

## Strategies for economic empowerment via BUMDes: A path to sustainable development in Renah Alai Village

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### Abstract

The BUMDes, a village business entity managed by local communities, bolsters local economies and is established based on village-specific needs and potential. While the BUMDes in Renah Alai remains nascent, its contributions to the village's development and local community welfare have been limited. For the enduring success of the community, an empowerment strategy for BUMDes involving the government, village officials, and local stakeholders should accentuate rural local wisdom, encompassing socio-demographic constructs, agricultural enterprises, and village institutional frameworks. This research sought to conceptualize and dissect the paradigm of village economic enhancement via BUMDes in Renah Alai, targeting sustainable village growth. The SWOT-AHP analytical tool was employed, with the AHP approach yielding strategic recommendations through the SWOT matrix. Data was amassed via surveys and comprehensive interviews and processed through Focus Group Discussions (FGD) with pertinent village agencies and officials. The SWOT matrix's cumulative weights revealed that the Weakness-Opportunity strategy matrix was paramount, marking it as a cornerstone for the Renah Alai BUMDes Empowerment roadmap. The SWOT-AHP analysis delineated four pivotal empowerment areas for BUMDes in Renah Alai: 1) Institutional fortification of BUMDes, 2) Human resource quality enhancement, 3) Infrastructure, and 4) Capital acquisition.

**Keywords:** *BUMDes empowerment, Sustainable village growth, SWOT-AHP analysis*

**JEL Classification:** O13, O18, Q15

### INTRODUCTION

The Sustainable Development Goals (SDGs) represent a global commitment by world leaders to diminish poverty, redress social inequality, and safeguard the environment. These objectives consist of 17 goals and 169 targets, envisioned for accomplishment by 2030 (Hák et al., 2016). Sustainable development emphasizes inclusive growth, encompassing rural locales (Barbier & Burgess, 2017). Government policies, including the introduction of village programs, strive to elevate the well-being of rural inhabitants (Wibowo & Alfarisy, 2020; Astuti, 2015), particularly given the elevated poverty levels prevalent in these regions (Klärner & Knabe, 2019).

Rural economies are substantial contributors to both national and global employment and prosperity. Their influence extends beyond conventionally rural sectors, such as agriculture and tourism, into domains like the knowledge economy (Merrell et al., 2022). Despite receiving acknowledgment for their pivotal economic role, rural economies have considerable growth potential (Santika et al., 2019). Structural transformation, involving the transition from agricultural dominance to industries like manufacturing, remains a key strategy for rural economic fortification (Vrolijk, 2021; Zenawi et al., 2017). Relocating light manufacturing to rural spaces can spur economic growth, drawing upon local resources, bridging rural-urban income disparities, and fostering job creation (Sharma, 2018).

Merangin Regency exemplifies the dynamic nature of rural economies. As of 2018, it boasted 17 out of 98 active BUMDes, but by 2020, only 58 remained operational. Multiple factors, ranging from inadequate village potential mapping to the necessity for a coherent business strategy, account for this decline (Abidin, 2015; Citra, 2020).

Renah Alai Village, situated in the Jangkat sub-district of Merangin Regency, Jambi Province, Indonesia, presents significant development potential. Characterized by hilly terrain, its primary outputs include coffee and vegetable produce. Yet, its BUMDes, despite the village's vast potential, faces challenges linked to human resources and technological adaptation.

Indonesian village governance legislation instills hope for improved rural welfare, directing villages to align with central and regional development objectives regions (Marhaeni et al., 2022). The 2014 Law No. 6 articulates BUMDes as primarily or wholly village-owned enterprises operating from distinct village assets, providing services, and conducting business to elevate village welfare (Hulu et al., 2018; Widiasih & Suminar, 2015).

Given its intricate and multi-dimensional nature, empowerment in rural development remains challenging to delineate. Research avenues encompass communal action and economic empowerment, with local entrepreneurship and social enterprises often highlighted as efficacious for achieving rural development aims (Phillipson et al., 2019; Jatmiko, 2020). BUMDes, representing a facet of community empowerment strategies, acts as a catalyst for the people's economy, facilitating income generation, employment creation, and poverty alleviation in rural areas (Alfirdausi & Riyanto, 2019; Ariutama et al., 2019; Kirowati & Dwi Setia, 2018). To optimize BUMDes' contributions, strategies integrating government, village officials, and community insights—grounded in rural wisdom—are imperative.

Social enterprises in rural settings can substantially influence development trajectories (Richter, 2019; Zhang & Jiang, 2016). Studies highlight how economic determinants shape rural resilience and growth (Wilson et al., 2018a; Sharifi, 2016; Wilson et al., 2018b). Rural transformation, entailing a comprehensive socio-economic evolution and reduced agricultural reliance, is often posited as a prerequisite for robust rural development (Mallawaarachchi & Rahut, 2023). Recognizing the significance of rural businesses in shaping economic landscapes necessitates nuanced insights into their distinct challenges and aspirations (Philip & Williams, 2019; Watts et al., 2019).

Thus, this research, focusing on the Patterns of Village Economic Empowerment via BUMDes in Renah Alai Village towards Sustainable Village Development, intends to: (1) Examine Renah Alai Village's BUMDES' internal dynamics, (2) Analyze external influences affecting the BUMDES, and (3) Identify strategic imperatives for BUMDES evolution in Renah Alai Village.

## **METHODS**

The research was undertaken in Renah Alai Village, Jangkat District, Merangin Regency, focusing on the potential development of BUMDes. The choice of BUMDes as the research subject was instrumental in uncovering its potential and aiding the community in establishing economic institutions to elevate the population's income. The focal point of this study is the BUMDes development, leveraging the SWOT-AHP analytical approach to ascertain the potential, strengths, weaknesses, and opportunities inherent in BUMDes development within Renah Alai Village.

A descriptive methodology was employed, examining the challenges posed by the research subject, thereby highlighting strategic factors that impact the efforts to develop BUMDes in Renah Alai Village. The study utilized both primary and secondary data. Primary data were amassed through comprehensive interviews and Focus Group Discussions (FGDs) with specialists from government entities associated with BUMDes development in Merangin Regency, academicians from Merangin Regency, and representatives from Renah Alai Village. Literature reviews from various pertinent sources provided the secondary data.

The primary analytical tool for this research was qualitative descriptive analysis. A SWOT analytical tool addressed the second and third research questions. The SWOT analysis evaluates the strengths, weaknesses, opportunities, and threats related to BUMDes (Sumantra et al., 2019). The SWOT can be bifurcated into two segments: 'SW', focusing on internal conditions, and 'OT', concentrating on external conditions. This methodology allows for the identification of beneficial factors while sidestepping detrimental ones. Additionally, it aids in recognizing issues, formulating solutions, and delineating future development trajectories (Zhang, 2012; Salar & Salar, 2014).

This study incorporated the Analytical Hierarchy Process (AHP) to determine the strategic priority. The AHP is a decision-making framework that employs a hierarchical analytical process, prioritizing various criteria by juxtaposing two alternatives within a matrix. This is achieved through a pairwise comparison matrix technique, ensuring a specific consistency level (Baffoe, 2019). The AHP method culminates in identifying the optimal strategy from an array of alternative strategies, as suggested by the SWOT matrix (Haque et al., 2020; Hanila, 2019).

## **RESULTS AND DISCUSSION**

### **An overview of Renah Alai Village**

Renah Alai Village, situated in the Jangkat District of Merangin Regency in Jambi Province, spans an area of 32,026 hectares. The village's topography is predominantly hilly or mountainous, elevated at approximately 1,200 meters above sea level, with an average temperature ranging between 18-26°C. The climatic conditions in Renah Alai Village typically comprise seven months of rainfall and five months of dry spells annually. Given the prevalence of the rainy season over the dry season, agriculture emerges as the principal sector, sustaining most of the village's populace. Key agricultural commodities from Renah Alai include vegetables such as potatoes, sweet potatoes, and chilies. Additionally, coffee is a significant product of the village. The village's strategic geographical location underscores its dominance in the agricultural sector.

Identified predominantly as an agricultural hub, the majority of Renah Alai Village's inhabitants are engaged in farming. Governmental records of Renah Alai Village indicate a predominant production of sweet potatoes, potatoes, chilies, and

coffee. In 2021 alone, sweet potato production reached 2,500 tons, followed by 1,500 tons of potatoes, 300 tons of chilies, and 100 tons of coffee. The robust sweet potato production potential of Renah Alai offers promising opportunities for establishing businesses centered around processed sweet potato products.

Conversely, the primary sources of revenue for the village are the village funds and BUMDES. As of now, BUMDES has limited its operational focus to financing the Mini Hydro Power Plant (PLTMH) and the village-owned independent Regional Drinking Water Company (PDAM). Notably, BUMDES has not ventured into harnessing the village's agricultural potential or any other associated opportunities, resulting in an absence of agricultural business units managed by BUMDES.

### SWOT analysis of BUMDes in Renah Alai Village

The Internal Factor Analysis Summary (IFAS) matrix sheds light on the inherent strengths and weaknesses of BUMDes in Renah Alai Village. A composite score of 3.03 emerged from the IFAS evaluations. The analyzed data underscores a dominance of weaknesses over strengths in BUMDes's empowerment approach. Table 1 offers an intricate portrayal of the conditions pertinent to BUMDes's IFAS in Renah Alai Village.

**Table 1.** IFAS matrix of BUMDes in Renah Alai Village

No.	Dominant Internal Factors	Sum	Weight	Rating	Score
<b>Strength</b>					
S1	The establishment of BUMDes aligns with Law No. 6 of 2014 concerning Villages	81	0.08	3	0.28
S2	Ease of business initiation	60	0.06	3	0.15
S3	BUMDes offers entrepreneurial and expertise training to augment community income	45	0.05	2	0.09
S4	BUMDes's strategic location facilitates community service by incorporating village enterprise products	79	0.08	3	0.27
S5	Adequate capital provisioning by BUMDes	53	0.05	2	0.12
S6	Ample human resources availability	70	0.07	3	0.21
S7	Significant community motivation	77	0.08	3	0.25
<b>Total</b>		<b>465</b>	<b>0.47</b>		<b>1.36</b>
<b>Weakness</b>					
W1	BUMDes's funding priorities misalign with village requisites	74	0.08	3	0.23
W2	Yet-to-be-realized capacity in human resources	86	0.09	4	0.31
W3	BUMDes's capital shortfall	80	0.08	3	0.27
W4	Suboptimal performance in BUMDes management	79	0.08	3	0.27
W5	Absence of promotional tools to bolster market reach	90	0.09	4	0.34
W6	Tepid competition owing to deficient facilities and infrastructure	55	0.06	2	0.13
W7	Limitations in infrastructure	50	0.05	2	0.11
<b>Total</b>		<b>514</b>	<b>0.53</b>		<b>1.67</b>
<b>IFAS Total</b>		<b>979</b>	<b>1.00</b>		<b>3.03</b>

The IFAS evaluations illuminate pivotal internal factors shaping the BUMDes model. The most prominent strength is its legal foundation, rooted in Law No. 6 of 2014 concerning Villages. Complementing this is the village of Renah Alai's role as a prolific producer of agricultural commodities, bestowing BUMDes with significant potential to

manage and widely market these products. Conversely, the entity grapples with several challenges. A notable weakness is the lack of promotional strategies for broadening market reach. Compounding these issues are the yet-to-be-optimized human resource capabilities, performance concerns in BUMDes management, and constrained capital resources.

Opportunities and threats, integral external components, are appraised via the External Factor Analysis Summary (EFAS). With an EFAS score of 3.32, it's clear that BUMDes's economic empowerment trajectory is externally influenced by seizing opportunities and addressing threats.

**Table 2.** EFAS matrix of BUMDes in Renah Alai Village

No.	Dominant External Factors	Sum	Weight	Rating	Score
<b>Opportunity</b>					
O1	Progressive technological advancements	82	0.07	3	0.25
O2	Encouragement from governmental and private entities for BUMDes growth	84	0.08	4	0.27
O3	Abundant natural resource availability	70	0.06	3	0.18
O4	Population surge and heightened purchasing capacity of rural inhabitants	91	0.08	4	0.31
O5	Augmented accessibility to the internet and technology	90	0.08	4	0.30
O6	Considerable community involvement in BUMDes	74	0.07	3	0.21
O7	Expansive potential for partnerships	84	0.08	4	0.27
<b>Total</b>		<b>575</b>	<b>0.52</b>		<b>1.79</b>
<b>Threats</b>					
T1	Deficiency in HR proficiencies for harnessing technological business potentials	75	0.07	3	0.21
T2	Inadequate village internet connectivity	78	0.07	3	0.23
T3	Susceptibility to village officials' political agenda	69	0.06	3	0.18
T4	Prevalence of self-centered interests in collaborative endeavors	82	0.07	3	0.25
T5	Prevailing business-type competition	80	0.07	3	0.24
T6	Community expectations surpassing BUMDes managerial competencies	79	0.07	3	0.23
T7	Diminished community engagement in BUMDes initiatives	70	0.06	3	0.18
<b>Total</b>		<b>533</b>	<b>0.48</b>		<b>1.53</b>
<b>EFAS Total</b>		<b>1108</b>	<b>1.00</b>		<b>3.32</b>

EFAS evaluations posit that BUMDes possesses significant opportunities that distinctly eclipse its challenges. Notably, the population surge and the associated elevated purchasing capacity of rural inhabitants are potential areas BUMDes should exploit keenly. The role of the community is pivotal, as their active participation can catalyze BUMDes's ongoing growth and development. This mirrors the larger observation that the opportunities for BUMDes development far surpass the identified threats.

However, BUMDes's trajectory isn't devoid of hurdles. The landscape of village enterprises presents inherent business competition, demanding BUMDes and Renah Alai Village's administration to continuously innovate and diversify their market strategies. Intrinsic challenges, such as pronounced self-interests in collaborative

pursuits and a technology proficiency gap amongst the local youth, further accentuate the need for adeptness. This technological stagnation stemming from limited tertiary education insights and waning enthusiasm could thwart the village's sustained empowerment.

The subsequent phase in the SWOT analysis is delineating the strategy via the SWOT matrix. This matrix's primary objective is to transition from the prevailing conditions and rejuvenate the tarnished image within the region. The SWOT matrix encompasses four distinct combinations: SO, WO, ST, and WT. Presented in Table 3 are the strategies discerned in this study. Each strategy employs a specific SWOT combination for its formulation.

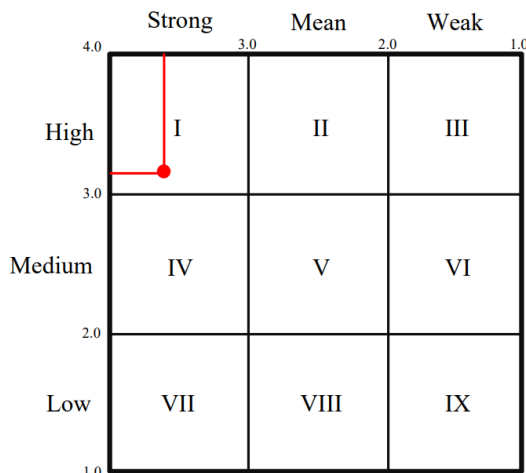
**Table 3.** SWOT matrix of BUMDes in Renah Alai Village

<b>Strength + Opportunity Strategy (SO)</b>		<b>Weight</b>	<b>Weakness + Opportunity Strategy (WO)</b>		<b>Weight</b>
SO 1	The village government actively engages with and supports BUMDes, promoting and fostering rural entrepreneurship.	3.18	WO 1	Enhancing technological literacy for the rural sector to address the digital inclusion challenges in Renah Alai Village, ensuring that this sector is neither primitive nor isolated.	3.46
SO 2	Encourage private company involvement in enhancing BUMDes resources and facilitating access to external capital beyond government funds.		WO 2	Organize regular training sessions for BUMDES staff to bolster the quality of BUMDES human resources.	
			WO3	Offer digital marketing training and elaborate on the advantages of digital marketing in broadening the Renah Alai Village farmers' market.	
<b>Strengths + Threats (ST)</b>		<b>Weight</b>	<b>Weakness + Threat Strategy (WT)</b>		<b>Weight</b>
ST 1	Extend internet accessibility for Renah Alai Village residents to realize the village's digitization fully.	2.92	WT 1	Restructure the BUMDes staff based on their aptitude for specific roles, moving away from practices rooted in nepotism or arbitrary appointments.	3.2
ST 2	Formulate cooperative policies for entrepreneurs to diminish competition and amplify the potential of like-minded businesses.		WT 2	Conduct periodic training sessions on drafting work plans for village officials and BUMDes	

The cumulative results of the SWOT matrix weighting serve as a determinant for priority strategies. These strategies subsequently guide the planning phase for the Renah Alai BUMDes empowerment initiative. Given that the Weaknesses-Opportunities (WO) strategy matrix holds the highest weight, it emerges as the paramount focus for the empowerment strategy of Renah Alai BUMDes.

The IE (Internal-External) matrix is employed to devise strategies by integrating

the insights from the IFAS and the EFAS matrices (Figure 1). This matrix juxtaposes two dimensions: IFAS on the X-axis and EFAS on the Y-axis. Renah Alai Village scores 3.03 on the internal factor and 3.32 on the external factor. Thus, in quadrant I of the matrix, Renah Alai Village is strategically positioned to explore market penetration/expansion strategies with product development.



**Figure 1.** IE Matrix matrix of BUMDes in Renah Alai Village

The placement of Renah Alai Village in quadrant I of the IE matrix suggests a favorable alignment of internal capabilities with external opportunities. This strategic positioning underscores the potential for the village to harness its inherent strengths while capitalizing on external growth opportunities. Leveraging market penetration and expansion strategies can amplify the village's existing product or service footprint. Concurrently, product development can open avenues for diversification and cater to emerging market needs, ensuring sustained growth and resilience against potential external threats.

### **Analytical Hierarchy Process (AHP) of BUMDes in Renah Alai Village**

The AHP (Analytic Hierarchy Process) analysis evaluates BUMDes empowerment strategies. This strategy is selected from a questionnaire and a Focus Group Discussion (FGD) conducted with experts well-versed in BUMDes management. Participants in the AHP comprised two officials from the Community and Village Empowerment Service of Merangin Regency, the head of the Jangkat Sub-District, a representative from the BPKP Office in Jambi Province, an academic from Jambi University, and a BUMDES manager from Rantau Kermas Village (a former BUMDES pilot project).

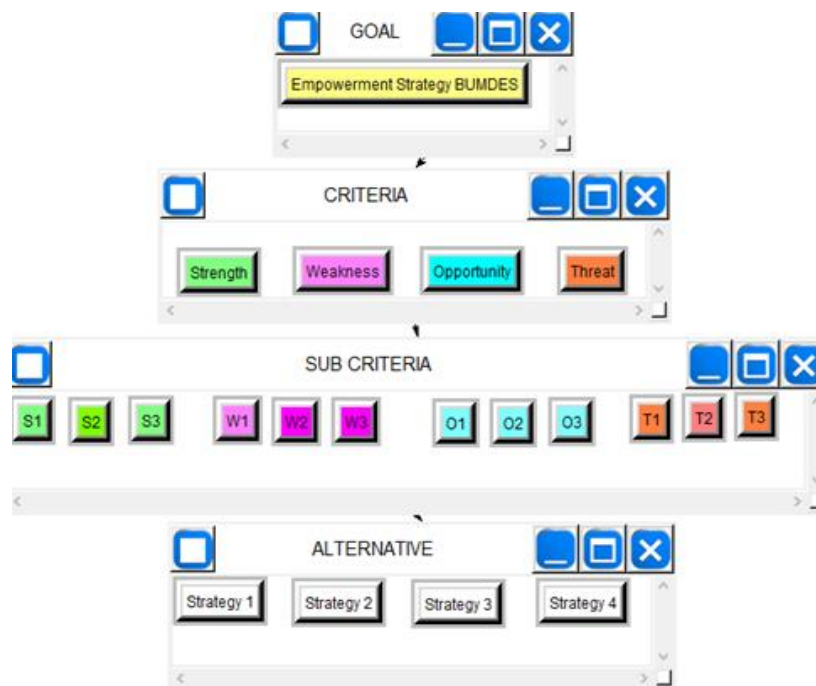
Data analysis is facilitated through the Super Decisions software. The primary purpose of this software is to prioritize multiple alternatives anchored on predefined criteria that reflect respondents' perceptions of the BUMDes empowerment strategy.

Figure 2 delineates a hierarchical structure composed of:

1. **Goals** represent the objectives, specifically identifying the optimal empowerment strategy grounded in the prevailing criteria.
2. **Criteria:** These set the parameters for each option, encompassing strengths, weaknesses, opportunities, and threats.
3. **Sub-Criteria:** Sub-criteria input values into the decision support system in the subsequent phase post the initial AHP calculations. This study extracts sub-criteria

from the SWOT analysis, emphasizing those with the highest weight.

4. **Alternatives** signify strategic options, one of which will eventually emerge as a priority. In this context, there exist four strategies for BUMDes empowerment: 1) Infrastructure (strategy 1), 2) Quality of Human Resources (strategy 2), 3) Capital (strategy 3), and 4) Institutional Strengthening of BUMDes (strategy 4).



**Figure 2.** SWOT-AHP Hierarchy of BUMDes in Renah Alai Village

The AHP's integration with expert opinions in the study suggests a rigorous and holistic approach to understanding BUMDes empowerment. It's worth noting the interdisciplinary composition of the expert group, ranging from local governance to academia, which is likely to enhance the robustness and comprehensiveness of the study's findings. Using predefined criteria and respondent perceptions ensures a balanced and grounded strategy recommendation. The delineation into goals, criteria, sub-criteria, and alternatives in the hierarchical structure provides clarity and systematic progression, ensuring that each decision-making level is precise and well-informed.

**Table 4.** Sub-criteria

S1	: The legal foundation for BUMDES establishment	O1	: Rising population and increased purchasing power of individuals
S2	: Strategically positioned BUMDES.	O2	: Abundant availability of natural resources
S3	: Elevated community motivation	O3	: Extensive potential for partnerships
W1	: Absence of promotional media.	T1	: Susceptibility to political influences
W2	: Limited human resource capabilities	T2	: Challenges in village administration
W3	: Sub-optimal performance of BUMDES management	T3	: Diminished community engagement

The geometric mean value of the data gathered from respondents was initially computed before being included in the pairwise comparison matrix. Subsequently, a



pairwise comparison value for each relationship was derived based on calculating local priority weights, ensuring that the consistency value does not surpass 0.1. Figure 3 delineates the dominant criterion values as opportunity (0.57126) and weakness (0.25678). This underscores that while the BUMDES of Renah Alai Village possesses significant growth and development opportunities, it concurrently grapples with certain internal challenges. Given the sizeable potential of Renah Alai Village's population and the people's escalating purchasing power, this observation is cogent..

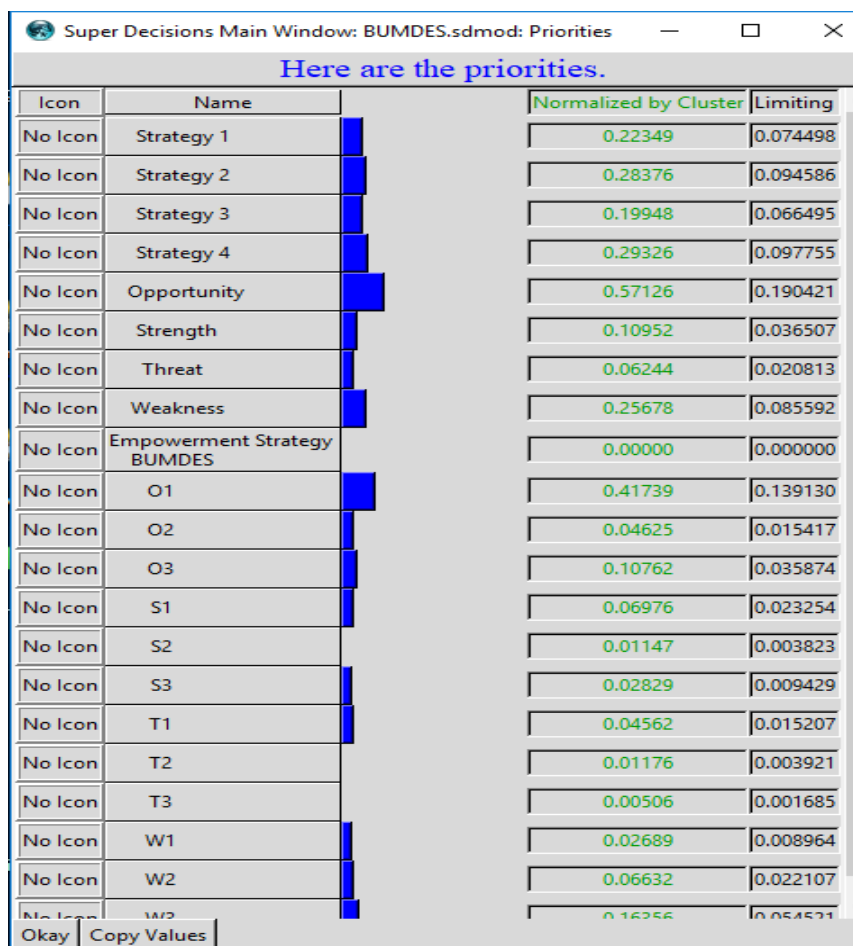


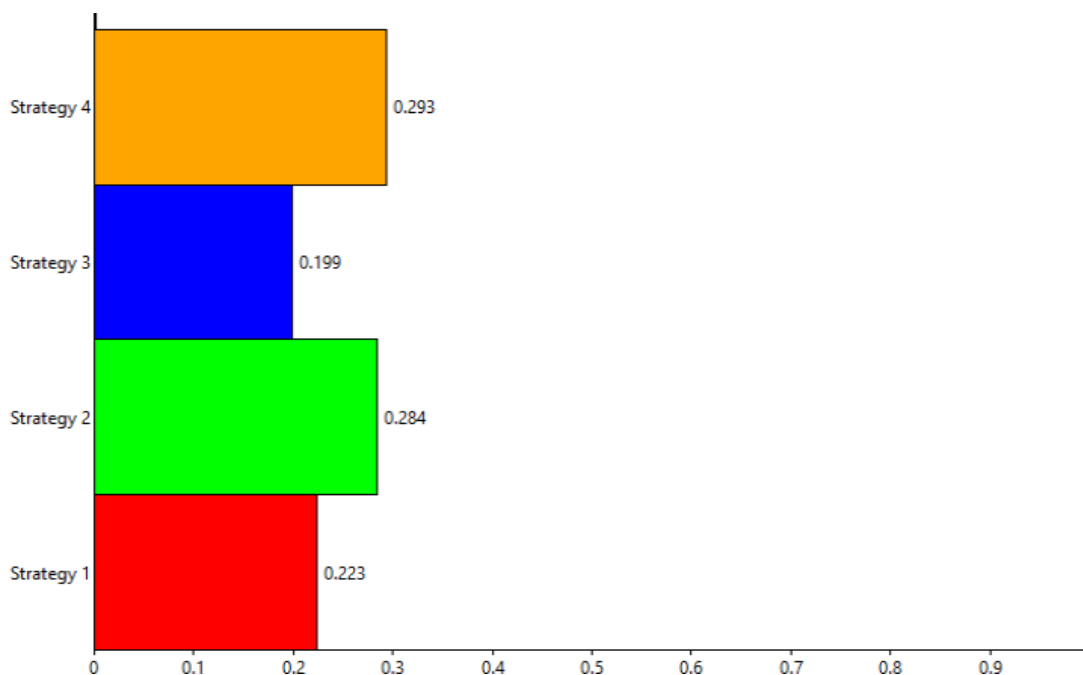
Figure 3. Priority Value of Criteria and Sub-Criteria

Analysis of BUMDes empowerment data indicates that the BUMDes institutional strengthening strategy possesses the paramount priority weight of 0.293, followed by the quality of human resources (0.284), infrastructure (0.223), and capital (0.199). A detailed elucidation is provided in Figure 4.

Name	Graphic	Ideals	Normals	Raw
Strategy 1		0.762089	0.223493	0.074498
Strategy 2		0.967588	0.283759	0.094586
Strategy 3		0.680219	0.199484	0.066495
Strategy 4		1.000000	0.293264	0.097755

Source: Data processing results (Software Super Decisions 2.4.0)

Figure 4. Alternative Priority



Source: Research finding (Software Super Decisions 2.4.0)





**Figure 5.** Bar Chart of Alternative Priority

As depicted in Figure 5, institutional strengthening emerges as the preeminent BUMDES empowerment paradigm. This strategy pertains to governance, strategic and operational management, potential village mapping, and financial reporting. The advancement and harnessing of information systems also form the focal points of this institutional enhancement. Setiana et al. (2021) advocate for institutions to navigate rural economic endeavors. Predicated on the notion articulated by (Wang, 2020) individual behaviors are sculpted by institutional frameworks.

Urbano et al. (2021) delineate institutions as the overarching guidelines orchestrating collective and individual interactions. The salience of villages in development decision-making cannot be overemphasized, especially considering the rural development locus is primarily village-centric (Keyim, 2018). In Indonesia, village governance has been integrated significantly into regional planning, reflecting the foundational tier of Indonesia's governmental hierarchy. This is substantiated by Yang et al. (2023), who underscore the pivotal role of rural planning in regional developmental phases, attributing this to the village administration's intrinsic understanding of their unique cultural and societal nuances.

Institutions are the norms that govern and coordinate how groups and individuals interact with one another (Urbano et al., 2021). Villages play an essential role in making decisions on development because rural development typically takes place in villages (Keyim, 2018). In Indonesia, village governance has taken a crucial role in regional planning since the village is the lowest government in the hierarchy. Yang et al. (2023) stated that rural planning plays an important role in construction in the development stage of a region; this is because only the village government understands their culture and characteristics.

Subsequent alternatives are geared towards human resource enhancement, infrastructural provision, and the Capital Aspect, further detailed in Figure 6.

Graphic	Alternatives	Total	Normal	Ideal	Ranking
	Strategy 1	0.0745	0.2235	0.7621	3
	Strategy 2	0.0946	0.2838	0.9676	2
	Strategy 3	0.0665	0.1995	0.6802	4
	Strategy 4	0.0978	0.2933	1.0000	1

Source: Research finding (Software Super Decisions 2.4.0)

**Figure 6.** Alternative Rankings

The secondary empowerment model accentuates the augmentation of human resource quality. Given the prevailing educational standards, the human capital in Renah Alai Village necessitates considerable fortification, particularly in BUMDES management. Enhancement in financial administrative literacy and technological adaptability is paramount. Astara et al. (2021) underscore the significance of human resource enhancement in efficacious BUMDES administration. Emerging village enterprises encounter challenges, ranging from human capital development to technology assimilation (Lutfitasari & Mulyani, 2022)). Mastika et al. (2023) posit that human resources are instrumental in fostering development, thus underscoring the need for fostering innovation. The educational and experiential background of BUMDES managers significantly influences the trajectory of BUMDES evolution (Masnila et al., 2021). Given their adept skill set, proficient human resources can assimilate information promptly, catalyzing innovative solutions. This sentiment is echoed by Zhu et al. (2023) aver that comprehensive training amplifies human capital, bolstering welfare and empowerment.

## CONCLUSIONS AND RECOMMENDATIONS

### Conclusion

The SWOT matrix analysis, encompassing both the Internal Factor Analysis Summary (IFAS) and External Factor Analysis Summary (EFAS), indicates that the opportunities-weaknesses strategy (WO) carries the highest weight. This suggests that the BUMDES of Renah Alai Village is poised to effectively leverage opportunities to mitigate inherent weaknesses. The amalgamation of SWOT and AHP computations reveals the strategic priority alternatives for empowering Renah Alai Village's economy via BUMDES. The hierarchy is as follows: 1) Institutional Strengthening, 2) Quality Improvement of Human Resources, 3) Infrastructure, and 4) Capital.

### Recommendations

Despite its establishment some time ago, BUMDES in Renah Alai Village is still in its nascent stages, indicating ample room for optimization. There's a pressing need to bolster human resource capacity immediately. This can be achieved through targeted assistance and training, specifically in BUMDES management and digital technology literacy. BUMDes Renah Alai remains in its foundational phase, so a strategy emphasizing institutional fortification is imperative. This would entail a steadfast commitment from village officials up to district-level governance, all unified in their mission to enhance the welfare of the village communities. It's incumbent upon the Regional Government to intensify its oversight and mentorship for BUMDES' progression. The success of BUMDES hinges significantly on community participation

and proactive involvement. The infrastructural framework of Renah Alai Village, including crucial amenities like electricity and telecommunications networks, requires enhancement. Additionally, forging strategic collaborations with business affiliates is essential.

This study, it should be noted, predominantly zeroes in on the institutional dimensions of BUMDES, with minimal exploration of the village's potential vis-a-vis BUMDES' capabilities. Hence, future research should delve deeper into the untapped potentials available for BUMDES. This includes a comprehensive analysis centered on the execution of village business planning and development initiatives.

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