



Community Participation Model on developing BUMDes Maloang

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ABSTRACT

The goal of this research is to construct a local potential-based community participation model for developing BUMDes in Maloang Village, East Taniwel Sub-district, West Seram Regency, Maluku Province. The research method used is qualitative, and field data collection relies on in-depth interview techniques and observation to obtain qualitative data. The results showed that 2 (two) years after its establishment, BUMDes Maloang was found to no longer operate as it should. In other words, BUMDes Maloang failed or did not function properly at all. Five determinant factors caused the failure, namely (a) the inadequate managerial capacity of BUMDes and business unit management resources; (b) the relatively limited purchasing power of the village community; (c) a market that has not yet been established; (d) the value orientation of the Maloang community which is generally still strongly oriented towards the "world" of farming and fishing, not yet referring to entrepreneurial values; (e) BUMDes as a new institution so that the community has not sufficiently familiarized it. These five determinants can be simplified into 2 (two) important aspects that form the substance of the problem of the failure of BUMDes Maloang to operate, namely (a) the local institutional aspect and (b) the human resources aspect. Therefore, in order to develop (in the sense of revitalization) BUMDes Maloang, a community participation model based on objective conditions as local potential can be recommended so that BUMDes Maloang can be revived, and efforts to improve community welfare can be pursued consistently and continuously.

INTRODUCTION

Basically, law (*Undang-Undang/UU*) No. 6/2014 has provided a legal umbrella for villages to establish Village-Owned Enterprises, commonly abbreviated as BUMDes. The main idea related to the BUMDes establishment is to spur development and foster the economic independence of rural communities. It means that under this law, village governments are given considerable authority to develop and empower the village community's economy according to the village's potential opportunities and capabilities. However, for various administrative reasons and economic feasibility, many villages in Indonesia still lack the seriousness and attention to establish BUMDes. This reality has implications for the many potential natural resources in rural areas that have not been optimally utilized. In order to answer the various problems experienced by villages, the government has issued Government Regulation (*Peraturan Pemerintah/PP*) Number 11 of 2021 concerning Village-Owned Enterprises (BUMDes). In the General Provisions section of the PP, it is explained that BUMDes is a legal entity established by the village and/or provides other types of businesses for the greatest welfare of the village community. It means that BUMDes has *legal standing* as an institution that can be utilized to develop the village and improve the community's welfare.

However, since BUMDes was established in villages, especially in Maluku region, many problems have been faced, especially in its management. The management of BUMDes gives the impression that it does not prioritize the potential of local resources, especially social resources, including the values of local wisdom of the village community, which become the social capital of the local community (indigenous perspective). Local wisdom such as customary institutions and/or other social institutions that characterize indigenous communities in villages (*negeri*)¹ in Maluku so far, have not been given a role or included in the management of BUMDes. On the other hand, actually local institutions should be regarded as local wisdom which are essential to mobilize the potential of villages/*negeri* with various natural resources that are functional for village development through BUMDes.

Jim Ife (2002:101-117), states that local wisdom is the values created, developed, and protected in local communities and used to guide life. The dimensions of local wisdom, according to Jim Ife, are as follows:

1. Local Knowledge

Every community living in a place, whether rural or inland, always has local knowledge concerning their living area. Such local knowledge includes climate cycles, weather changes, types of flora and fauna, geography, and demography.

2. Local Culture

Local values in the dimension of local wisdom might help organize life intermingled between communities. Therefore, every community needs to comply with the rules and values that have been agreed upon.

3. Local Resources

Local resources consist of non-renewable and/or renewable natural resources. Local communities utilize these resources according to their needs and will not overexploit them.

4. Local Skills

Local skills are the ability to survive from various obstacles. The simplest examples of local skills are farming, hunting, gathering, and running household industries.

5. Local Processes

Every community has its local government, which is commonly called tribal government. A tribe is a legal entity with rules that coexist with its group.

6. Local Solidarity

This dimension can unite the local community to maintain solidarity, harmony, and a sense of commonality as social beings.

The six dimensions of local wisdom described above are considered a way of life to answer various problems in people's lives. Local wisdom is not only related to tradition or locality but also traditional values that function to realize the values of stability that is dreamed by people. Referring to the explanation above, the six dimensions of local wisdom are considered relevant to support the development of BUMDes in Maluku villages or *negeri*, including Maloang Village, East Taniwel Sub-district, and West Seram Regency.

In the effort to develop BUMDes in Maloang Village, one thing that is very important and necessary is community participation, whether individually, community, or even institutionally, which is the main factor in supporting the development of BUMDes. It requires a community participation model that supports the performance of BUMDes development.

Referring to the explanation above, the community participation model constitutes manifestation of direct community involvement in various development activities to improve welfare. According to Adisasmita, (2006:25), community participation is the involvement and engagement of community members in development, including activities in planning and implementing development programs. The community participation model in developing BUMDes in Maloang Village is one of the efforts to improve community welfare in Maloang Village.

As is common in other villages in Maluku, Maloang Village is a traditional village/*negeri* with local wisdom and it has abundant natural resources such as cloves, nutmeg, cocoa, coconuts, and bananas. However, the availability of these natural resources has not been managed adequately by the community, primarily through BUMDes in the village. The BUMDes, which has been operating since 2016 in Maloang Village, is not working optimally and is no longer functioning well. It is an interesting reality that encourages us to conduct scientific research to formulate the problem of "How is the community participation model in the development of BUMDes in Maloang Village? This research aims to construct a local potential-based community participation model in the context of BUMDes development in Maloang Village.

LITERATURE REVIEW

The community participation model in this research is a plan or description of a simplified platform/blueprint for community participation in the development of BUMDes in Maloang Village, East Taniwel Sub-district, West Seram Regency.

From a sociological perspective, the importance of the community participation model in a change movement, whether in the framework of development and/or construction, is due to the consideration that community participation is never exist or operate in a space of value vacuum. Community participation is always motivated by the socio-cultural context, which makes community participation unique, not universal for every time and space. It is the theoretical assumption used in this research as an orientation reference in tracing and collecting field data, analyzing and interpreting data.

Conceptually, community participation is the key to a development process as *planned change* or *intended change*, so it is often called participatory development. Community participation in development is often linked to accountability and transparency in the spirit of democratization. It means that community participation is seen as a manifestation of the right of citizens or community members to participate in a dynamic change that affects them.

Participation is an important thing that dynamizes community life at various levels, especially at the grassroots level. This condition is inseparable from the involvement of people or groups of people in a joint process to do something to achieve a common goal. Badudu and Zain (2001) define participation as taking part, joining, or being involved in an activity. In multi-dimensional community development, participation can be interpreted as participation in planning, implementing, monitoring, and evaluating development programs in various fields or sectors.

Referring to the notions of Cohen and Uphoff (1977), they distinguish *top-down* initiatives from *bottom-up* initiatives. According to them, *top-down* participation is a form of initiative that comes from the government and is coercive. In contrast, *bottom-up* participation that comes from the community is generally voluntary. The community participation mentioned by Cohen and Uphoff reflects the power of the community in the form of a *symbolic engine*² that exists within or is based on the social structure and local culture. In this context, community participation is *social capital* as defined by several experts, such as Woolcock and Narayan, who assert that *social capital refers to the norms and networks that enable people to collaborate* (Callois and Angeon, 2004:3) or Francis Fukuyama, who states that *social capital is an instantiated informal norm that promotes cooperation between two or more individuals* (CRP, 2003:8); or the WHO, who asserts that *social capital represents the degree of social cohesion that exists in communities. It refers to the processes between people that establish networks, norms, and social trust and facilitate coordination and cooperation for mutual benefit* (CRP, 2003:8).

The thing that researchers want to show through the meaning of social capital about community participation is the aspect of coordination and cooperation for mutual interests and benefits. Community participation is an important and strategic foundation to sustain various community development activities, including productive economic activities. In connection with this, there are 2 (two) important aspects found from the research results, which can be developed as an entry point for developing a model to revitalize and empower BUMdes, especially in Maloang Village. The two aspects are (1) the local institutional aspect and (2) the human resources aspect.

Sociologically, all human activities in various fields are usually accommodated by institutions. This institutional aspect is essential because all human needs can be met through it. Johannes Jutting (July, 2003), categorizes institutions into three approaches, namely based on (1) the degree of formality, including formal and informal institutions; (2) differences in hierarchical levels, including level one to level four institutions; and (3) the scope/area of analysis, which includes economic, political, legal and social areas. For the degree of formality and scope of analysis, it can be said to be quite clear when related to the differences in institutional aspects at the hierarchical level, citing Williamson (2000)³, Jutting explained that the first level is institutions related to the social structure in society (traditions, social norms, habits); the second level is institutions related to the formal rules of the "game" (property rights, legal system); the third level, are institutions related to behavior in the "game" (contractual relationships); and the fourth level, are institutions related to the allocation mechanism (capital flow control, trading system, social security/welfare system).

Model design or engineering requires an initial idea that is conceptualized comprehensively and integrated to describe a model that is considered ideal. Furthermore, this design can be tested with research field data to get corrections and improvements until it becomes a model that can be applied effectively. Schematically, the design of these ideas can be described as follows:

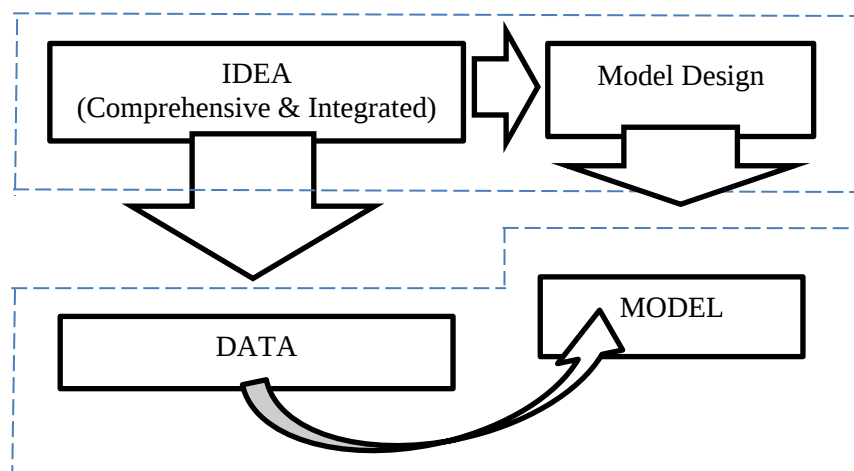


Figure 1. Simplification of Model Design into Model

The idea of a model for community participation in BUMDes development is based on the following assumptions:

- a) The development model does not start from zero or "nothing" but should start from the *existing* conditions of the local community;
The people of Maloang Village have economic resources and assets that are managed individually or in groups (families). This condition reflects the existence of capital in the form of simple managerial knowledge, production technology, and facilities/infrastructure that they use in productive economic activities.
- b) The development model does not take place in a space of value vacuum; instead, it is loaded with values;
The people of Maloang Village are a *negeri* community that has customs as an instrument that regulates orderly life together in various aspects.
- c) The effective functioning of such participation models depends on the capacity of local social institutions;
As an indigenous community, the people of Maloang Village have various institutions that organize their lives together. In order to develop a participation model, it is not necessary to introduce new institutions but to empower existing ones. In this context, the most influential socio-political institutions in the community, apart from the village government, are religious institutions.
- d) The participation model's effectiveness depends explicitly on the quality of the human resources involved.
The simplicity of managerial knowledge and future orientation of the Maloang community needs to be intervened in and developed to support the joint work of developing functional BUMDes for the welfare of community members.

Basically, community participation is the entry point and the foundation for strengthening the role of institutions to develop communities or improve community welfare at once. In connection with this, John Rothman (1979), in his study of community development, identified 3 (three) models of community development, namely:

1. *Locality Model (Locality Development)*
This model focuses more on community development at the local level by involving communities in decision-making processes and resource management.
2. *Planning Model (Social Planning)*
This model focuses on planning and developing community development programs involving various parties, including the community, government, and non-governmental organizations. It requires cooperation and coordination between various parties to achieve community development goals.
3. *Empowerment Model (Social action)*

This model focuses on empowerment by involving communities in decision-making processes and resource management; it also emphasizes the importance of building the ability and capacity of communities to manage development and fight for their rights.

In addition, Rothman also describes the characteristics of the community development model as follows:

1. Society as a subject:
Communities are considered subjects with the ability and capacity to manage community development.
2. Community participation:
Communities are involved in decision-making processes and resource management.
3. Capacity and capability building:
This model emphasizes the importance of increasing the capacity of communities to manage development.
4. Cooperation and coordination:
This model emphasizes the importance of developing cooperation and coordination between various parties to achieve community development goals.

Ronald W. Toseland (2017), directs his perspective on *community-based development*, where local strengths and local potentialities are the focal concern. Toseland argues that involving communities in decision-making processes and resource management and developing communities' ability and capacity to manage community development are fundamental. Regarding this, Toseland identifies 4 (four) stages in the community development process, namely:

1. Empowerment
In this stage, communities are empowered to make decisions and to manage their own resources.
2. Capacity Building
Communities are helped to develop their skills and capacity to manage community development.
3. Program Development
Community and various stakeholders develop programs that meet the community's needs.
4. Evaluation and Monitoring
Community and various stakeholders work together to evaluate and monitor the progress of community development programs.

A similar point of view to Toseland's was expressed by Robert Chambers (1994), who emphasized the importance of community involvement or participation. Chambers says local community participation is important and strategic in community assessment and development. For Chambers, local communities must be actively involved in community assessment and development to increase community participation and control in village development. Village development should be more focused on the needs and priorities of local communities and identify their strengths, weaknesses, opportunities, and threats to understand the local community's condition. In

addition, local communities and facilitators need to work together to develop action plans and development programs in the village.

METHODOLOGY

This research uses qualitative research, where the generated data is descriptive in words, not numbers. The research location was Maloang Village, East Taniwel District, West Seram Regency. The data sources in this research came from two sources, namely primary data and secondary data. Primary data is obtained from observations and in-depth interviews with key informants at the research location. Meanwhile, secondary data is from important documents obtained from the Maloang Village Government, either in village profiles or data related to other BUMDes documents.

The key informants in this study were determined using purposive sampling techniques, where key informants were selected intentionally based on the consideration that they were the ones who were competent in providing the data and/or information needed in this study. The key informants determined were 11 (eleven) people consisting of 2 village staff, namely the Village Head and Village Secretary; 2 BUMDes managers, namely the Chairman and Treasurer; the Chairman of the Village Development Board/BPD; 3 farmers and 3 fishermen who both directly or indirectly involved with BUMDes Maloang activities.

In-depth interviews were conducted with the eleven key informants, supported by observation of the social situation in Maloang Village, especially about BUMDes activities. The data obtained is then analyzed through data reduction, presentation, and conclusion drawing (Miles and Huberman, 2007).

RESULT AND DISCUSSION

Maloang is a traditional village or *negeri* with a total area of 40 km², located in the administrative area of East Taniwel Sub-district, West Seram Regency. Most Maloang villagers are farmers who cultivate various types of long- and short-lived crops to fulfill their needs. Annual crops include coconut, sago, cloves, nutmeg, cocoa, walnuts, durian, and mangoes, while short-lived or tuber crops include bananas, taro, cassava, and petatas. All needs for education, health, clothing, and other necessities can be met by selling these commodities. The potential for agricultural land in Maloang village is reasonably available and can still be developed.

As mentioned above, the production of agricultural products of various commodities was one of the important assets considered when BUMDes Maloang was formed in 2016. In the BUMDes formation meeting, which was directly chaired by the Village Head and attended by village staff and community representatives, it was mutually agreed that the business capital provided by the Village Government would be invested into several business activities. According to the data received, the first year's capital assistance (2016) from the Village Government amounted to Rp. 50,000,000 (fifty million rupiah), of which Rp. 10,000,000 (ten million rupiah) each was given to 2 (two) community members in the form of business capital loans to be returned in installments to the BUMDes manager (revolving capital). Meanwhile, the retail gasoline sales

business was given Rp. 5,000,000 (five million rupiah) each to 2 (two) community members. The BUMDes invest in this revolving capital pattern to support the basic food kiosk business activities and retail gasoline sales. Meanwhile, the other part of the business capital was utilized by the BUMDes manager to support the activities of buying/selling agricultural products directly from individual farmers, where the BUMDes manager did so in a position as an intermediary between farmers and the market. In the second year (2017), BUMDes Maloang received capital assistance from the Village Government amounting to Rp. 100,000,000 (one hundred million rupiah) was used to purchase 10 (ten) cows. In 2018, BUMDes Maloang continued to operate but no longer received business capital assistance.

Regarding institutional cooperation, it is known that there has never been any cooperation between BUMDes institutions with existing local institutions. The three types of businesses had been running for two years, until early 2019, when all BUMDes Maloang activities stopped and are no longer active.

Conversations with key informants show that the failure of the basic food kiosk and retail gasoline sales business activities is due to a fundamental problem, namely business management. Although the educational background of the BUMDes manager and the managers of the two business units in question is relatively good, with high school and university degrees, they are not accustomed to entrepreneurial activities and do not have an *entrepreneurship-oriented mindset*. This managerial capacity has also led to the failure of the capital return process, so investments made by BUMDes can be said to have stalled. In addition, the relatively low purchasing power of the community means that goods are not sold very quickly, so capital turnover is delayed. According to key informants from the BUMDes manager's position, the problem is also related to the role of the BUMDes, which has never conducted supervision through monitoring and evaluation to ensure the smooth running of business activities.

a). Villagers' Knowledge and Attitude towards BUMDes Maloang.

BUMDes Maloang was formed through a joint meeting conducted by the village government, attended by the Village Head, village staff, and some local villagers. This mechanism partially complies with the normative standards stipulated in Article 7, paragraph (1) of PP No. 11 of 2021. However, it has not been translated yet into a Village Regulation as intended by the PP. At the time when BUMDes Malong was formed and operating in 2016, it was managed by village government staff and has run several productive economic activities in the form of a grocery kiosk business, retail gasoline sales, as well as buying and selling agricultural products (commodities) owned by Maloang villagers.

Initially, the community of Maloang Village and the village government did not know about BUMDes. The community obtained information about BUMDes when socialization was conducted regarding the plan to establish a BUMDes in Maloang Village. This fact certainly has a quite impact on their attitude and behavior both in terms of organizational management and community participation. In this context, knowing the outline of a BUMDes is not enough; it needs to be followed by a strong desire from the community to

understand and be willing to apply the principles of organizational management and participate in the entire process of each business activity. In addition, the non-involvement of some other villagers means that the socialization process tends to be exclusive. As a result, some villagers do not know, understand, and are even less committed to participating in BUMDes Maloang's development.

It is known that BUMDes is a legal entity established by the village and/or together with villages to manage businesses, utilize assets, develop investment and productivity, provide services, and/or provide other types of businesses for the greatest welfare of the village community.⁴ . This noble hope and desire is excellent and requires the support of all parties, especially at the village level. The same condition was experienced by BUMDes Maloang, where all business activities could be run well initially without any significant disruption. However, after 3 (three) years, the implementation of BUMDes Maloang has failed, causing all types of business activities to stop. As acknowledged by key informants, this situation has brought concern to the village community because initially, they were very enthusiastic about the presence of BUMDes Maloang and wanted to work together to support the operation of the BUMDes. However, then they had to deal with the fact that it failed. In their view, some factors that have triggered BUMDes Maloang's failure are (1) the inadequate managerial capacity of BUMDes and business unit management resources, even though they have a relatively high formal education background. This factor covers several aspects, such as planning for the implementation and development of each type of business activity, development and supervision of the revolving capital scheme, building distribution and marketing networks involving the local community, and continuity of commodity supply to the market; (2) the relatively limited purchasing power of the village community. This factor is related to delays in capital turnover, which leads to business bottlenecks, especially for basic food kiosks and retail gasoline sales; (3) the market is not yet well established. This factor is related to the ability to meet market demand consistently and continuously, especially markets outside Maloang Village, including markets in the capital city of the district; (4) the value orientation of the Maloang community, which is generally still strongly oriented towards the "world" of farming and fishing, has not yet referred to entrepreneurial values. This factor is related to the learning and adaptation process, as the Maloang Village Community has solely depended on farming and fishing activities as their main livelihoods; (5) BUMDes as a new institution is not yet sufficiently familiar to the community. This factor is inseparable from the intensity of the community's introduction to - or interaction with - BUMDes, which also requires a learning and adaptation process.

b). Development Prospects of BUMDes Maloang

As a new socioeconomic institution of the village community, BUMDes has reasonable prospects of developing and becoming the backbone of efforts to

improve the village community's welfare sustainably. In realizing these efforts, the development of BUMDes must be the responsibility of all community elements, especially the participation of community members. Community participation is essential because the various potential resources (natural, social, and human) owned by the community are the main assets that can encourage the realization of BUMDes development.

The development of BUMDes Maloang also has good prospects if these resources can be managed in a planned, efficient, and successful manner. The availability of natural resources, especially in the agricultural sector, such as coconut, walnuts, cloves, nutmeg, cocoa, bananas, and others, are significant assets that have the potential to be developed.

According to key informants, apart from durian and mango, other agricultural commodities, both long-life and short-life crops, are sold by farmers to BUMDes (as intermediary traders) and then marketed outside the village, especially to the regency market. The community sees these commodities as their superior commodities, as they are the commodities that Maloang Village farmers most widely produce.

In addition to agricultural resources, fisheries resources are also available, with the community's main catches being lobster and several other types of fish. These catches are rarely marketed and are generally used for subsistence purposes. However, the availability of natural resources alone is insufficient if they are not supported by the quality of human resources and social resources that are the *symbolic engine* of the Maloang Village community. As previously mentioned, the failure of the current BUMDes Maloang to function is due to the relatively low quality of human resources. This condition indicates that a *transfer of technical knowledge* through training is needed to improve and strengthen the managerial and technical production capacity of BUMDes Maloang managers in particular. It is intended to equip them with sufficient capability to carry out management functions in a directed and measurable manner, even within a simple organizational scope. It is also the case with social resources, especially the institutional aspect, where local institutions, whether customary institutions, religious institutions, or other institutions, must be positioned appropriately and proportionally in a comprehensive and integrated BUMDes Maloang development plan scenario.

The success of BUMDes management is common. One of them is BUMDes Harmaji in Labuhan Haji Village, East Lombok Regency. The results of research conducted by Nurdiyanti R. Hailuddin (March 2021) show that the capacity of the BUMDes has succeeded in achieving independence in managing various types of businesses. Therefore, developing, in the sense of revitalizing BUMDes Maloang for the community's future, is an obsession that is feasible considering the natural resources, social resources (in the form of local institutions), and available human resources.

c). Community Participation Model Based on Local Potentiality

Development in the sense of revitalization of BUMDes Maloang is an unavoidable necessity. The factors that have been identified as determinants of

the failure of BUMDes Maloang to operate need to be explored, analyzed, and interpreted. The intention is not only to reveal the failure factors but also to find a participation model that reflects the symbolic engine that exists and lives within the Maloang Village Community.

Referring to the findings of this research, from a sociological perspective, the aspects of local institutions and human resources are *critical points* that need serious attention and an entry point to develop participatory BUMDes Maloang management.

The issue of local institutions and human resources is also a *concern* of a study conducted by Balitbangda Muara Enim Regency (2019). In the Muara Enim BUMDes development model that was initiated, this study emphasized 5 (five) important factors, and 2 (two) of them are local institutions referred to as *potential value* and *human resources*⁵. The affirmation of these factors is done because this study also believes in the power of local wisdom, which is considered capable of encouraging the development of BUMDes to improve the welfare of the local community. The same belief is also found in the views of Rizki Febri Eka Pradani (2020), who also discusses the importance of local potential-based BUMDes development.

1. Institutional Aspects of the Community Participation Model in BUMDes Development.

In developing (revitalizing) BUMDes Maloang, the local institutional element is considered very important. It is due to the consideration that (1) the community is familiar with local institutions in their social environment; (2) local institutions have assets that can directly or indirectly be used to support the operation of the BUMDes effectively and successfully.

Local institutions such as clans, churches, and villages (*negeri*) own land and other assets that can be invested in cooperation with BUMDes as a manifestation of participation. This investment can be considered as additional capital to strengthen the village government's investment in the form of assistance provided to BUMDes. Profits obtained from the business of each type of activity are distributed as profit sharing among investors who invest in the development (revitalization) of BUMDes Maloang. This cross-institutional cooperation can schematically be described as follows:

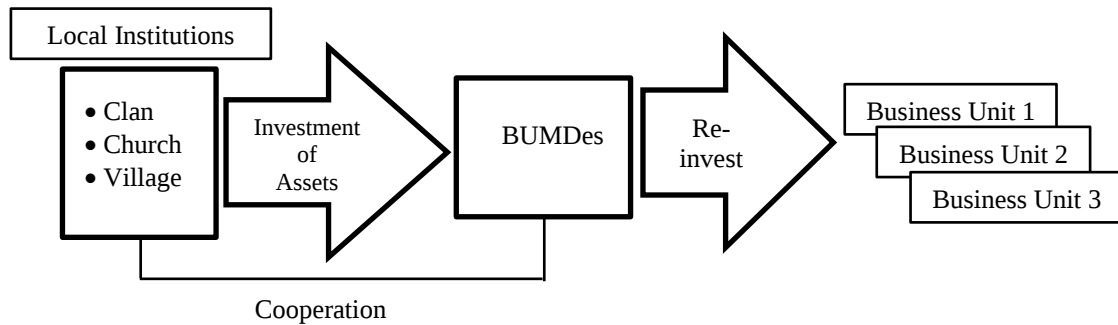


Figure 2. Cooperation and Investment Scheme

Considering the involvement of clan and church institutions in cooperation and investment, it is believed that this will strengthen the social legitimacy of the role of BUMDes, as these two institutions have strong social recognition and authority over the control of strategic community assets. This social capital is the *symbolic engine* in driving the operations of a performing BUMDes.

Using Johannes Jutting's perspective (July 2003), it can be said that clan and church institutions, as informal institutions, interact with BUMDes as formal institutions and cover institutional aspects from the first to the fourth level. Clan and church institutions, as institutions embedded in the social structure, require a learning and adaptation process to enter the second level, where these two institutions will come into contact with the rules of the formal "game" within the framework of cooperation with BUMDes. Then, at the third level, each institutional party with different degrees of formality (informal and formal) jointly binds themselves in a contractual relationship. It is a legal guarantee and strengthens social legitimacy, recognition, and authority for the BUMDes. Furthermore, at the fourth level, all parties jointly regulate the system of cooperation supervision up to the welfare distribution system in the form of profit-sharing patterns.

The sharing of business profits is done based on an agreement between the parties involved, as shown in the following figure:

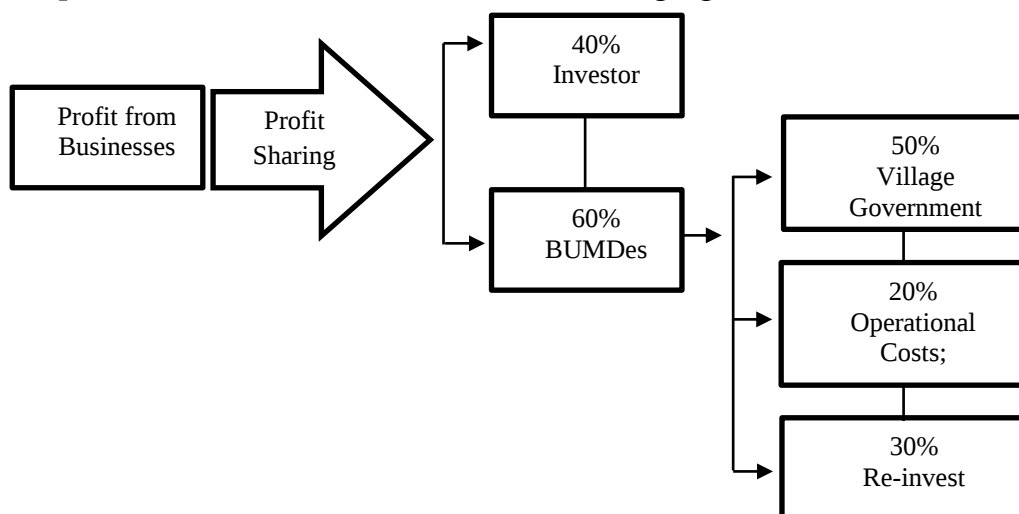


Figure 3. Profit Sharing Pattern

As shown in the figure above, the profit-sharing pattern is carried out with a proposed distribution amount (needing agreement between the parties) of forty percent to the investors (clans and/or churches) and the other sixty percent to BUMDes. Of the BUMDes' percentage gain, fifty percent is handed over by BUMDes to the village government as village own-source revenue (PAD); BUMDes use twenty percent as organizational operational costs; and the other 30 (thirty) percent is utilized for re-investment in the form of business intensification and/or extensification.

In addition to the above institutional cooperation schemes, BUMDes can interact directly with farmers through buying and selling agricultural commodities transactions. In this case, BUMDes is a *collecting point* those bridges producers (farmers) with the market. This economic relationship is mutually beneficial, where the BUMDes pays a high purchase value of the commodities to the farmers and earns a proportional profit from the selling value of the commodities in the market. In addition, the BUMDes can function as a business unit that develops productive economic activities directly under its control.

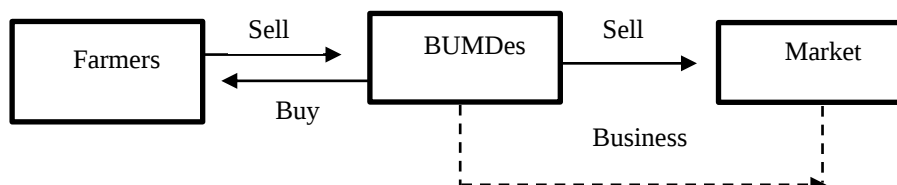


Figure 4. BUMDes as *Collecting Point*

2. Human Resources (HR) Aspects of the Community Participation Model in the Development (Revitalization) of BUMDes.

As previously stated, the failure of BUMDes Maloang's businesses is strongly related to the low quality of human resources of both BUMDes managers and business unit managers. This weakness can be overcome through a series of training sessions conducted according to the context of each type of business plan to be developed.

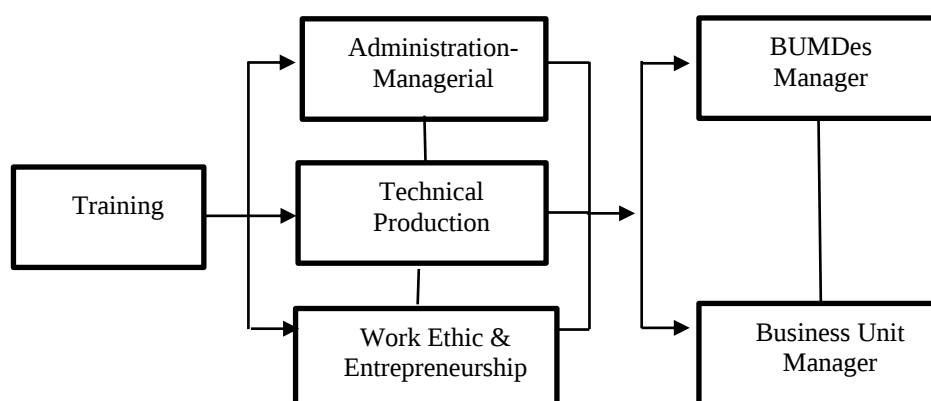


Figure 5. The pattern of HR Management Quality Development

Training activities can be conducted or facilitated by the village government, religious institutions, agricultural extension specialists (PPS)/field agricultural instructors (PPL), and other competent parties. The materials provided for this training are practical/implemented and cover

administrative/managerial, technical production, work ethic, and entrepreneurship. Suppose training activities as a learning process can be planned and conducted gradually and continuously. In that case, the *mindset* of the Maloang Village community, especially BUMDes managers and business unit managers, will undergo significant changes. The changed thinking structure will contribute to the ability to adapt to the formation of a future-oriented *entrepreneurship* mentality needed to improve community welfare.

CONCLUSIONS AND RECOMMENDATIONS

Since BUMDes Maloang was established and operated in 2016, it has not been accompanied by adequate institutional and human resource (HR) readiness. This condition has implications for the capacity of the BUMDes, which was only able to survive for approximately 2 (two) years and is now no longer operating. On the other hand, natural and social resources are available and can be utilized to support the effectiveness and efficiency of BUMDes Maloang management.

To address the need to improve the welfare of the people of Maloang Village, formulating a model of community participation based on local potential is inevitable. The participation of the Maloang community, which does not take place in a value vacuum (and can therefore be assumed to be unique), is social capital that needs to be consolidated and mobilized to support the operation of BUMDes as a socioeconomic institution that serves as a bridge for the Maloang community towards a more prosperous life. In that context, to overcome the failure to prevent it from happening again, this research recommends a model of community participation in the context of BUMDes institutional development (revitalization) as described above.

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