



The Role of BUMDes in Rural Economic Development in Trenggalek Regency

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Article

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Abstract

Trenggalek Regency as the area with the most developed BUMDes in East Java should be used as a role model for Village Owned Enterprises (BUMDes) development in other regions. An in-depth study is needed to establish Trenggalek Regency as a pilot regency in rural economic development through BUMDes. The purpose of this study is to find out the characteristics of BUMDes and their role in rural economic development in Trenggalek Regency. This study uses a qualitative descriptive approach with questionnaires and interviews to collect data. The results of this study indicate that the characteristics of BUMDes in Trenggalek Regency can be seen from the type of business managed, the amount of capital, the amount of profit, the number of employees, the contribution to Village Original Income (PADes), and cooperation with partners. It is concluded that BUMDes with these characteristics can encourage rural economic growth, thus optimization strategy is needed in their management.

Keywords: BUMDes; Economic Development; Rural

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Introduction

Rural development is currently getting more attention in the national development system. The Regulation of the Ministry of Internal Affairs No. 77 of 2019 concerning Codes and Data for Government Administration Areas states that 90% of regions in Indonesia are rural (74,957). The paradigm that makes the rural an object has shifted to making the rural subject of development. It is indicated by the enactment of Law Number 6 of 2014 concerning Villages which shows that there are priorities for rural development.

One of the priority programs for rural development is to develop Village Owned Enterprises (BUMDes) in every village in Indonesia. BUMDes is a business entity whose capital (partially or wholly) is owned by the village through direct participation from village assets separated to manage assets, services, and other efforts for the most excellent welfare of the rural community. The establishment of BUMDes in each village is considered essential because the program embodies economic democracy in rural areas. The rural community can plan the economy they want to do based on their potential. The rural community is also responsible for implementing these economic activities, which can positively impact all the communities (Suryanto, 2018). BUMDes was established based on community

initiation in a participatory manner, that all decisions are made based on community agreement (member base) and are managed independently in meeting all needs (self-help) (Ludigdo et al., 2016).

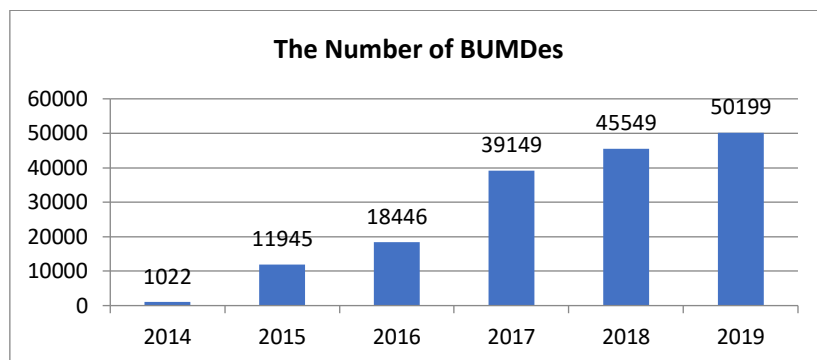


Figure 1. Development of Number of BUMDes in Indonesia from 2014 to 2019
Source: The Ministry of Villages

Data from the Ministry of Villages states that their BUMDes in Indonesia have increased yearly (Figure 1). The data shows that 70% of villages in Indonesia have formed BUMDes. However, of the many villages with BUMDes, only 20% of BUMDes are active in activities (Suryanto, 2018). Data from the Ministry of Village states that in 2018 the total turnover of BUMDes in Indonesia in one year reached RP 1.6 trillion, with the number of BUMDes as many as 45,549 business entities, so that the average turnover obtained by BUMDes was only Rp. 35 million/year. This figure is still far from the amount of capital that the government has issued to develop BUMDes, which reached Rp 2.1 trillion. The failure of several villages in managing BUMDes is caused by various things, ranging from institutions, management, human resources, and business or production activities, also related to services and marketing.

The East Java Province Community and Village Empowerment Service (DPMD) recorded 6,298 BUMDes; 85% of the total villages in East Java had formed BUMDes with the status of developed BUMDes as many as 910 BUMDes. It means that there are still a lot of BUMDes that are not optimal in managing their business, which is around 87%. Trenggalek Regency is the highest percentage of developed and developing BUMDes in East Java. DPMD data from East Java Province shows that out of 152 villages in Trenggalek Regency, there are as many as 86 (55%) BUMDes with the status of developing and 69 (44%) are advanced ones. Therefore, it is essential to examine the characteristics of BUMDes in the Trenggalek Regency and know their role in rural economic development.

Research Method

This research was conducted in 152 villages in Trenggalek Regency. The selection of research locations was carried out intentionally by considering the success of BUMDes development in the Trenggalek Regency, which should be used as an example by other regencies in rural economic development. This study used primary data on characteristics of BUMDes seen from education level, age level, gender, relationship with the village head, concurrent positions in village government, profit, turnover, type of business, and contribution of PADes (village original income) and number of workers. Data were obtained by questionnaires and interviews with the village government and BUMDes administrators. The analysis used in this research was descriptive qualitative and quantitative analysis (tabulation and graphics).

Results and Discussion

Characteristics of BUMDes in Trenggalek Regency: Characteristics of BUMDes' human resources

BUMDes management organization is regulated in PP No. 11 of 2021, which state that the BUMDes is the completeness of advisors, operational implementers, and supervisors. The advisor is held ex-officio by the village head, operational implementers are held by village communities who do not double as village administrators, and supervisors are elected from village council members (BPD).

The management of BUMDes in Trenggalek is based on the Trenggalek Regency Regulation No. 7 of 2017.

A deliberation system carries out the selection process for implementing BUMDes operations in Trenggalek Regency, and there are no special requirements in selecting BUMDes management. The implementing members of the BUMDes are elected by deliberation by considering the willingness and ability of each individual. In Regulation of the Minister of DPDTT No 4/2015, it is explained that the main requirement to become a BUMDes operational executor is to be domiciled and settled in the village for at least 2 (two) years, have a good personality, be honest, fair, capable, and pay attention to the village economic business, a minimum age of 17 years and a maximum of 65 years. Furthermore, a minimum education level of senior high school and does not hold concurrent positions in the village government. The characteristics of BUMDes management in Trenggalek Regency are as follows:

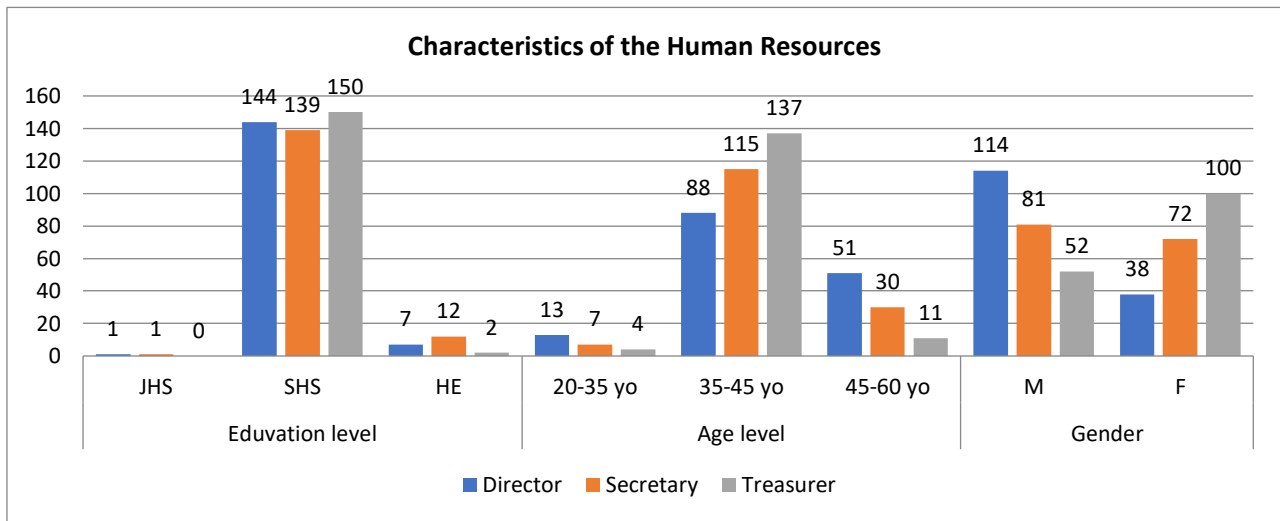


Figure 2. Characteristics of Human Resources of BUMDes Management based on Education Level, Age Level, and Gender

Education level

Judging from the graph of the education level of BUMDes management above, the number of administrators from senior high school graduates is quite dominant (Figure 2). It aligns with the minimum education requirements to become BUMDes administrators, namely from senior high school graduates. Education is the main factor that will determine the knowledge and skills of human resources. The low level of human resource education can be an obstacle in developing BUMDes because developing the BUMDes system requires the skills of an educated and skilled workforce (Muskin et al., 2021). However, the level of education is not the main factor in the success of BUMDes development; more important than that is the desire of a team member to improve his performance (Swandari et al., 2017).

Age Level

From the data on the age level of the BUMDes management, it can be seen that administrators occupy the highest number with an elderly age ranging from 45-60 years (Figure 2). It indicates that community leaders still dominate the management. However, the management of BUMDes has also begun to involve the younger generation, in the age range of 20-35 years. The age level of the BUMDes management is crucial in seeing the future direction of whether the human resource from the management is still considered capable of carrying out the mandate in the BUMDes management. Human resources with productive age will be able to create innovations in the development of BUMDes.

Gender

From the graphic data above, it can be seen that men still dominate in the management of BUMDes. Positions as directors are occupied by men who are indeed considered to have more leadership qualities than women. So that most of these women served as treasurers (Figure 2). The involvement of women in this BUMDes organization is following the mandate of Law No. 6 of 2014

concerning Villages. The complete and comprehensive development of a country demands the full role of women in all areas of life. The involvement of women is indispensable for the success of village development (Manembu, 2017).

Management of BUMDes who have concurrent positions

In terms of the management of BUMDes, more often than not people will choose community leaders who are considered capable of managing BUMDes. It is even more so if these community leaders have experience and expertise that can be used to develop BUMDes. Not many people are willing and able to manage BUMDes so that sometimes someone who has served in a social institution is also drawn to serve as BUMDes administrator concurrently. Condition of the management of BUMDes in Trenggalek shows there is almost no one holds concurrent positions in the village government (Figure 3). It is following the new regulations that have been stipulated in Permendes PDTT No. 4 of 2015.

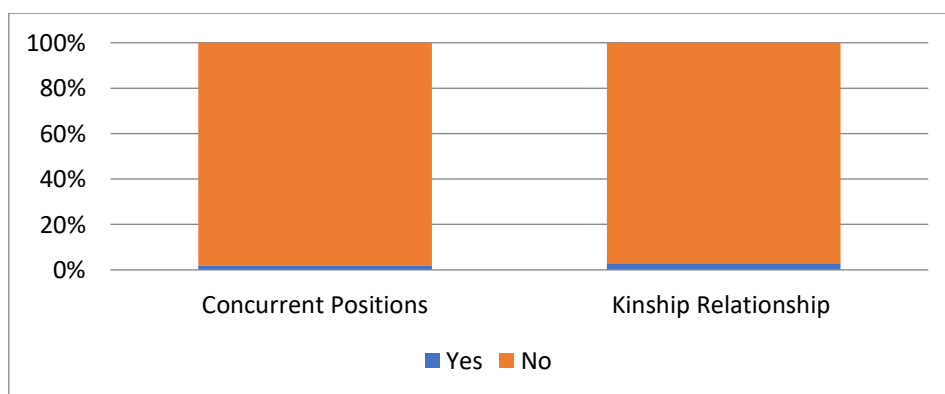


Figure 3. Percentage of Concurrent Positions and Kinship Relation.

BUMDes administrators who hold concurrent positions can be one of the inhibiting factors for the development of BUMDes. The management will focus more on their primary work than BUMDes, so it becomes less efficient to manage BUMDes (Arindhawati & Utami, 2020). Concurrent positions have a negative impact that can affect the development and management of an organization or institution. These dual positions do not provide any strategic advantage to the related organization or the surrounding community (Gunaya et al., 2017).

Kinship Relationship between BUMDes Management and Village Head

The kinship relationship between the village apparatus and the BUMDes management must be established, more or less. It is considering that the village head has the authority to assign candidates as BUMDes administrators. It can not be separated from the management of BUMDes in Trenggalek, which still has a relative relationship with the village head (Figure 3). The existence of a kinship between the BUMDes management and the village head should be avoided because it is feared that there will be corruption, where the BUMDes budget will tend to be for the benefit of the family and override the wider community's interests (Setiawan, 2021).

Characteristic of Business Units

The establishment and development of BUMDes to increase the rural economy should be oriented to the needs and potential of the village. BUMDes must be oriented to fulfil community needs such as the supply of essential community goods, facilities for fulfilling life needs such as clean water facilities, communication facilities, and mobility. Village potentials that can be developed and managed through BUMDes are rural resources mainly carried out by rural communities, along with efforts that have not been optimally explored; other than that,, businesses have not been partially accommodated and are constrained by many things such as capital, product processing (rural industry), marketing, and others.

There are various types of BUMDes business units in Trenggalek, including savings and loans, trading, leasing, waste management, and others (Figure 4). Since the year the BUMDes was formed, in 2001, the BUMDes in Trenggalek Regency have developed several business units. The dominance

of the type of BUMDes business is in savings and loan businesses, trading and renting. It is because it is relatively easy to manage such businesses both in terms of human resources and business benefits. Most of the business units owned by BUMDes in Trenggalek Regency are in the credit/savings and loan service sector with a percentage of 53%. Villages need to have a village-owned business entity structure that has competence in their field, which is one of the determinants of the success of BUMDes implementation (Senjani, 2019). The following is a description of each business unit.

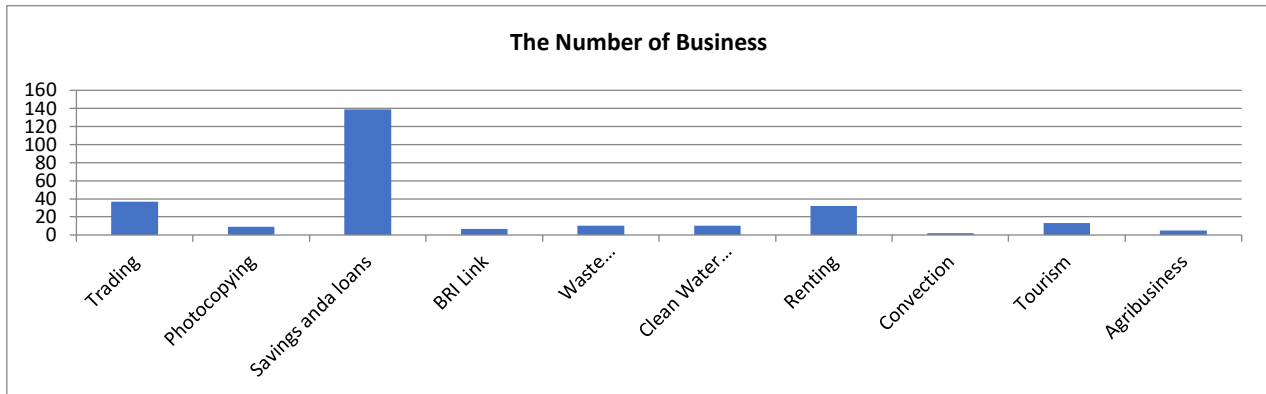


Figure 4. Number of BUMDes Businesses in Trenggalek.

Savings and Loans

The savings and loan business unit is the oldest and most dominating business unit among BUMDes business units in Trenggalek. 139 BUMDes own this business, meaning that 53% of BUMDes in Trenggalek Regency have a savings and loan business unit. At the beginning of the formation of BUMDes, the Trenggalek Regency Government agreed to establish a savings and loan business. In 2001, the Trenggalek Regency Government provided the capital of Rp 10 million to all BUMDes in Trenggalek for this savings and loan business. The thing that underlies the selection of the savings and loan business unit is to help the lower-middle-class community capital run a business. Establishing this business is because many rural communities need capital to develop their businesses, and many people are trapped in the money-lender system.

Monitoring the development of BUMDes by the Regency Governments is carried out once a month. Every BUMDes management is required to report the BUMDes financial condition. If, within a year, BUMDes is considered developing, then the capital will be added by another 10 million per year. The difference between savings and loans that exist in BUMDes compared to other savings and loan businesses is that the requirements for borrowing are not complicated, and the interest on loans is not so significant. The obstacle that savings and loan business actors often face is the existence of arrears on customer instalments. Therefore, the BUMDes management prioritizes lending to customers from within the village itself. The goal is none other than to facilitate loan withdrawals when they are due. In addition, the village government can also provide socialization to village residents to settle customer loan bills.

The BUMDes strategy that needs to be taken in developing this savings and loan business unit, according to Nuak et al., (2019), is to strengthen the legality of the business unit, not only limited to the existence of a Notary Deed. Establishing and socializing the Organization's Vision and Mission to management and the community is important so that they know what are the goals/objectives of the organization. Again, this savings and loan business unit offers low loan interest rates. However, there is also a sanction or award agreement so that the community remains free to manage the funds that have been received, but cannot be late to return the funds.

Trading

This business unit provides basic needs of the community such as rice, LPG gas and other basic household needs. This business unit also sells various types of community MSME products. The marketing system in this business unit is carried out on stores that are owned offline, and some stores that market online. It is hoped that the local products in the BUMDes of Trenggalek Regency will be increasingly known to the broader community, bring income to the broader community, and bring income to the village community. In Trenggalek Regency, there are 30 BUMDes with the type of store business, and there are 7 BUMDes that build village markets.

The existence of this business unit was formed to assist the community in meeting their daily needs. It is done because the villagers usually need to come to the city to buy basic household needs. Considering the distance from the village to the city is quite far, the BUMDes opens this business. In addition, this type of business was initiated to better accommodate MSME products in the villages of Trenggalek Regency and help market them. According to (Hidayah, 2019), the excellent collaboration of MSMEs and BUMDes can help improve the rural economy by increasing MSME actors' capacity, opening new jobs, and increasing Village Original Income (PADes).

Photocopying and Stationery

This business is engaged in services and located in the village hall. The business was chosen because the community needed to copy the documents submitted to the village. Conditions like this provide an opportunity for BUMDes to open a photocopying business and office stationery. In addition, the distance of the photocopy location from the village is a strengthening reason that this business has a significant opportunity for BUMDes. The scope of service of this business is the community in the village itself. 9 BUMDes have photocopying and stationery business units as shown in Table 1.

Table 1
List of BUMDes that have Photocopying and Stationery Business

No	Name of BUMDes	Village
1	Sukomulyo	Suko Kidul
2	Sumberlancar	Dongko
3	Trias Sejahtera	Buluagung
4	Arta Mekar	Ngembel
5	Dompyong	Dompyong
6	Kencana Mukti	Ngulung Wetan
7	Lumbung Deso	Karanganyar
8	Mitra Usaha	Craken
9	Semarum	Semarum

Renting

Based on ministerial regulations of DPDTT No 4/2015, it is explained that BUMDes can form a rental business. The rental business of goods is used to serve the needs of the rural community. The types of businesses that can be carried out in this business group are rental of transportation equipment, tractor, party equipment and others. The types of rental businesses developed by BUMDes in Trenggalek Regency are party and building equipment rental. 14 BUMDes have a party equipment rental business unit, 14 BUMDes have a building equipment rental business unit such as scaffolding cement mixers, 1 BUMDes has soil slip machines rental business, and 3 BUMDes have a tractor rental business unit. Although the party equipment rental is not an everyday business unit, this business contributes quite a lot to BUMDes income. Equipment for rent includes tents, tables, chairs and sound systems. The scope of service of this business unit is still limited to the village. The clay machine business unit is rented out to the tile industry community using an hourly rental system. Every day this clay slip machine operates for approximately 8 hours. This system obtains revenue, which operating expenses will reduce machine operator fees and other operational costs, including machine maintenance. In the course of this clay machine business unit, it adapts to the conditions of the roof tile industry. In the summer, the rental is smooth and can be decreased during the rainy season. Market conditions that can go up and down are also a benchmark for the development of this business. Currently, there is still 1 BUMDes that owns this business, namely Jasa Arta Mandiri BUMDes in Kedungsigit Village.

The building equipment rental business unit uses a daily rental system. The increase in the building sector has made BUMDes of Trenggalek Regency notice this opportunity. The target of this business is people who are building infrastructure, both houses and concrete roads. The Village Government which builds infrastructure is also the target of this business. The cement mixer will be rented out to the village action/executor team when the village builds a concrete road. This cement mixer rental system is daily. For the rental of cement mixers, it is still on a scale in individual villages. This business exists because the agricultural land in Trenggalek Regency is quite large. The system used is a daily rental. Along the way, this hand tractor rental is not very profitable because the rental costs are used up for the operational costs of personnel and equipment. This business aims to develop the agricultural sector, which will empower farmers to be more productive. The target market for this rental is still on the scale of the villagers themselves. The BUMDes that are developing this business are BUMDes Business Partners in Malasan Village, Mandiri Sejahtera BUMDes in Sugihan Village, and Maju Sejahtera BUMDes in Banaran Village.

Waste Management

The waste management business unit was carried out based on the community's idea that waste should not just be thrown away and piled up in landfills. Waste can be managed into (new) goods with economic value, such as bags, tablecloths, and other crafts. This business was formed to empower rural communities so that they have additional income. In addition, with good waste management, it is hoped that the environment will be cleaner, beautiful and healthier. There are 10 BUMDes that have waste processing business units, namely Business Partner BUMDes in Karanganyar Village, Karanganyar Makmur BUMDes in Karanganyar Village, Wonocoyo BUMDes in Wonocoyo Village, Sido Maju BUMDes in Tumpuk Village, Karangturi BUMDes in Karangturi Village, Sri Makmur BUMDes in Watulimo Village, Mitra Sejati BUMDes in Sukorejo Village, Kusuma BUMDes in Semberjo Village, Mitra Usaha BUMDes in Slawe Village, Watulimo District, and Mitra Tani BUMDes in Pringapus Village. Especially for BUMDes Mitra Tani in Pringapus Village, the waste processing carried out is processing waste into fertilizer that is used for agricultural supplies.

Intermediary Business Unit (Electricity Payment, PAM, and others)

Online payments are alternatives offered to make it easier for people to pay household bills in the current era. BUMDes will also carry out this type of business in its services to the community. This business is one in the BUMDesa trade service sector. The business unit of electricity token payment cooperates with Bank BRI. Bank BRI provides tools and systems used for token payments, cash transfers, and withdrawals. Currently, the range of services for this business unit is still limited to the community in the village itself. This business unit was developed by 7 BUMDes namely Arta Mekar BUMDes in Ngembel Village, Lestari BUMDes in Salamwates Village Karangturi BUMDes in Karangturi Village, Jasa Arta Mandiri BUMDes in Kedung Sigit Village, Business Partners BUMDes in Craken Village, Business Partners BUMDes in Karanganyar Village, and BUMDes Sumber Arta Mandiri in Pancanganak Village.

Clean Water Supply bBusiness Unit

The existence of village potential in the form of an abundance of clean water in several village springs provides an opportunity for BUMDes to manage clean water needs, which will later be distributed to village communities. This management aims to ensure that the community's need for clean water can be adequately met. Water that has been managed will flow from springs to people's homes. Clean water is also managed to be used as drinking water and packaged in gallons. The community will get water refill services with gallon cleaning facilities and microfiltration of water first. This water comes from deep water sources and has gone through laboratory tests. It is not even just for gallons of water; clean water managed by BUMDes is a business for making ice crystals. 10 BUMDes provide and manage clean water for making ice crystals and drinking water depots (Table2).

Table 2
List of BUMDes that have Clean Water Supply Business

No.	Type of Business	Name of BUMDes	Village
1	Clean Water Management (PAM)	Artasurya	Karanggadung
		Kembang Jati	Jatiprahu
		Mitra Usaha	Slawe
		Mitra Usaha	Karanganyar
		Lestari	Salamwates
		Mitra Sejati	Sukorejo
2	Ice Crystal Making	Mitra Sejati	Sukorejo
3	Drinking Water Depot	Rahayu	Ngepeh
		Sukomulyo	Suko Kidul
		Kembang Jati	Jatiprahu

Convection

Screen printing and clothing convection units are profitable businesses because the profits are pretty significant. The convection business unit was deliberately formed due to the lack of printing in the Trenggalek Regency. The target of this business unit is not only from within Trenggalek Regency but several areas around Trenggalek Regency. The product marketing system is carried out online, through exhibitions, and direct purchases at the BUMDes office. This business can provide new

business fields for the community so that they can increase their income. The BUMDes that are developing this business are the BUMDes Mekar in Mlinjon Village, and the Trias Sejahtera BUMDes in Buluagung Village.

Tourism

Trenggalek Regency is an area with 95% rural morphology, so that the natural resource is suitable for developing tourist villages. 13 BUMDes have developed tourism business units (Table 3). The tourism developed in the BUMDes include cliff tourism, rock climbing, dam tourism, waterfalls, beaches, cross country tours, culinary, and others.

Table 3
List of BUMDes that have a Tourism Business

No	Nama of BUMDes	Village
1	Gandusari	Gandusari
2	Mitra Usaha	Karanganyar
3	Sido Makmur	Ngrayung
4	Kembang Jati	Jatiprahu
5	Bangkit Prima	Depok
6	Tasma Mukti	Tasikmadu
7	Lestari	Salamwates
8	Assalam Jombok	Jombok
9	Sidomaju	Tumpuk
10	Wonokerto	Wonokerto
11	Widoro	Widoro
12	Karya Mulia	Gading
13	Bening Artha Prima Sumberbening	Dongko

The existence of this business unit is expected to have a significant multiplier effect on other economic sectors in the village. More investment in tourist villages is expected to open up the most comprehensive possible employment opportunities. Thus, unemployment can be minimized, and incomes are expected to increase (Suryanata, 2019). The Regency Government fully supports if there is a BUMDes that runs this business. The tangible form of this support is Special Financial Assistance worth Rp 200 million in several BUMDes whose business has been running quite smoothly.

Agribusiness

There are 5 BUMDes that have business units in the agribusiness sector, namely BUMDes Assalam Jombok in Jombok Village, Dompjong BUMDes in Dompjong Village, Karang Makmur BUMDes in Karanganyar Village, Arta Mandiri BUMDes in Tugu Village, and Wonokerto BUMDes in Wonokerto Village. This business unit provides production inputs such as fertilizer and animal or fish feed to marketing agricultural, fishery and livestock products. As a rural area with abundant natural resources, establishing this business unit can support the people's agricultural business. Market for production input units is the community in the village and its surroundings. In developing the BUMDes livestock business, village residents who work as breeders are involved. This business system works as follows: BUMDes buy livestock seeds, then provide feed and other production inputs. However, the location of the enlargement is in the cattle pens owned by residents. Moreover, residents are tasked with caring for and maintaining this livestock. The proceeds from the sale of livestock after being harvested will be shared with BUMDes and their breeders. This business unit was developed by BUMDes Maju Abadi in Masaaran Village and BUMDes Sengon Mandiri in Sengon Village.

There are various ways to improve the community's economy through BUMDes. One of them is through the fishery business unit. Currently, there is still one BUMDes that has this business unit, namely BUMDes Karanganyar Makmur. The beginning of the formation of this business was the existence of an independent group that sold fish feed. Since this business is quite promising, it finally cooperates with BUMDes to develop the business. BUMDes get capital from district government grants. BUMDes sells fish feed, catfish and ornamental fish. The target of this business unit is outside the village.

The Role of BUMDes in Rural Economy of Trenggalek Regency

The existence of BUMDes with various characteristics can positively contribute to the development of the rural economy. It can be seen from the significant contribution of BUMDes to

PADes. As stated by Senjani (2019) that to create jobs, reduce unemployment, take advantage of the unique potential of the village in the form of wealth of natural products and the creativity of its citizens are the goals of the establishing BUMDes. Based on the results of data analysis, it is found that several dominant characteristics drive the rural economy in Trenggalek, namely turnover, profit, number of employees.

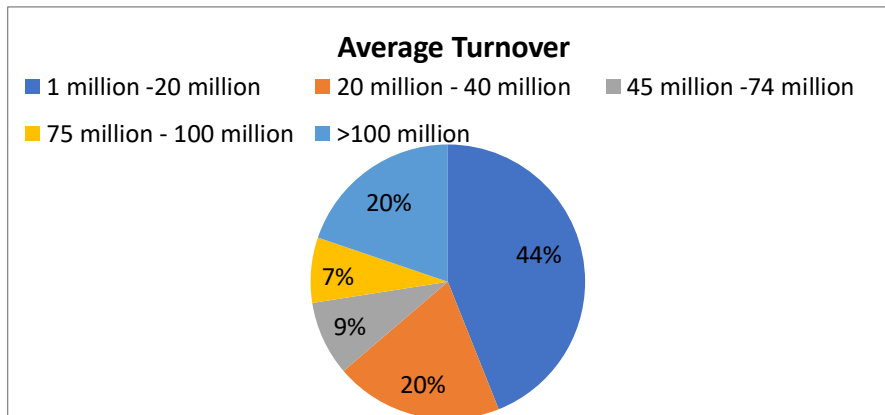


Figure 5. Average Turnover of BUMDes

The first characteristic is seen from the average turnover. If rural economic activity increases, it will positively impact the improvement of economy in rural areas that far behind. Rural economic growth will affect national economic growth and state income. The average capital for establishing a BUMDes business in Trenggalek Regency is Rp. 53,840,066.66. BUMDes Sumbreng Prima Munjungan Village obtained the highest turnover with savings and loan business units, rentals, and village markets (Figure 5). It is then followed by the turnover of BUMDes Trias Sejahtera which is Rp. 264 million, BUMDes Mitra Sejati Rp. 250,000,000, BUMDes Damai Mandiri Rp. 212,345,000, and Pandean BUMDes, which is Rp. 194,500,000. The key to the success of BUMDes with high turnover is to have more than three business units.

The second characteristic is the profit of BUMDes. Profit is when BUMDes can carry out its mission as an economic institution that can create social and economic benefits (Faedlulloh, 2018). As a business entity, BUMDes must provide profit because it runs a business, but it must still benefit the community. Therefore, the success of BUMDes is measured through profit and its usefulness for people's lives. Ministerial regulation DPDTT Number 4 of 2015 Article 19 states that Village Owned Enterprises or BUMDes can run simple social businesses that provide public services to the community by obtaining financial benefits. To get a high-profit, BUMDes requires time and a precise business strategy. However, at least the existence of BUMDes in Trenggalek Regency has provided benefits for several villagers who previously did not work, now they have jobs. If calculated based on the field survey results, BUMDes in Trenggalek Regency has a maximum profit of under 5 million (Figure 6). The BUMDes with the highest profit is Sukorejo BUMDes, with the type of business of savings and loans and building equipment rental.

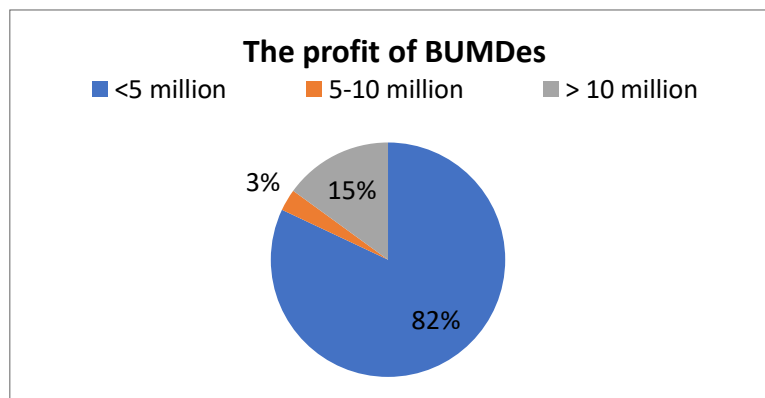


Figure 6. Profit of BUMDes

The third characteristic is the number of employees absorbed by the presence of BUMDes in the village. One of the parameters for the success of BUMDes is the creation of jobs. The more and broader the business units developed by BUMDes, the higher the absorption of its workforce. Wahyuningtyas (2021) stated that BUMDes could apply village workers, open up productive economic business opportunities, build business networks, improve the welfare of rural communities, and contribute to PADes. BUMDes employees will be paid on an honorary basis following the work that has been done according to the agreement. In Trenggalek Regency, the average number of employees is three people domiciled around the village who also work concurrently as BUMDes administrators. BUMDes with the most employment absorption are BUMDes of Bening Arta Prima in Sumber Bening Village with 19 employees employed in the tourism and trade units (Figure 7).

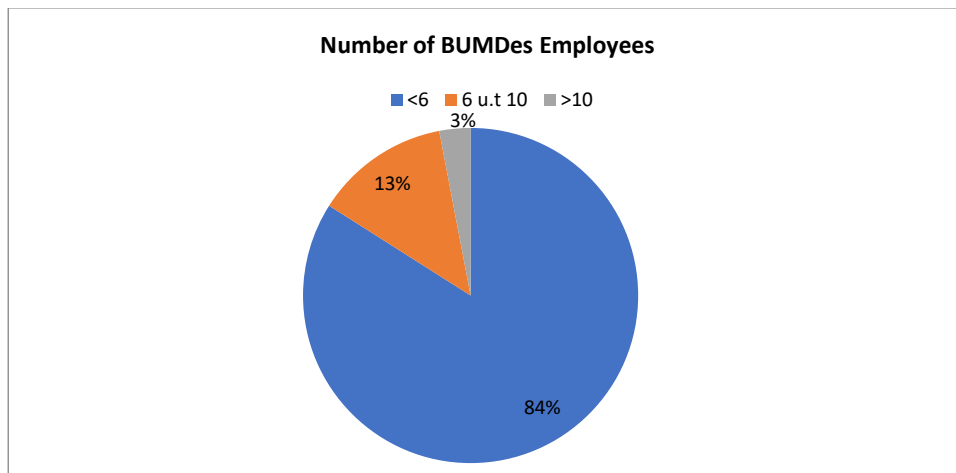


Figure 7. Number of BUMDes Employees

The fourth characteristic is the contribution of BUMDes to PADes. BUMDes contributes to the village by providing additional income to the PADes for the welfare of the village community. BUMDes in Trenggalek Regency, on average, contribute to the PADes of around Rp. 500,000.00 to Rp.25,000,000.00 (Figure 8). However, some BUMDes have contributed to PADes reaching Rp. 99,000,000.00, namely BUMDes Sumbreng Prima, Munjungan Village. It is because these BUMDes have a huge turnover compared to other BUMDes in Trenggalek Regency.

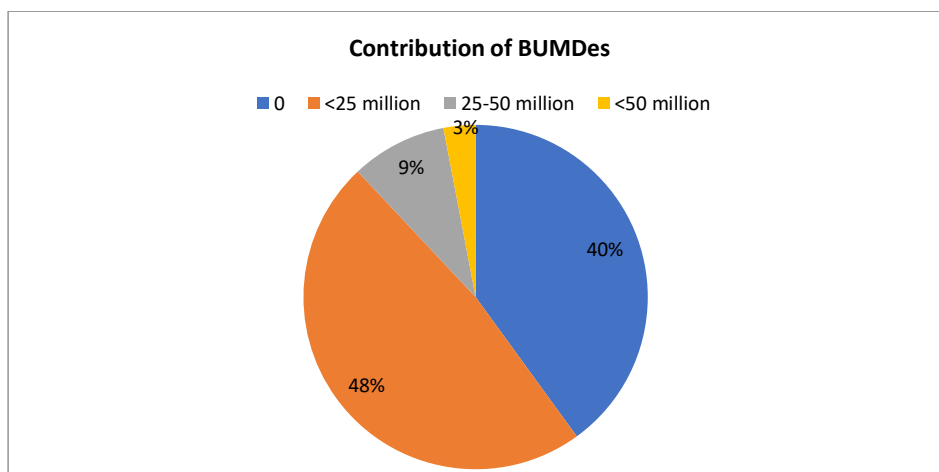


Figure 8. Contribution of BUMDes to PADes

The last characteristic is BUMDes Cooperation. BUMDes can cooperate with various parties to develop their business (Ahmad, 2018). Of the 152 BUMDes, only a few BUMDes have cooperation partners. Most BUMDes do not yet have cooperation partners. BUMDes cooperation is needed so that BUMDes can develop. Through the collaboration, it is hoped that BUMDes can get additional capital or get help when they face obstacles in running the business. BUMDes that have cooperation partners is usually BUMDes that have begun to develop significantly. It is because to establish partnership,

BUMDes must have an established structure and a strong business concept. BUMDes cooperation partners are BRI and BNI, which have online payment and credit business units. There is also cooperation with PT. WATER for clean water management. A partnership is carried out with a Surabaya ceramics company for BUMDes, a business unit for making ceramics and bricks. Then for BUMDes that manage trading business units, it is usually have cooperation partners with essential food suppliers, sales and participate in the granary program.

Conclusions

Based on the analysis results, it was concluded that the characteristics of human resources of BUMDes in Trenggalek Regency seen from the level of education are that the majority of them have a high school education level and the average age that dominated is between 35-45 years. It follows the minimum requirements for BUMDes management stipulated in Regulation of the Minister of Villages and Development of Underdeveloped Regions and Transmigration No. 4 of 2015. In terms of gender, the majority are dominated by men for the positions of director and secretary of BUMDes, while women dominate treasurer positions. It means that the management of BUMDes-BUMDes in the Trenggalek Regency has represented the involvement and participation of women. In addition, the characteristics of the human resource of the BUMDes Management in Trenggalek are that the majority do not hold concurrent positions and no one has a family relationship with the village head, so that it can avoid the acts of fraud (Corruption, Collusion and Nepotism).

Characteristics based on the type of business of BUMDes in Trenggalek Regency consist of Trading, Photocopying, Savings and Loans, BRI Link, Waste Management, Clean Water Providers, Renting, Screen Printing and Convection, Tourism, and Agribusiness. The dominant type of business is the financial business sector, the second one is the trading sector, and the third is leasing sector. The development of BUMDes in Trenggalek Regency positively influences rural development on turnover, profit, number of employees, contribution to Village Original Income, and cooperation owned by BUMDes. BUMDes Sumbreng Prima in Munjungan Village obtained the highest turnover with the type of rental business, village markets, savings and loans business. The BUMDes with the highest profit is Sukorejo BUMDes with the type of business savings and loans and building equipment rental. The BUMDes with the most employment absorption are BUMDes of Bening Arta Prima in Sumber Bening Village with 19 employees employed in tourism and trade units. The BUMDes that have contributed the most to PADes are BUMDes Sumbreng Prima, Munjungan Village. It is because this BUMDes have a considerable turnover compared to other BUMDes in Trenggalek Regency. Judging from the cooperation owned by BUMDes, most of the BUMDes in the Trenggalek Regency do not have cooperation partners.

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