

Increasing Community Participation in Village Development through *BUMDesa* Management in East Java

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ABSTRACT

The objective of this study was to find out how to increase community participation in village development through BUMDesa in several villages in East Java. Recent literature has reported that with village autonomy, the community is a subject that determines the success of development in the village. This research wants to examine how community participation contributes to development in villages with mountainous and coastal topography. Sustainable Livelihood Approach (SLA) were used to increase understanding of people's lives through five types of capital: human, natural, physical, social, and financial. This research found that The participation of upland, lowland and coastal communities has different characters, but there are similarities in motivation to participate in building villages based on research results in six villages including increased income, community institutions (to oversee the management of BUMDesa and villages; existence the witness system, increasing relations or a wider network and the community feeling that they are actively involved in trainings held both by the village government and by BUMDesa. The results indicate that the forms of community participation in village development through BUMDesa can be greatly influenced by the character of the region which ultimately affects the pattern of the economy and livelihood of the community.

Keywords: Community Participation, Rural Development, BUMDesa

INTRODUCTION

Inclusive development, which has always been touted as a development priority, for now is not merely a utopia. The government has been trying to realize this inclusive development since 1999, one of which is through Law No. 22 of 1999 which is about decentralization (Jamil, 2017). This law has been amended several times, firstly in 2004 until it was finally amended again in 2014 through Law No. 23 of 2014. With Law No. 23 of 2014, the regions are given full authority to manage their government. This is none other than because the local government fully understands the development and growth potentials in the region.

Apart from going through Law No. 23 of 2014, inclusive development seeks to be realized with the passing of Law No. 06 of 2014 concerning Villages. The existence of the Village Law provides an opportunity for village-scale developments that are urgently needed by the local community so that development results are felt more broadly and evenly throughout society. From 2015 to 2022, the total disbursed Village Funds reached 400.1 trillion rupiahs, of which in 2022 the disbursed Village Funds amounted to 68 trillion with the number of villages covered reaching 74,961 villages (Ministry of Finance, 2022).

Village Funds have been distributed to 74,961 villages since 2015 until now by each village in the form of supporting the development of various infrastructures including village roads, ponds, irrigation, bridges, village market, clean water facilities, drainage, wells, and a number of other infrastructures. Apart from being used for infrastructure development, Dewi (2022) and Saragih, Budiyanis, Silalahi, & Surya (2021) provide arguments that currently the distribution of Village Funds is also prioritized to support economic recovery and priority sectors in order to accelerate the development and empowerment of rural communities. One of the pillars of the government in realizing the acceleration of development and empowerment of rural communities is through Village Owned Enterprises (BUMDesa).

The government's decision to prioritize BUMDesa as a crucial driver of economic growth in rural areas is well-justified, and this is clearly evident in PP No. 11 of 2021. In this document, BUMDesa is assigned with the responsibility of not only managing economic activities and maximizing the village's potential but also delivering public services, ensuring food security, generating profits, and adding value to the village's assets. Nevertheless, BUMDesa's duties are not restricted to developing businesses based on the village's existing potential alone. Rather, its main objective is to create favorable economic conditions that improve the living standards of the village communities. This entails delivering services, empowering the community by encouraging business collaboration, and using digital ecosystems to keep the community informed about the latest economic developments.

The researchers recognized the complexity of managing BUMDesa to support the rural economy, and therefore they specifically investigated how community involvement in village development starts with BUMDesa. This is critical because BUMDesa's role in promoting an inclusive economy will be ineffective without active community participation. Hence, if community engagement in BUMDesa management increases, it is anticipated that village welfare will improve in the long run. It is essential to involve the community in all stages of development planning, implementation, and evaluation because they are the ones who can identify the issues and necessities of their community. Moreover, the community will eventually benefit from and assess the success or failure of the development in their region, including at the village level. Local governments, who are responsible for administering and implementing development programs, must ensure efficient and effective resource allocation, as well as enhance the transparency and accountability of development management (Hakim, 2017).

For this reason, this research is deliberately focused on Lumajang Regency and Malang Regency. For Lumajang District, the villages selected in this study include: (i) Sarikemuning Village (BUMDesa Sinar Langgeng); (ii) Condro Village (BUMDesa Barokah Jaya Abadi); and (iii) Pasirian Village (BUMDesa Pasirian Raharjo). As for Malang Regency, the selected villages include (i) Sanankerto Village (BUMDesa Kerto Raharjo); (ii) Gajahrejo Village (BUMDesa Mutiara Selatan); and (iii) Pujon Kidul Village (BUMDesa Sumber Sejahtera).

The selection of villages in this study was based on the character of each village in terms of regional aspects, where there are villages that represent the character of the mountain community, villages that represent the character of the lowland community, and villages that represent the character of the coastal community. Rural communities living in mountainous areas have the characteristics of a lack of access to basic facilities because most of them experience social isolation/disadvantaged communities (Prayitno & Subagiyo, 2018). In addition, mountain communities are characterized as farming communities because one of their livelihoods is the agricultural sector, this is supported by fertile natural resources and is very suitable for agriculture (Haryanto, Hidayati, & Djoewito, 2009; Silici, Ndabe, Friedrich, & Kassam, 2011). This is very different from the people of the plains and coastal areas, which are generally very easy to access basic facilities, so they have more characteristics as a society whose economic conditions are supported by the trade sector (Negara et al., 2014). So the main objective of this study, based on the background of the problem is to find out the increase in community participation in village development through BUMDesa. Where increasing community participation is expected to be able to increase village economic growth, especially those driven by BUMDesa.

LITERATURE REVIEW

Community Participation in the Development

Participation refers to the mental and emotional involvement of an individual in a group situation that motivates them to support the group's objectives and assume responsibility for the group. The achievement and sustainability of development programs rely heavily on community participation. Participation entails a person or group's conscious involvement in an activity (Adiwidjaja, Bagus, & Kadim, 2022; Hakim, 2017). The community can participate in various ways during the development stage: 1) In the planning phase (idea planning phase), individuals are involved in preparing plans and strategies, creating committees and budgets for an activity/project. Community participation in this phase involves providing suggestions, recommendations, and feedback through meetings; 2) During the implementation phase, people participate in executing an activity/project. The community can contribute labor, finances, materials/goods, and ideas to participate in the work; 3) In the utilization phase, people participate in utilizing a completed job/project. At this stage, community participation takes the form of labor and money to operate and maintain constructed projects (Gunawan & Subadi, 2021; Palimbunga, 2018; Runtunuwu, Saroinsong, & Nurmawan, 2022; Sarihati & Suhara, 2020).

Verba and Nie's participation theory (1987) emphasizes that community participation is influenced by three main factors: resources, motivation, and opportunity. Resources include knowledge, skills, and socioeconomic status. Motivation includes the interests and values held by the community related to participation in the decision-making process. Opportunities include access to information, forums, and decision-making processes. Meanwhile, in Arnstein's Ladder of Citizen Participation theory of participation (1969), consists of eight levels of participation, ranging from manipulative participation to full community participation. Manipulative participation is when the community is only

invited to provide support or approval for decisions that have been taken by the government or decision-making institutions. Meanwhile, full community participation is when the community is actively involved in the decision-making process, from formulating ideas to implementing them together with the government or decision-making institutions. This model teaches that effective community participation must occur at a higher level of participation, where the community has greater power in making decisions related to village development.

The Importance of Village Development for the Economy

The progress of a country depends on the village, because it is impossible for a country to progress if the province is not developed, likewise there is no advanced province without advanced districts/cities, nor is it impossible for a developed district/city to exist without advanced villages/sub-districts also. This means that the basis of a country's progress is determined by the progress of the village. The progress of a village is determined by the implementation of development. Where a village development has the aim of increasing community welfare and quality of life of the community as well as reducing poverty through meeting basic needs, building village facilities and infrastructure, developing local economic potential, and utilizing natural resources and the environment in a sustainable manner (Larasati & Adhitama, 2018).

The objective of rural development is to enhance the quality of human resources by fostering a conducive environment for the growth of community-based initiatives and self-help, with the rural population serving as both an object and subject of development. While some segments of the rural population require support for empowerment, the population also plays a pivotal role as a driving force in the process of rural and national development. Through the mobilization of community and government resources, rural development becomes a programmed approach towards the development of rural areas, with village development being a political obligation of the state to address socio-economic challenges (Ariadi, 2019; Nain, 2019).

BUMDesa as a Village Development Instrument

BUMDesa can be explained as a village business institution managed by the community and village government in an effort to strengthen the village economy and build community social cohesion which is formed based on the needs and potential of the village (Maryunani, 2008). So *BUMDesa* is a business institution which means it has a function to do business in order to get an outcome such as profit or profit. In the prerequisites for the implementation of *BUMDesa*, the role of the business as an economic and social business has been explicitly stated (Suleman et al., 2020). The economic role of course is to increase the welfare of village communities through businesses managed by *BUMDesa* and their contribution to the village treasury or *PADesa*. While the role socially can be seen from how later the existence of *BUMDesa* will be able to empower the community, increase interaction and solidarity that has been fostered so far through *BUMDesa* activities which are managed collectively. According to Fitriyani, Nurmalina, Pebriana, & Suarsi, (2018), the objectives of establishing a Village-Owned Enterprise (*BUMDesa*) include increasing the role of village communities in managing other legitimate sources of income, developing village community economic activities, in village business units, developing informal sector businesses to can absorb community labor in the village, and increase the creativity of village entrepreneurs with low incomes.

RESEARCH METHOD

The locations chosen in this study were Lumajang and Malang districts. Lumajang Regency is represented by: (i) Sarikemuning Village (*BUMDesa* Sinar Langgeng); (ii) Condro Village (*BUMDesa* Barokah Jaya Abadi); and (iii) Pasirian Village (*BUMDesa*

Pasirian Raharjo). Meanwhile, Malang Regency is represented by: (i) Sanankerto Village (BUMDesa Kerto Raharjo); (ii) Gajahrejo Village (BUMDesa Mutiara Selatan); and (iii) Pujon Kidul Village (BUMDesa Sumber Sejahtera).

The method used in this research is SLA (Sustainable Livelihood Approach). This method is used to find answers to (strategy) sustainable livelihoods related to the characteristics of BUMDesa management based on the study area. Regarding SLA, (Morse & McNamara (2013) describe livelihoods as a livelihood comprised of the assets (natural, physical, human, financial, and social capital), the activities, and the access to these (mediated by institutions and social relations) that together determine the living gained by the individual or household.

Table 1. Community Motivation Variables to Participate in Building the Village

Community motivation to participate in rural development	Outcome	There is an increase in income
		There is an increase in skills
		There is an increase in network
		There is an increase in knowledge
	Empowerment	Participated in training
		Participated in assisting BUMDesa activities
	Involvement	Become a decision maker for BUMDes management
		Become a decision maker on how to develop BUMDesa in the future
	Control	There are community institutions that oversee the management of BUMDes
		There are informal sanctions that maintain the consistency of the quality of BUMDes management
		There are formal sanctions that maintain the consistency of the quality of BUMDes management

Its efforts to realize livelihood outcomes require a number of assets, including various strategies for processing and utilizing available assets, all of which contain the intent of benefits and carrying capacity that support people's livelihoods, especially those supported by BUMDesa management through community participation. DFID (2000) classifies livelihood assets into five groups called the Pentagon Assets. Pentagon assets consist of human capital (H) or human resource capital, natural capital (N) is natural capital, financial capital (F) or financial capital, social capital (S) or social capital, and physical capital or physical capital. In the analysis of SLA (Sustainable Livelihood Approach), there are two methods of data analysis in this paper, namely validity and reliability testing and factor analysis as an implementation of the use of SLA. The inferential statistical method used is confirmatory factor analysis, in which this analysis is intended to confirm the variables that define a factor or a latent construct (Ruswandi, 2016). In this study the variables are the five capitals, while the latent construct (factor) is the value of the Sustainability Livelihood Approach (SLA). In this confirmatory factor analysis, the variables are grouped based on their correlation. Variables that are highly correlated will be in certain groups and form one factor, while variables in other groups will have a relatively small correlation.

The factor analysis method will be used on the SLA measuring indicators in each village. On the one hand, factor analysis is used to reduce by grouping several variables based on their correlation matrices into fewer factors called factors, and followed by calculating the factor scores of these new variables. The procedures carried out in this factor analysis are as follows: formulating the problem, creating a correlation matrix, determining the number of factors, factor rotation, factor interpretation, and determining the accuracy of the model (Dewi, Sujana, & Meitriana, 2019; Ma'ruf, Lidiawati, & Negara 2022). This factor analysis is also used to determine community motivation in participating in developing villages through BUMDesa. Some of the variables that are taken into consideration in increasing community participation in developing villages can be seen in table 1.

RESULTS

To analyze the data in the sustainable livelihood approach (SLA), a factor analysis method was employed, which was preceded by a test to assess the goodness of fit of the model. The goodness-of-fit test involved evaluating the Kaiser Meyer Olkin Measure of Sampling (KMO), the Bartlett Test of Sphericity (Sig), and the Measures of Sampling Adequacy (MSA). KMO measures the correlation coefficient's distance comparison to its partial correlation coefficient, with a value close to 1 indicating that the sum of the squares of the partial correlation coefficients among all variables is smaller than the sum of the squares of the correlation coefficients. A KMO value greater than 0.5 is considered adequate. The Bartlett Test of Sphericity indicates the specificity of the factor analysis results, and the Sig value is expected to be less than 0.05. Finally, Measures of Sampling Adequacy (MSA) is a measure of the sample size's goodness and should be greater than 0.5 to be included in the factor analysis. Table 2 presents the feasibility test results of factor analysis on the SLA model in Sarikemuning Village, Condro Village, Pasirian Village, Sanankerto Village, Gajahrejo Village, and Pujon Kidul Village.

From table 2 above, it can be understood that the results of the KMO analysis for each village are above 0.5, which means that all variables are feasible for further analysis using factor analysis. To find out the factor load in each village (the strongest capital in the SLA) can be seen in Table 3.

Table 2. Feasibility of SLA Model Factor Analysis

Variables	KMO Value	Sig Bartlett	MSA Value	Conclusion
SLA in Sarikemuning Village				
Natural	0.658	0.000	0.772	Feasible
Financial			0.825	
Human			0.882	
Physic			0.926	
Social			0.939	
SLA in Condro Village				
Natural	0.621	0.000	0.669	Feasible
Financial			0.581	
Human			0.624	
Physic			0.586	
Social			0.663	
SLA in Pasirian Village				
Natural	0.727	0.000	0.696	Feasible
Financial			0.711	
Human			0.772	
Physic			0.683	
Social			0.850	

Variables	KMO Value	Sig Bartlett	MSA Value	Conclusion
SLA in Sanankerto Village				
Natural	0.666	0.00Feasible		
Financial			0.644	
Human			0.824	
Physic			0.644	
Social			0.646	
SLA in Gajahrejo Village				
Natural	0.739	0.000	0.796	Feasible
Financial			0.828	
Human			0.693	
Physic			0.744	
Social			0.733	
SLA in Pujonkidul Village				
Natural	0.725	0.000	0.687	Feasible
Financial			0.791	
Human			0.897	
Physic			0.813	
Social			0.872	

Table 3. Results of SLA Capital Factor Analysis for Each Study Village

Variables	Eigen Value	Loading Factor Value	Conclusion
Results of the Analysis of SLA Capital Factors in Sarikemuning Village (BUMDesa Sinar Langgeng)			
Natural	2.815 anhari 55.290%	0.832	1
Financial		0.344	5
Human		0.644	2
Physic		0.435	4
Social		0.441	3
Results of SLA Capital Factor Analysis of Condro Village (BUMDesa Barokah Jaya Abadi)			
Naturaharind Varian 57.241%		0.832	2
Financial			4
Human		3	
Physic		1	
Social		5	
hari	2.875 and Varian 56.325%	0.472	4
Financial		0.794	1
Human		0.491	3
Physic		0.763	2
Social		0.433	5
Results of Analysis of Capital Factors SLA Sanankerto Village (BUMDesa Kerthari)			
Natural	2.877 and Varian 57.244%	0.832	1
Financial		0.794	2
Human		0.644	4
Physic		0.593	5
Social		0.754	3
Results of Analysis of Capital Factors SLA Gajahrejo Village (BUMDeharia Selatan)			
Natural	2.841 and	0.832	1
Financial		0.440	3

Variables	Eigen Value	Loading Factor Value	Conclusion
Human	Varian 55.342%	0.455	2
Physic		0.332	4
Social		0.311	5
Results of SLA Capital Factor Analysis in Pujon Kidul Villagharia Sumber Sejahtera)			
Natural	2.815 and Varian 57.241%	0.832	1
Financial		0.458	5
Human		0.644	3
Physic		0.593	4
Social		0.754	2

From Table 3, it can be understood that each village has different characteristics, especially in the management of BUMDesa based on SLA analysis. Meanwhile, to find out the motivation for community participation in increasing village development through BUMDesa can be seen from the results of the factor analysis in Table 4 below:

Table 4. Results of Community Motivation Factor Analysis to Participate in Building the Village

Community motivation to participate in rural development	Outcome	There is an increase in income	0.971
		There is an increase in skills	0.499
		There is an increase in network	0.612
		There is an increase in knowledge	0.341
	Empowerment	Participated in training	0.546
		Participated in assisting BUMDesa activities	0.331
	Involvement	Become a decision-maker for BUMDes management	0.335
		Become a decision-maker on how to develop BUMDesa in the future	0.221
	Control	There are community institutions that oversee the management of BUMDes	0.667
		There are informal sanctions that maintain the consistency of the quality of BUMDes management	0.641
		There are formal sanctions that maintain the consistency of the quality of BUMDes management	0.441

From Table 4, it can be seen that the main factors that motivated the community to participate in building villages based on research results in 6 (six) villages were none other than (i) an increase in income; (ii) the existence of community institutions (community incorporated in institutions) to oversee the management of BUMDesa and villages; (iii) there are strong informal witnesses so that the manager is more transparent in managing BUMDesa and Villages; (iv) an increase in relations or a wider network; and (v) the community feels that they are actively involved in training held by both the village government and BUMDesa. The results of the study are consistent with Sabet & Khaksar's (2020) findings, which suggest that social capital has a positive impact on sustainable rural development. Specifically, when local governments perform well, social capital increases, resulting in higher scores across the dimensions of sustainable rural

development. This means that when there is greater trust in the implementation of socio-economic plans by local governments, villagers are more likely to participate in social and economic activities and invest in their villages, which contributes to an improvement in the overall score for sustainable rural development.

DISCUSSION

From the results of the analysis of SLA capital factors, this study found that the village has different characteristics, especially in the management of BUMDesa. BUMDesa management is one of the important activities in the village which aims to improve the welfare of the community through developing the potential of the village. However, BUMDesa management must be carried out by taking into account the characteristics of the village so that it can run optimally. First of all, villages have different characteristics depending on geographical, social and economic conditions. Therefore, BUMDesa management must be adapted to these characteristics. For example, if the village is located in an area that is difficult to reach, then BUMDesa management must be carried out by optimizing the use of information and communication technology so that it can remain connected with the community.

Second, BUMDesa management must also be adapted to the needs and aspirations of the village community. Villages are unique in terms of the needs and aspirations of their people because village people have different lifestyles and habits from urban communities. Therefore, the management of Bumdesa must refer to the needs and aspirations of the village community. For example, if the village community has an interest and potential in agriculture, then the management of the village bomb must focus on developing agricultural potential in the village.

Finally, BUMDesa management must actively involve the village community. Community participation in the management of BUMDesa is very important because the village community is the main driver of the BUMDesa. By actively involving the community, BUMDesa management can run more effectively and efficiently. For example, involving the community in training and development activities. During the training, individuals are taught about various topics related to participation, including (1) planning that involves active participation, (2) setting up a group that encourages participation, (3) creating proposals for activities, (4) monitoring and evaluating participation, and (5) generating reports that hold individuals accountable for their participation. Higher education institutions can participate in these programs by engaging in community outreach efforts such as independent programs led by lecturers or community service initiatives established by the institutions (Hambali & Niode, 2019). This will increase community involvement and strengthen the management of BUMDesa as a whole.

Apart from emphasizing village characteristics on BUMDesa management, management steps will not be successful without active and meaningful participation from the village community itself, considering that village communities are the subject of development as well as being one of the village development capital (human capital). In Verba and Nie's participation theory (1987), it is stated that community participation is influenced by three main factors: resources, motivation, and opportunity. Resources include knowledge, skills, and socioeconomic status. Motivation includes the interests and values held by the community related to participation in the decision-making process. Opportunities include access to information, forums, and decision-making processes. Thus, the villages in Malang and Lumajang Regency need to provide the widest space for the community to participate, where the expected form of participation is full participation.

Arnstein's Ladder of Citizen Participation theory (1969) is a model that explains the level of community participation in the development process. This model consists of eight

levels of participation, ranging from manipulative participation to full community participation. Manipulative participation is when the community is only invited to provide support or approval for decisions that have been taken by the government or decision-making institutions. Meanwhile, full community participation is when the community is actively involved in the decision-making process, from formulating ideas to implementing them together with the government or decision-making institutions. This model teaches that effective community participation must occur at a higher level of participation, where the community has greater power in making decisions related to village development.

One of the strategies used in the theory of increasing village community participation is community empowerment. Community empowerment is a process that aims to increase community capacity in overcoming problems faced and making decisions related to village development. Community empowerment is carried out by providing access to resources and information, as well as increasing the skills and abilities of the community in managing existing resources in the village. Thus, the community can be more active and involved in the village development process and can strengthen their position in involving to make decisions.

Based on the results of field observations that support the previous statistical results, it is known that Sarikemuning Village has the character of BUMDesa which is more inclined towards natural resources and human resources. This can be seen from the character of the village, which is located around the slopes of Mount Semeru where most of the people rely on nature to meet their economic needs. This has an effect on BUMDesa Sinar Langgeng where its business unit handles buying and selling of natural products in the form of groceries obtained from the surrounding community as well as sheep farms. In addition, the character of managers is more open to change because most of them come from educated people. So it's no wonder that Sinar Langgeng BUMDesa's human resources are quite prominent. The human resources managing BUMDesa Sinar Langgeng are very enthusiastic about participating in the training provided by the campus and local government. In fact, BUM Desa Sinar Langgeng specifically cooperates with LPPM Universitas Brawijaya to assist in human resource development, especially in optimizing the use of natural resources in the village.

Next is Condro Village which has the characteristics of a lowland community, where the BUMDesa Barokah Jaya Abadi character is more prominent in the natural, physical, and human resources sectors. This is reflected in the abundance of water and natural resources so that the BUMDesa is used as an effort to distribute clean water and food crops in the form of rice. In terms of human resources, this can be seen from the existence of a tourism-aware community spearheaded by graduates from several universities such as Brawijaya University, Jember University, and Malang State University. It is not surprising that the management of BUMDesa seems professional, so in 2019, it was entrusted with being the manager of the East Java Province Sports Week which happened to be placed in Lumajang Regency to be precise in Condro Village. From a physical perspective, BUMDesa has quite large assets in the form of swimming pools and playgrounds, grocery stores that serve the sale of basic commodities to the community, as well as BUMDesa offices which are quite well-located side by side with tourist attractions.

Next, Pasirian Village which has the characteristics of hard community, where the BUMDesa Pasirian Raharjo character is more prominent in financial and physical capital. Financially, BUM Desa Pasirian Raharjo has a greater role in the savings and loan business. Whereas physical capital is more directed at the existence of tourist attractions and waste management businesses. Until now, BUMDesa Pasirian Raharjo has a land area of more than 10 Ha, of which 5 Ha is used as a waste management site.

Next, Sanankerto Village has the characteristics of a plains community where the BUMDesa Kerto Raharjo stands out in all the capital in the SLA. This is none other because BUMDesa Kerto Raharjo was more focused on developing human resources from its inception. Next is managing natural resources (village treasury land), which has enormous potential for further development. Some of the businesses carried out by BUMDesa Kerto Raharjo include (i) management of Boon Pring water tourism education; (ii) management of Dolanan tours in several villages; (iii) management of Micro Hydro hydropower; (iv) management of savings and loan cooperatives; (v) managing the wholesale business of staple goods; and (vi) leasing management of motorized vehicles specifically for communities involved in BUMDesa management. Until now, the number of people involved in the management of BUMDesa Kerto Raharjo has reached 110 people.

Next is Gajahrejo Village, where the regional character, even though it is located in the lowlands (beach), has regional isolation. This is none other than because the area is located in the Southern part of Malang with road access that is quite difficult to pass by vehicles such as cars. No wonder the BUMDesa Mutiara Selatan character is more prominent in natural resources. This can be seen from the BUMDesa business unit, one of which manages waterfall tourism. Meanwhile, other businesses that have been running for a long time but are less developed include selling LPG gas and rental of party equipment for weddings.

Lastly is Pujon Kidul Village, where the characteristics of the area are mountains. Thus, the SLA analysis shows that the strongest capital is formed from nature, Human Resources, physical and social. The management of natural resources has a physical relationship, namely in the form of natural tourism management based on family tourism. Meanwhile, from a social perspective, it is characterized by the management of BUMDesa by involving the community as partners, including the community as a partner providing raw materials for BUMDesa business units (e.g., supplier of souvenirs), the community as partners in managing educational tours of milking where the cows and their stalls belong to the community, and the community as BUMDesa partners in providing education to tourists in managing milk-derived products produced from dairy cows. The last capital that stands out is HR, which is reflected in BUMDesa managers who actively participate in training up to the national level. Apart from that, HR actively collaborates with several universities in Malang City to upgrade skills and increase knowledge, especially for the management of tourist attractions.

Optimizing the management of natural, financial, human, physical, and social resources is important for villages to increase community participation in development and improve people's welfare (Purnomo, Rahayu, Riani, Suminah, & Udin, 2020). Villages must emphasize the characteristics of their territory in order to optimize the management of these resources effectively. First of all, villages must manage natural resources by taking into account environmental conditions and community needs. For example, the development of agricultural and fishery businesses can be carried out if the village has adequate natural resource potential and the community has interests and talents in this field.

Second, the village must also optimize financial management by taking into account the economic conditions of the community and the potential of available financial resources. The high participation of the community will also increase the acquisition of information that prevents information asymmetry in village development. One result of information asymmetry is a factor causing fraud in BUMDesa management and village financial management (Putra, Saiti, & Gunadi, 2019). Villages can develop training programs and small and medium enterprise development so that people can have a sustainable source of income. In addition, physical management in the village must also be carried out by

taking into account the condition of existing infrastructure in the village, such as roads, bridges, and irrigation. Thus, people can easily access available resources and improve their welfare.

Finally, the management of human and social resources in the village must also be carried out by taking into account the needs of the community. Villages can develop training and education programs so that communities can have the knowledge and skills needed to optimize the management of existing resources in the village. In addition, villages can also strengthen community participation in decision-making by developing dialogue and consultation forums that involve all levels of society. By optimizing the management of natural, financial, human, physical, and social resources based on regional characteristics in the village, community participation in development and community welfare will increase.

CONCLUSION

The participation of upland, lowland, and coastal communities has a different character. This is reflected in the two districts of Malang and Lumajang districts. The three regional characters in Lumajang Regency are found in Sarikemuning Village. This can be seen from the character of the village, which is located around the slopes of Mount Semeru where most of the people rely on nature to meet their economic needs. Managers who have tendencies are more open to change because most of them come from educated people. Condro Village has the characteristics of a lowland community, where the character of BUMDesa Barokah Jaya Abadi is more prominent in the natural, physical and human fields. This is reflected in the abundance of water and natural resources so that the BUMDesa is used as an effort to distribute clean water and food crops in the form of rice. Pasirian Village has the characteristics of a lowland community, where the character of BUMDesa Pasirian Raharjo is more prominent in financial and physical capital. Financially, BUM Desa Pasirian Raharjo has a greater role in the savings and loan business. Whereas in physical capital, it is more directed at the existence of tourist attractions and waste management businesses. Until now, BUM Desa Pasirian Raharjo has a large area of land used as a waste management site.

The three regional characters in Malang Regency are found in Pujon Kidul Village where the characteristics of the region are mountains. So the results of the SLA analysis show that the strongest capital is formed from nature, HR, physical, and social. The management of natural resources, it has a physical relationship, namely in the form of natural tourism management based on family tourism. Meanwhile, from a social perspective, it is characterized by the management of BUMDesa by involving the community as partners. The village of Sanankerto has the characteristics of a lowland community, where in general BUMDesa Kerto Raharjo stands out in all the assets in the SLA. This is none other than because from its inception, BUMDesa Kerto Raharjo was more focused on developing human resources. Meanwhile, in Gajahrejo Village, where the character of the area, even though it is located in the lowlands (beach), has regional isolation. This is none other than because the area is located in the southern part of Malang with road access that is quite difficult to pass by vehicles such as cars. No wonder the BUMDesa Mutiara Selatan character is more prominent in natural resources.

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DECLARATION OF CONFLICTING INTERESTS

The author declares no conflict of interest

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