to improve community welfare, economic growth and equity, and improve public services to the community. In Bogor Regency, the purpose of this policy is stated in Article 2 paragraph (2) of the Perbup Number 79 of 2018, which is to realize the formation of BUM Desa in accordance with village business potential, social conditions, culture and village community dynamics and democratization in the village.

Even though the sentence formulation regarding policy objectives between the two regional regulations is different, the essence is the same, because it relates to the socio-economic welfare of the community. On the other hand, the level of socio-economic welfare of this community is also a policy issue. These policy issues, according to Dunn, that appear simple are often as complex as the problem systems from which they originate. Policy issues are the result of previous disputes about the nature of policy issues, which are based on a selective interpretation of the problem conditions [9]. This issue will become the initial embryo for the emergence of public problems and if these problems receive adequate attention, they will enter the policy agenda. An issue cannot automatically enter the policy agenda because policy issues cover broad dimensions [12].

From a public policy perspective, there is no doubt that this public interest is the essence of every decision or action determined by government officials/institutions to care about the public interest. This was stated by Anderson as one of the values that influence behavior in decision making by policy makers. This public policy expert stated that decision makers may well act on the basis of their perceptions of the public interest or beliefs concerning what is proper or morally correct public policy [4]. Policy actors, especially those in the political superstructure, are certainly required to always be committed to this public interest, in the form of hopes for increased socio-economic welfare.

The substantive areas of policy in these two regional government regulations are village economics and social welfare. In other words, BUM Desa as an institution formed to improve the village economy and social welfare is an object of policy. The purpose of establishing this BUM Desa as stated in Article 4 of the Karawang District Regulation Number 35 of 2020 is as an effort to accommodate all activities in the economic sector and/or public services managed by the village and/or in the framework of inter-village cooperation and inter-village business services. The objectives as stated in Article 5 are to improve the village economy; optimizing village assets so that they are

useful for village welfare; increasing community efforts in managing the village's economic potential; develop business cooperation plans between villages and/or with third parties; creating opportunities and market networks that support the public service needs of citizens; open employment opportunities; increasing the welfare of the community through improving public services, growing and equalizing the village economy; and increasing village community income and village original income.

In Bogor Regency, as referred to in Article 5 Paragraph (1) Perbup Number 79 of 2018, the purpose of establishing a BUM Desa is to accommodate all economic activities and/or public services in the village. The objective as stated in Article 5 paragraph (2) is to improve the village economy and create community economic empowerment; optimizing village assets so that they are useful for village welfare; increasing community efforts in managing the village's economic potential; develop business cooperation plans between villages and/or with third parties; creating opportunities and market networks that support the public service needs of citizens; open employment opportunities; the creation of community economic empowerment; increasing the welfare of the community through improving public services, growing and equalizing the village economy; and increasing village community income and village original income.

In the practice of village government, of course it is not so easy to implement this policy of establishing a BUM Desa, for example in Bogor Regency, out of 416 villages, there are 380 villages that have formed a BUM Desa. Based on Purnamasari and Rachmat Ramdani's evaluative research, among others, they concluded that the purpose of establishing a BUM Desa had not been achieved. This relates to, among other things, the aim of improving the village economy, optimizing village assets for village welfare, increasing community businesses in managing village potential, developing business cooperation plans between villages and/or third parties, as well as creating opportunities and market networks that support the public service needs of residents [13].

3.2 Differences from Policy Aspects

In Perbup Karawang Number 35 of 2020 there is no scope of regulation regarding BUM Desa, while in Perbup Bogor Number 79 of 2018 it is contained in Article 3 which covers the establishment of BUM Desa, administration and management of BUM Desa, capital, types and results of operations and bankruptcy of BUM Desa, BUM Desa category, reporting and accountability for the management of BUM Desa, coaching, supervision and auditing, administrative documents for the establishment and management of BUM Desa and the dissolution of BUM Desa.

The mechanism for establishing a BUM Desa in Karawang Regency is regulated in Article 3 and Article 6 of Regional Regulation Number 35 of 2020, which is concerned with the procedure, balance, and mechanism for establishing a BUM Desa through village meetings. In Bogor Regency, the phasing is regulated in more detail starting from Article 4 to Article 15 of Perbup Number 79 of 2018, which includes considerations/reasons for establishing a BUM Desa, socialization, forming a preparation team for the establishment of a BUM Desa, mapping of business feasibility and drafting the

AD and ART of BUM Desa, preparation of draft village regulations, village meetings, as well as BUM Desa together.

3.3 Similarities from Organizational Aspects

The similarities in organizational aspects in the two Perbup Karawang and Perbup Bogor are related to organizational characteristics (Article 7, Article 17); management composition (Article 9, Article 18); powers and obligations of advisers (Article 10, Article 19); duties, obligations and responsibilities of operational implementers (Article 11, Article 20); requirements to become operational executor (Article 13, Article 21); supervisory organizational structure and supervisory obligations (Article 16, Article 23); BUM Desa management strategy (Article 31, Article 25), as well as guidance and supervision (Article 42; Article 41 and Article 42).

Based on Article 7 Perbup Karawang Number 35 of 2020 and Article 17 Perbup Bogor Number 79 of 2018, that BUM Desa can consist of business units that are legal entities, can be in the form of business institutions whose share ownership includes BUM Desa and the community. Thus, the characteristics of the BUM Desa organization include the type of organization Talcott Parsons calls a production organization, namely organizations that make things or products [14]. This is especially evident from the purpose of establishing a BUM Desa to improve the village economy, optimize village assets for the benefit and welfare of the village, improve public services, as well as growth and equity in the village economy.

There are important similarities in the organizational arrangements of BUM Desa in these two district regulations, including regarding the management organization which is separate from the village government organization. However, there is an inconsistency in the next provision, namely Article 9 Paragraph (1) that the organizational structure of the BUM Desa management consists of advisers, operational implementers, and supervisors. This advisor, as referred to in Article 10 Paragraph (1) is held *ex-officio* by the village head. When it should have been stated that it was separate from the village government organization, this advisor was not held by the village head, because it was part of the village government.

Several studies have shown that the relationship between the village government and the BUM Desa management will affect the performance of this community's economic institution. Research Triyo et al. shows that the problems of BUM Desa include a lack of community participation in the management of BUM Desa, the village government is not optimal in developing BUM Desa, and the quantity of human resources [15]. The role of the village government in establishing BUM Desa has not been fully optimal at all stages of community empowerment. this stage consists of the location selection stage, the socialization stage, the empowerment process stage, and the independence stage [16]. Kurniasih and Shadu Satwika Wijaya's research shows that village government business failures are caused by the relationship between BUM Desa managers and village government not being based on entrepreneurial spirit, business ethics and the

clarity of the roles of each party. This resulted in the dominance of the village government which was still very thick, so that the innovation and creativity of managers could not develop [17].

Arrangements regarding the duties, authorities, obligations, and responsibilities of each element in the organization to ensure that organizational goals can be realized, and accountability as an organization can be shown, especially those that use public funds, including BUM Desa. In this regard, E. Wight Bakke stated that the organization is a continuing system of differentiated and coordinated human activities utilizing, transforming, and welding together a specific set of human material, capital, ideational and natural resources into a unique, problem solving whole whose function is to satisfy particular human needs in interaction with other systems of human activities and resources in its particular environment [18]. In this regard, Robbins stated that managers need to be able to give orders. Authority gives them this right. Along with authority, however, goes responsibility. Wherever authority is exercised, responsibility arises. To be effective, a manager's authority must equal his or her responsibility [5].

The existence of an organizational element called the supervisor in the two regional government regulations, in the perspective of administration and management theory is very important to support the achievement of organizational goals effectively. This controlling is one of several administrative and management organic functions as stated by experts. Silalahi states that controlling will obtain information about the achievement of objectives, appropriate or deviations occur, so that when there are deviations corrective action can be taken [19]. Controlling is the process of observing the implementation of all organizational activities to ensure that all work being carried out goes according to a predetermined plan [20].

The role of the village government, in this case the village head and the role of operational supervisors and executors greatly determine the achievement of the objectives of establishing a BUM Desa. The capability, commitment, and integrity of these three elements are key factors in the performance of institutions mandated by government regulations to contribute to improving people's welfare. According to Srirejeki, the plan and the establishment of village owned enterprise is built based on the community initiative, as well as on the principles of participatory cooperative (user-owned, user-benefited, and user-controlled), transparency, emancipatory, accountability, and sustainability with the member-based and self-help mechanism. The most important of all is that the management of it should be done professionally and independently [21]. In line with this, Daft calls management one of the five organizational subsystems, and he says that management is a distinct subsystem, responsible for directing and coordinating the other subsystems of the organization. Management provides direction, strategy, goals, and policies for the entire organization [22].

3.4 Differences from Organizational Aspects

The organizational structure of the executor is regulated in Article 20 Perbup Bogor Number 79 of 2018, which consists of a chairman, secretary, treasurer, head of business unit, and members, while this is not regulated in Perbup Karawang Number 35 of 2020.

Article 12 Paragraph (1) perbup it only states that the operational executor can appoint members of the management in accordance with the capacity of the business sector, especially in managing business record-keeping and business administration and operational functions of the business sector. There should be clarification regarding the name of the position among several people who are mandated as the operational executor.

The difference between the regional government regulations, among others, relates to the regulatory requirements as supervisors. In the Perbup Karawang the requirements as supervisors for this matter are not regulated, while in the Perbup Bogor it is regulated in Article 24 Paragraph (1). These requirements are Indonesian citizens, pious to God Almighty, physically and mentally healthy, aged at least 21 years and a maximum of 60 years, village people who have a social and entrepreneurial spirit, domiciled and have lived in the village for at least two years, have good personality, honest, fair, experienced, responsible, and attention to the village economic business, minimum education is SMU/Madrasah Aliyah/SMK or equivalent, and other requirements as stated in the AD and ART of the BUM Desa. Setting detailed requirements as a supervisor is basically as important as setting requirements as an operational executor. This at least regulates educational qualifications and an entrepreneurial spirit. Even this Perbup Karawang Number 35 of 2020 should be regulated in detail as regulated in Perbup Bogor Number 79 of 2018.

The importance of setting the level of education is in line with what Daft stated about one of the organizational structural dimensions, namely professionalism. This organizational theorist emphasized that professionalism is the level of formal education and training of employees. Professionalism is considered high when employees require long periods of training to hold jobs in the organization. Professionalism is generally measured as the average number of years of education of employees, which could be as high as twenty in a medical practice and less than ten in a construction company [22].

The existence of operational executors in the BUM Desa structure as stipulated in the two district regulations is in line with Henry Mintzberg's opinion regarding the five basic elements of the organization, including the operating core. This expert stated that the operating core is an employee who performs the basic work related to the production of products and services [5]. Its performance will greatly determine the success of BUM Desa in achieving its goals and work programs. The executive authority that rests on his shoulders will show the overall performance of the organization. Several studies show that the competency and capability of operational implementers is inadequate. Wulandari's research states that several factors hinder BUM Desa so that some of BUM Desa are inefficient. One of the causes of the symptoms of inefficiency is a lack of human resource capability that could have not been in accordance with the demands of BUM Desa management competence [23]. Research Hidayah et al. among others, concluded that although the formation of BUM Desa was in accordance with government regulations, the human resource skills for its management were inadequate. Apart from that, the lack of focus and lack of entrepreneurial spirit in operational implementation has created difficulties in carrying out BUM Desa tasks [24].

Entrepreneurial spirit as one of the requirements for BUM Desa managers is the right thing. Only people who are qualified entrepreneurs will be able to bring BUM Desa to reach its goals. In this regard, Pride et al. has reminded that entrepreneurship as one of the factors of production that must be considered by business managers. This business expert further stated that entrepreneurship, the activity that organizes land, labor, and capital. It is the willingness to take risk factors of production efficiently. An entrepreneur is a person who risks his or her time, effort, and money to start and operate a business [6].

3.5 Similarities from Business Aspect

The similarities in the regulation of business aspects in the Perbup Karawang and Perbup Bogor include the type of village-owned enterprise capital (Article 21 to Article 23; Article 26 and Article 27), type of business (Article 24 to Article 30; Article 28 to Article 34), as well as the BUM Desa management strategy (Article 31; Article 25 Paragraph (2) and paragraph (3)). The two regulations regulate the type of BUM Desa capital which consists of village capital participation and community capital participation.

The existence of capital in an organization, especially a business organization, is very important as an essential factor for the sustainability of an organization in achieving its goals. The importance of this capital has been stated by many experts, including Pride et al. which mentions capital in relation to production, that factors of production are the used to produce goods and services. Capital-the money, facilities, equipment, and machines used in the operation of organizations [6]. In its implementation, the availability of capital for this BUM Desa also depends on the commitment and sincerity of the village head in advancing the village. Research by Febryany et al. Among other things, he concluded that the aspect of inadequate capital originating from village fund capital participation was an obstacle in the implementation of BUM Desa activities. This has resulted in not maximizing the trading business unit, in the form of assisted stalls [25].

The two district regulations regulate the classification of business types that can be run and developed by BUM Desa, namely social business, rental business, brokerage, production and/or trading, financial business. business), as well as joint ventures (holding). The details of the types of BUM Desa businesses in the two district regulations are also regulated in more detail. For example, in Article 24 Paragraph (2) and Article 29 Paragraph (2) it is stated in detail that a social business type business unit in the form of public services can utilize local resources and appropriate technology, which includes village drinking water, village electricity business, food storage, and other local resources and appropriate technology. Another example in Article 25 and Article 30 regarding the rental business can be a rental business which includes transportation equipment, party equipment, meeting halls, shop houses, land belonging to the BUM Desa, and other rental items.

Setting the type of business is also very important, because accuracy in choosing the type of business to be engaged in is the first step for the success of the business organization concerned. Business according to Boone and Kurtz consists of all profit-seeking activities and enterprises that provide goods and services necessary to an economic system [26]. By placing more emphasis on the existence of an organization, Griffin and Ebbert argued that business is an organization that provides goods and services that are then sold to earn profits [27].

In full, the two regional regulations contain arrangements regarding the strategies that have been set and must be carried out by the operational managers of the BUM Desa. The strategy consists of (a). Socialization and learning about BUM Desa; (b). Implementation of village meetings with the subject matter of BUM Desa; (c). Establishment of BUM Desa that runs social business and rental business; (d). Analysis of the feasibility of BUM Desa businesses that are oriented towards brokering, holding, social business, financial and trading business, the rental business includes technical and technological aspects, aspects of management and human resources, financial aspects, socio-cultural aspects, economics, politics, business and living environment, legal entity aspects, and business planning aspects; (e). Development of strategic partnership cooperation in the form of BUM Desa cooperation between villages or cooperation with the private sector, community socio-economic organizations, and/or donor agencies; and (f). Business diversification in the form of BUM Desa which is oriented towards financial business and joint ventures (holding).

Having arrangements regarding this strategy is fundamental because it is the direction and road map going forward that must be followed by organizations, especially business organizations. This strategy according to Robbins is the determination of the basic long-term goals and objectives of an enterprise, and the adoption of courses of action and the allocation of necessary resources for carrying out these goals [5]. Hughes suggests that this strategy consists of two activities, namely establishing objectives and priorities for the organization (on the basis of forecasts of the external environment and the organization's capacities) and devising operational plans to achieve these objectives [28].

Likewise, it is very important to have arrangements regarding business feasibility analysis as one of the strategies that have been determined as a guide for managers, especially operational implementers. This business feasibility analysis is very important because as stated by Yuliati, that a company feasibility study or project feasibility study or business feasibility study assesses a project as a whole so that all factors must be considered in an integrated analysis. This analysis includes aspects of marketing, technical, financial, management, legal, and project benefits for the national economy [29]. This is important to emphasize because the establishment of a certain type of business by the BUM Desa could be more due to considerations of convention or simply because it fulfills the formality aspect that this BUM Desa has been running. This is in line with the research by Sinarwati et al. which states that the management of BUM Desa has not been successful in accordance with the objectives of its establishment, including to increase the village's original income, one of the reasons is because the business units are run without going through the preparation of a business feasibility

analysis. Most of the BUM Desa business units that are run are just walking or following business units in other villages [30].

Likewise, the importance of developing strategic partnership cooperation as one of the strategies regulated in the two regional government regulations is a necessity in the current competitive era. In other words, collaboration is currently the key word for every organization to get success in achieving organizational goals. In this regard, Ann Marie Thomson argues that collaboration is a process in which autonomous actors interact through formal and informal negotiations, jointly creating rulers and structures governing their relationships and ways to act or decide on the issues that bring them together, it is a process involving shared norms and mutually beneficial interactions [31]. With regard to networks and partnerships, Rosenbloom et al. argues that collaborative approaches such as networks and partnerships are viewed as the means to leverage scarce resources across agencies and levels of government in order to optimize the use of governmental assets [32].

According to Narayanan and Raghu Nath, there are nine future trends in human and organizational life, one of which is the emergence of networks. Furthermore, these two experts stated that we are going to witness the increasing emergence of networks within as well as among organizations. Successful managers of the future will have to develop and cultivate networks. The emergence of these global networks will lend a new qualitative dimension to the organizational environment [14]. Therefore, cooperative arrangements to expand the BUM Desa business network with other parties as stated in Article 20 Paragraph (3) letter f and Article 20 Paragraph (4) letter c Perbup Bogor Number 79 of 2018, are very important and strategic for the development of BUM Desa. Likewise, this is stated in Article 11 Paragraph (2) letter c and Articles 34 to Article 36 Perbup Karawang Number 35 of 2020.

With regard to the importance of this collaboration, Srirejeki stated that collaboration among village owned enterprises from various villages could also be a strategy to be considered. More ideas and innovations happen when there is a resource combination. Each village owned enterprises could contribute in experience, finance, and even infrastructure. Sharing and leveraging those resources to put village owned enterprises into different levels. There could be an opportunity for new markets and even new networks. This strategy enables village-owned enterprises as catalysts for cooperatives among villages [21]. In this regard, the target of the Minister of Investment/Head of BKPM that there is at least 20 BUM Desa or BUM Desma that can collaborate with investors who will invest in the regions is a strategic step to make these rural economic institutions more empowered and international [33].

3.6 Differences from Business Aspects

The Perbup Bogor regulates details of BUM Desa employee expenses, which consist of salaries for operational managers and employees, supervisor and advisor fees, and allowances for BUM Desa administrators and employees, as stated in Article 36 Paragraph (1). The same is not regulated in the Perbup Karawang, so there are no guidelines for operationalizing the budget. This should also be regulated in the Perbup Karawang

because the clarity of salaries or honorariums for employees is a fundamental aspect of orderly management of BUM Desa businesses.

There are very essential regulated in the Perbup Bogor regarding the management principles of BUM Desa, and this is not regulated in the Perbup Karawang. The management principles are listed in Article 25 Paragraph (1) Bogor Regency Regulation Number 79 of 2018 which consists of cooperative, participatory, emancipatory, transparent, accountable, and sustainable principles. Explanation of each principle, as follows: (a) cooperative, meaning that all components involved in BUM Desa must be able to carry out good cooperation for the development and survival of their business; (b) participatory, meaning that all components involved in BUM Desa must be willing to voluntarily or be asked to provide support and contributions that can drive the progress of BUM Desa businesses; (c) emancipatory, meaning that all components involved in BUM Desa must be treated the same regardless of class, ethnicity, and religion, because the community has the same rights; (d) transparent, meaning that activities affecting the interests of the general public must be easily and openly known to all levels of society; (e) accountable, meaning that all business activities must be technically and administratively accountable to the authorities and the public; (f) sustainable, meaning that business activities must be able to be developed and preserved by the community in the BUM Desa container in a sustainable manner.

In relation to business governance, the regulation of the six principles is very important and has high significance as an affirmation for all parties concerned with the existence and future of BUM Desa as an economic organization that must side with the villagers. At present, these six principles and future organizational developments, especially those using public funds, are things that should be implemented in the management of BUM Desa.

As befits an organization, BUM Desa is required to always adapt to environmental developments, including the aspirations of the community. In this regard, Daft mentions that there are five organizational subsystems, one of which is called adaptation. According to him, the adaptive subsystem is responsible for organizational change. The adaptive subsystem scans the environment for problems, opportunities, and technological development. It is responsible for creating innovation and for helping organizations change and adapt [22]. One type of business environment according to Nickels et al. including the technological environment consisting of information technology, databases, barcodes, and the internet [34]. The term technology according to Narayanan and Nath means different things to different people. In organizational theory, technology refers to the knowledge, tools, techniques, and actions required to transform inputs into outputs. Technology includes such things as machinery, employee skills, and work procedures [14]

Therefore, it is urgent for BUM Desa to also adapt to the development of this environment, especially digitalization which has penetrated into various fields of human life. According to Puspitasari [35], the existence of BUM Desa as a village economic institution should be able to respond to the times and changes in people's lifestyles. Digitalization of the economy and e-commerce is an absolute necessity for BUM Desa.

BUM Desa is encouraged to move in the middle part of the supply chain system, provide systems and transaction space, and are oriented towards meeting the fast-paced and instant needs of the community.

4 Conclusion

The policy for establishing BUM Desa in the two districts based on local regulations and regional regulations is the realization of policies that have been set by the state, in the form of laws, government regulations and ministerial regulations. The management of various aspects of BUM Desa in the two districts, seen from the aspects of policy, organization, and business, shows some similarities and differences. There are several policy substances in the two district regulations that need to be perfected, so that they will further support the achievement of the objectives of establishing a Village BUM.

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