Publikasi Berkala Pendidikan Ilmu Sosial: Vol. 6 (No. 1), 2026, 55-68
ISSN: 2797-1945, E-ISSN: 2777-0931
DOI: https://doi.org/10.20527/pakis.v6i1.18399

BUMDES AS A HYBRID INSTITUTION: DYNAMICS OF POWER RELATIONS AND SOCIAL LEGITIMACY IN REALIZED VILLAGE INDEPENDENCE

Dimas Asto Aji An'amta, Sri Hidayah, Muhammad Najeri Al Syahrin, Fadly, Dinda Fitri Amalia, Intan Septiana Bakhsar
Universitas Lambung Mangkurat
e-mail: dimas.a@ulm.ac.id

Article History
Received : 01-01-2026
Revised : 22-03-2026
Published : 31-03-2026

Keywords:
Social Change; Hybrid Institutions; Social Legitimacy; Conflict of Interest; Village Independence

Abstract
Village-Owned Enterprises (BUMDes) are positioned as strategic instruments for fostering rural self-reliance through the collective management of local resources. In practice, BUMDes function not only as economic entities but also as socio-political arenas characterized by complex dynamics of power relations, conflicts of interest, and negotiations among village actors. This study aims to analyze the social dynamics in the management of BUMDes by comparing two village cases in Karang Intan Subdistrict, namely Mandi Kapau Timur Village and Sungai Landas Village. This research employs a qualitative approach using Participatory Action Research (PAR), involving participatory observation and in-depth interviews. The analysis is conducted through the perspectives of hybrid institutions and the bundle of rights framework. The findings reveal two distinct developmental trajectories of BUMDes: a consolidative pathway and a fragmentative pathway. Mandi Kapau Timur Village demonstrates institutional consolidation through clear business differentiation, equitable benefit distribution, and strong social legitimacy, which collectively drives socio-economic transformation. In contrast, Sungai Landas Village exhibits business fragmentation that directly competes with local livelihoods, leading to conflicts of interest and weakening social legitimacy. These findings highlight that BUMDes success is shaped not only by capital or business type, but by the ability to balance economic and social dimensions, align collective and individual interests, and manage power relations inclusively. Accordingly, recommendations for BUMDes development should be accompanied by strengthening socio-political governance, and villages must ensure business differentiation that does not directly compete with local economic activities.

Kata Kunci:
Perubahan Sosial; Lembaga Hibrida; Legitimasi Sosial; Konflik Kepentingan; Kemandirian Desa

Abstrak
Badan Usaha Milik Desa (BUMDes) diposisikan sebagai instrumen strategis dalam mewujudkan kemandirian desa melalui pengelolaan kolektif potensi lokal. Dalam praktiknya, BUMDes tidak hanya berfungsi sebagai entitas ekonomi, tetapi juga sebagai arena sosial-politik yang sarat dengan relasi kuasa, konflik kepentingan, dan negosiasi di antara para aktor desa. Penelitian ini bertujuan untuk menganalisis dinamika sosial dalam pengelolaan BUMDes dengan membandingkan dua kasus desa di Kecamatan Karang Intan: Desa Mandi Kapau Timur dan Desa Sungai Landas. Penelitian ini

menggunakan pendekatan kualitatif dengan metode Penelitian Tindakan Partisipatif (PAR), melalui observasi partisipatif dan wawancara mendalam. Analisis dilakukan dengan menggunakan perspektif institusi hibrida dan bundel hak. Hasil penelitian menunjukkan dua jalur pengembangan BUMDes: jalur konsolidatif dan jalur fragmentatif. Desa Mandi Kapau Timur menunjukkan konsolidasi kelembagaan melalui diferensiasi usaha yang jelas, distribusi manfaat yang nyata, dan pembentukan legitimasi sosial yang kuat, sehingga mendorong transformasi sosial-ekonomi desa. Sebaliknya, Desa Sungai Landas menunjukkan fragmentasi usaha yang bertabrakan dengan ekonomi warga, menimbulkan konflik kepentingan, dan melemahkan legitimasi sosial BUMDes. Temuan ini menegaskan bahwa keberhasilan Badan Usaha Milik Desa (BUMDes) tidak semata-mata ditentukan oleh skala modal atau jenis usaha, melainkan oleh kemampuan desa untuk menjaga keseimbangan antara dimensi ekonomi dan sosial, kepentingan kolektif dan individual, serta pengelolaan hubungan kekuasaan yang inklusif. Oleh karena itu, BUMDes harus dipahami sebagai lembaga hibrida yang berperan dalam proses perubahan sosial desa, bukan sekadar "mesin ekonomi." Rekomendasi untuk BUMDes harus disertai dengan penguatan tata kelola sosio-politik, dan desa perlu memastikan diferensiasi usaha yang tidak bertentangan langsung dengan kepentingan ekonomi warga.

Author Correspondence
Email: dimas.a@ulm.ac.id
Available online at https://ppjp.ulm.ac.id/journals/index.php/pakis
How to Cite:
An'amta, D. A., Hidayah, S., Syahrin, M. N. A., Fadly, F., Amalia, D. F., & Bakhsar, I. S. (2026). Bumdes As A Hybrid Institution: Dynamics Of Power Relations And Social Legitimacy In Realized Village Independence. *Publikasi Berkala Pendidikan Ilmu Sosial*, *6*(1). https://doi.org/10.20527/pakis.v6i1.18399

INTRODUCTION

Village development is a crucial foundation for creating social justice and economic equality in Indonesia. This equality must be tailored to each village's approach, which naturally requires its own institutions to achieve optimal results. Strom and Wade, German & Keeler, argue that an institution is needed to bridge cooperation between individuals, communities, and the state, with formal regulations for managing shared resources—a hybrid institution (German & Keeler, 2010).

This institution later emerged in the form currently known as BUMDes. Its birth began during the presidency of Susilo Bambang Yudhoyono, as provided for in Government Regulation (PP) Number 72 of 2005. This PP was then followed by the enactment of(Law of the Republic of Indonesia Number 6 of 2014 concerning Villages). This is further reinforced in Article 3 of Government Regulation No. 11 of 2021 concerning Village-Owned Enterprises, which addresses the objectives of Village-Owned Enterprises (BUM Desa). The purpose of this regulation is to strengthen village economic capacity by establishing Village-Owned Enterprises (BUMDes). BUMDes exists to address the need for villages to manage local potential independently and sustainably, to improve the welfare of village communities,

and strengthen existing social structures (Hidayat & Hidayah, 2023).

Village-Owned Enterprises (BUMDes) are currently driving institutional innovation that enables villages to independently manage their local potential. Karang Intan sub-district, adjacent to the TAHURA area, offers potential in natural tourism, non-timber forest products, and local wisdom related to environmental conservation. With proper management, BUMDes not only encourage economic growth but can also help transform villagers' mindset about the importance of protecting forests and using resources sustainably.

The social transformation that occurs through BUMDes is not only about increasing income, but also touches on cultural aspects, values of cooperation, patterns of relationships among residents, and even how the community views its identity as part of the TAHURA (village-based community). In this context, BUMDes not only serves an economic function but also plays a crucial role in broader social change at the village level.

This crucial role lies at the heart of capital turnover in BUMDes, with implications for complex social dynamics, particularly relationships among residents. A comprehensive institutional strategy is vital for mobilizing the community to show concern and take responsibility for environmental sustainability (Aditya & Hidayah, 2024).

The relationship between actors can be seen in the ownership rights to jointly owned resources when the BUMDes are run. According to Schlager & Ostrom, these resources include: access, withdrawal, management, exclusion, and alienation. Access is the right to enter the resource area. Withdrawal is the right to carry out resource production activities. Management is the right to coordinate internal usage patterns and change resources for improvement. Exclusion is the right to determine who will be granted access rights and how to distribute them appropriately. Alienation is the right to sell or rent the rights already owned, namely the rights of withdrawal, management, and exclusion (Schlager & Ostrom, 1992; Thiam, 2014; Wabelo, 2020).

The use of these resources is not proceeding according to plan, but behind it lies a social dynamic out of control. Within this dynamic, several villages have demonstrated success in managing Village-Owned Enterprises (BUMDes), thereby directly improving residents' incomes, creating jobs, and strengthening local economies (Sidik et al., 2019). However, on the other hand, there are quite a few BUMDes that actually give rise to conflict and inequality in participation, and even become trapped in elitist and bureaucratic practices that hinder their goal as a tool for community empowerment (Aprillia et al., 2021; Suwito & Jabid, 2022).

Mandi Kapau Timur village and Sungai Landas village, both have Bumdes, but their

journeys are different. Mandi Kapau Timur Village, with its currently quite large BUMDes (Village-Owned Enterprises), produces bottled mineral water, with a total investment value exceeding 2.5 billion Rupiah. Meanwhile, Sungai Landas Village has a BUMDes that is very different from Mandi Kapau Timur Village. The BUMDes of Sungai Landas Village was established with a variety of small businesses, such as filling stationery sales, motorcycle washing, LPG gas agents, and so on. This is what differentiates Mandi Kapau Timur Village in terms of business variety and turnover. Departing from these two villages, it is interesting to observe the socio-economic dynamics in BUMDes management, which is important to study more deeply because it reflects the extent to which the village can maintain its independence in a participatory and inclusive manner. In this context, BUMDes is not only seen as a business entity but also as a social arena where negotiations over the interests of individuals, groups, and the village community as a whole take place. This research is important for understanding how social relations are formed and changed in the process of BUMDes management, who benefits, who is excluded, and how economic and social values interact within it.

This research also conducted a search of several literatures on BUMDes as an object of analysis, which emphasizes management (Firdaus, 2018). Then, regarding the role of BUMDes in optimizing village potential and increasing income and employment opportunities (Nisaa & Hidayati, 2022; Umar & Anggraeni, 2023). Meanwhile, other research also highlights poor management, limited human resource competency, and conflicts of interest in the management of BUMDes (Dahiba et al., 2024; Kurniasih & Wijaya, 2017). However, this research remains evaluative and technocratic. Unlike previous studies, which tended to be evaluative and technocratic, this study offers a socio-political reading of BUMDes as an arena for negotiating power relations

METHOD

The research used qualitative methods with a Participatory Action Research (PAR) approach. The purpose of this method was to gain a deeper understanding of the dynamics of the Village-Owned Enterprise (BUMDes). This approach allows for a clearer, descriptive analysis of how BUMDes exerts significant influence as agents of change in the village.

The data collection methods used include the following aspects: 1) Participatory observation to understand ongoing BUMDes activities; 2) In-depth interviews with BUMDes administrators, village officials, and village communities who directly feel the impact; 3) Focus Group Discussion (FGD) to explore the collective experiences of BUMDes administrators and village communities; and 4) Documentation and policy studies to analyze

the dynamics that occur due to the existence of BUMDes in various villages spread across Indonesia. Then, data analysis was carried out through data reduction, thematic categorization, and iterative drawing of conclusions, using triangulation of sources and methods (Sugiyono, 2022).

RESULTS AND DISCUSSION

Named BUMDes Journey

The Village-Owned Enterprise (BUMDes) of Mandi Kapau Timur Village began with Pamsimas achievement in 2014, ranking 5th nationally among Pamsimas managers. Based on this experience, they then tried to create a drinking water refill business. After 3 years, the idea emerged to produce drinking water on a larger scale, such as bottled water in glasses. From this idea, a comprehensive plan was developed, from the proposal through presentation materials at the district and provincial levels. The proposal was then presented to the South Kalimantan provincial government in 2018, along with other villages that had considered forming BUMDes. Initially, this idea received a less than supportive response from the village community, but was more visible from government officials at the district and provincial levels. This was because the funds required by the MKT BUMDes were very large; the initial estimate was approximately 2 billion rupiah. The provincial government doubted the idea could be implemented and realized that this was in contrast to other villages that, at that time, proposed the concept of BUMDes on a small- and medium-scale, such as LPG-based businesses, gallon-refill water depots, repair shops, motorcycle washes, and other grocery stores.

The results of the MKT village-owned enterprise (BUMDes) presentation were still pending approval from the provincial government. The Mandi Kapau Timur Village Government began operations that year, allocating initial funds for the construction of a warehouse and production facility totaling 700 million rupiah. However, the funds disbursed for purchasing machinery were temporarily diverted to a cattle-rearing business. This rearing business can absorb 7 local village workers. Initially, the cattle were purchased based on the criteria of cows that had stopped breastfeeding and cows with less than optimal weight, with the purchase of 40 cows with a total fund of 700 million rupiah in a multi-year scheme, with a breakdown of funds in 2019 of 300 million rupiah and in 2020 of 400 million rupiah. This business survived during the COVID-19 pandemic because the MKT BUMDes was still in its pioneering stage in 2019.

In 2018, the MKT Village-Owned Enterprise (Bumdes MKT) was operational, having completed the necessary permits and requirements. Then, in mid-2019, it began operations,

coinciding with the completion of a building that would serve as both a production site and a warehouse. The Bumdes' operations did not go as smoothly as planned. Just two quarters into operation, the COVID-19 pandemic struck. The local government and Bumdes management were forced to halt production temporarily. This wasn't due to a lack of capacity, but rather a lack of demand for celebrations and activities from village government agencies surrounding the MKT Bumdes.

This obstacle was successfully overcome by the village government, which began to emerge from its slumber at the start of the COVID-19 pandemic, which was considered "living reluctantly, even dying unwillingly" in 2022. In early 2022, the MKT Village-Owned Enterprise (BUMDes) produced 500 cartons per day. Now, in the early second quarter of 2025, it is capable of producing at least 2,000 cartons per day. This increase in production further emphasizes the BUMDes' progress and improvements in internal management.

The Bumdes Berkat Mufakat has had a very different journey. The dynamics that occurred were actually more internal than external. For example, several issues arose among residents regarding the function and purpose of the Bumdes' establishment, including outcomes that directly affected residents. Furthermore, there was a conflict of interest in choosing a business type that turned out to be the same as the residents'. This is what prevented Bumdes Berkat Mufakat from progressing as Bumdes MKT. Bumdes Berkat Mufakat's businesses offer products similar to those of the village community, such as office supplies, LPG gas agents, car and motorcycle washes, house rentals, and fish ponds. All of these types of commodities differentiated Bumdes MKT, which only has one type: bottled drinking water. Meanwhile, this type of commodity creates competition with villagers, which can slow down Bumdes' progress.

BUMDes as an Instrument for Village Socio-Economic Development

BUMDes cannot be understood solely as a village economic instrument tasked with generating profits or increasing Village Original Income. It is a socio-political institution born from the decentralization project and carries a dual mandate: strengthening economic independence while building village social cohesion. On paper, BUMDes is designed to bridge collective interests in managing local resources, creating jobs, and improving community welfare inclusively (Hidayat & Hidayah, 2023). However, in practice, BUMDes never operate in a space free from power relations. They always operate within a pre-established village social structure of hierarchy, patronage, and economic interests that are not always aligned.

In this context, BUMDes exhibits a dual identity. On the one hand, it can be a driving force for development, driving the local economy, expanding business networks, and fostering collective village pride. On the other hand, it is vulnerable to becoming an arena for conflicts of interest, elitist management, and even bureaucratization that alienates community participation. This tension between normative ideals and social reality makes BUMDes compelling to read not merely as a technocratic instrument, but as a dynamic social process.

The cases of Mandi Kapau Timur and Sungai Landas villages demonstrate how the BUMDes' normative mandate is tested in practice. Mandi Kapau Timur successfully established a BUMDes with a billion-rupiah investment through a bottled water business. However, this success did not arise from a harmonious consensus. It began with community resistance and local government skepticism about the scale of the investment, which was deemed too ambitious for the village. The decision to proceed with the project was both a political and economic act: a courageous risk-taking in a situation of uncertainty. This demonstrates that village development requires not only rational planning but also leadership capable of mobilizing social legitimacy.

The success of Mandi Kapau Timur demonstrates that village-owned enterprises (BUMDes) can serve as catalysts for transformation when tangible benefits accompany their economic vision. Job creation, increased production, and resilience amid the COVID-19 pandemic crisis have become sources of legitimacy, strengthening BUMDes' position in the community's eyes. This legitimacy is not automatic; it is built through a long process of negotiation and demonstration of performance. From a rural development perspective, this aligns with the Indonesian government's concepts of self-development and community-driven development (C. Flora et al., 1991; C. B. Flora & Flora, 1990) and (Sambodo et al., 2023), the community-based rural development perspective emphasizes the capacity of local communities to drive economic development through internal initiatives and collective resource management. Various studies show that development grounded in internal community strengths, active participation, and local social innovation is more effective at promoting village economic resilience and sustainability than top-down approaches.

In contrast, Sungai Landas Village offers a different perspective on BUMDes as a development instrument. Instead of being collective drivers, BUMDes in this village are trapped in business fragmentation and internal conflicts of interest. The selected business units actually clash with the local economy, creating unhealthy competition and fostering the perception that BUMDes are competitors rather than partners. The weak business differentiation suggests that economic planning does not fully account for local social and

economic structures. As a result, BUMDes lose social legitimacy and struggle to grow significantly.

Within the theoretical framework (Schlager & Ostrom, 1992), these dynamics can be understood through the concept of a bundle of rights: access, withdrawal, management, exclusion, and alienation. Access to village resources is often not managed collectively but rather contested among actors holding strategic positions within local power structures. Management rights, which ideally should encourage innovation and efficiency, are often exercised reactively, following trends or short-term interests without in-depth analysis of their social impact. When these rights are concentrated in a select group without strong accountability mechanisms, BUMDes risks elitism.

Thus, BUMDes, as an instrument of socio-economic development, is determined not only by the adequacy of capital or the diversity of business units, but also by the quality of the social governance that underpins them. The success of Mandi Kapau Timur demonstrates that a bold vision and the courage to take risks can lead to transformation when accompanied by shared benefits for the community. Conversely, the experience of Sungai Landas confirms that without social legitimacy and clear economic differentiation, BUMDes can lose direction and even trigger new conflicts.

Therefore, understanding BUMDes as a development instrument also means understanding them as social arenas where power relations are negotiated and contested. BUMDes is never simply a village "money machine." It is a hybrid institution that bridges economic and social values and serves as an indicator of the village's ability to maintain a balance between collective and individual interests. It is at this point that BUMDes becomes a reflection of the village's socio-political capacity: whether it is capable of converting economic potential into collective solidarity, or instead reproducing inequality in the new face of development.

The Role of BUMDes from a Socio-Political Perspective

Village-Owned Enterprises (BUMDes) are often promoted as technocratic solutions to the problem of village economic powerlessness. In policy narratives, they are positioned as instruments of collective empowerment that enable villages to manage local potential independently and sustainably. However, viewed from a socio-political perspective, BUMDes have never truly been neutral economic institutions. They are constantly entangled in power relations, configurations of local interests, and village political dynamics that often fall far short of the ideals of development policies (Prastiwi & Ulfah, 2022). It is in this space that BUMDes becomes an arena for negotiation and contestation: who has the right to

determine the business's direction, who controls access to resources, and who enjoys the resulting economic benefits.

Normatively, BUMDes are designed as hybrid institutions that bridge the interests of individuals, communities, and the state in managing shared resources (German & Keeler, 2010). This concept assumes a balance between economic rationality and collective interests, between the formal authority of the village government and citizen participation. However, field practice shows that this balance is not automatically achieved. The hierarchical village social structure, the dominance of local elites, and unequal access to information often reproduce unequal power relations within BUMDes.

In this context, the bundle-of-rights framework proposed by Schlager and Ostrom (1992) offers a more nuanced understanding of these dynamics. Rights to access, withdrawal, management, exclusion, and alienation cannot be understood as merely administrative categories, but rather as a form of power distribution. Access rights determine who can enter the resource management space. Withdrawal rights determine who can reap economic benefits. Management rights determine who formulates business rules and strategies. Exclusion rights determine who may participate. Meanwhile, alienation rights concern the ability to transfer or commercialize these rights.

In the practice of Village-Owned Enterprises (BUMDes), these five rights are rarely distributed equally. In some cases, management and exclusion rights are concentrated in the hands of village heads and certain elite circles. At the same time, the wider community becomes merely the object of policy or the workforce. This situation demonstrates that control over rights is not merely a procedural matter but a reflection of local power structures. For example, in the case of Sungai Landas Village, the selection of business units that directly conflict with residents' businesses, such as drinking water and financial services, demonstrates that management rights do not fully represent collective aspirations. This decision has implications for withdrawal rights, as residents feel their economic space is threatened by an institution that should be their collective tool.

The conflicts that arise are not only economic, but also legitimacy. When residents question the direction of the village-owned enterprise (BUMDes), the real issue is the moral and social legitimacy of its decision-making. BUMDes that lose social legitimacy will face both passive and active resistance, ranging from low participation to suspicion of management's motives. In such circumstances, BUMDes risks transforming from an instrument of empowerment into a symbol of village elites' dominance.

In contrast, the case of Mandi Village in East Kapau demonstrates a different socio-political configuration. Despite initial resistance and skepticism, the village leadership was able to consolidate support through a clear business vision and differentiation that did not directly stifle community efforts. In this context, the concentration of management rights among village elites did not necessarily lead to delegitimization, as it was accompanied by the distribution of tangible benefits, such as job creation, increased production capacity, and symbols of village success. This means that the issue lies not in who holds control, but in how that control is socially accountable.

This socio-political reading emphasizes that BUMDes (Village-Owned Enterprises) are a political arena for villages in the most concrete sense. They serve as a space where the relationship between the state and society is renegotiated at the local level. National programs on village independence confront village social structures with a long history of solidarity and internal conflict. In this context, BUMDes can serve as a vehicle for collective consolidation or a tool for the reproduction of power.

Thus, understanding BUMDes solely as a business unit is reductionist. It must be understood as an institution encompassing political dimensions of rights distribution, profits distribution, and legitimacy distribution. When this distribution is inclusive and transparent, BUMDes can strengthen village social cohesion. However, when distribution is concentrated and closed, BUMDes can actually widen social distances and deepen community fragmentation.

At this point, the biggest challenge for BUMDes is not simply improving economic performance, but ensuring that resource management takes place within a framework of meaningful participation and real social accountability. Without this, BUMDes will always be in tension between collective ideals and elitist practices, between symbols of village independence and the reality of competing local interests.

Social Legitimacy and Implications for Village Social Change

The case of Mandi Village, East Kapau, illustrates another perspective. The Village-Owned Enterprise (BUMDes) succeeded in developing due to social legitimacy, derived from the achievements of Pamsimas (Community Empowerment and Social Welfare Movement), which was then institutionalized in the bottled water business. Despite initial resistance from the community and bureaucracy, this legitimacy later became political capital for its survival, even during the COVID-19 crisis. Conversely, Sungai Landas Village illustrates how the BUMDes became trapped in internal conflicts of interest, facing off against cooperatives, and losing social support because the chosen business ventures actually infringed on community

business opportunities. This means that the BUMDes' role cannot be understood solely as an economic institution. It is also a "village political arena." There is a tug-of-war between actors who want to use the BUMDes as a tool for empowerment and those who see it as an instrument of power and a symbol of legitimacy. This is where elitism often emerges, when BUMDes management is controlled more by village elites than by the wider community.

Therefore, from a socio-political perspective, BUMDes are not merely village business units. It is a "social negotiation arena" where economic, political, legal, and cultural interests converge. Its success or failure is largely determined by how power relations within the village are managed: whether access rights are open to the wider community or limited to a select few; whether business profits are distributed equally or concentrated; whether business policies are formulated participatively or top-down.

Based on the discussion presented, the author has created a framework for thinking in chart 1 to make it easier to see how different BumDes have different flows.

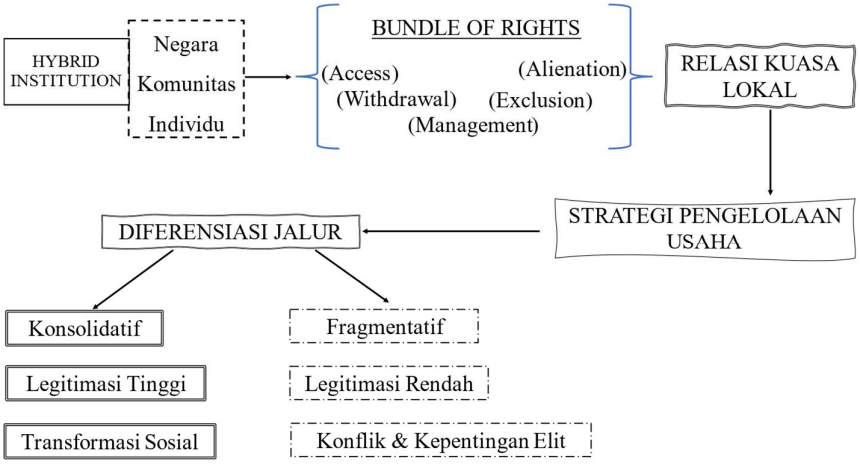

Chart 1. Thinking Framework
Sources: Research (2025)

This research confirms that BUMDes are not neutral economic entities, but rather local political arenas where power relations are produced, negotiated, and sometimes monopolized. The differentiation between consolidation and fragmentation paths demonstrates that BUMDes' success is not determined by the size of capital or the number of business units, but by the extent to which social legitimacy can be built and maintained amid potential conflicts of interest. Without such legitimacy, BUMDes risk transforming from an instrument of empowerment to an instrument of elitism that actually reproduces social inequality at the village level. Thus, this study shifts the reading of BUMDes from merely a

"village economic engine" to a more critical understanding as a battleground of interests that determines the direction of social change in the village itself.

CONLUSION

BUMDes, as an agent of village socio-economic development, is a process of ongoing social change. Its success is largely determined by the village's ability to maintain a balance between:

1. Economic and social, where business profits are also distributed equally to village residents.
2. Collectivity and individuals in managing village potential, without harming residents' businesses, as a form of balance and complement to the existing social structure.
3. Regional autonomy and the external relations of villages need to be more independent in maintaining and expanding their networks.

As a development instrument, BUMDes can be a driving force for progress or a source of new conflict. BUMDes are often caught between collective ideals and elitist practices at the village level. In many places, BUMDes serve as a symbol of village participation and solidarity. Still, the reality on the ground often shows unhealthy competition, overlap with community businesses, and even the possibility of a struggle for legitimacy between village institutions. At this point, BUMDes has the potential to widen social distances if not managed inclusively. This form of inclusiveness, often praised as an instrument of empowerment, remains highly vulnerable in practice to being reduced to a local political instrument. The challenge going forward is not only to strengthen the economic aspect but also to reclaim its social and political dimensions so that it truly becomes an inclusive, democratic, and welfare-oriented collective institution.

Therefore, BUMDes should not be viewed solely as a village "cash machine." It should be positioned as a hybrid institution that bridges economic and social values. Its functions include collective education, strengthening identity, and affirming solidarity, which cannot be ignored. If pursued solely for business profit, BUMDes risks losing its social legitimacy in the community. However, if it becomes too caught up in social romance without a clear business strategy, it will fail to survive in a competitive marketplace.

SUGGESTION

Based on the findings of this study, strengthening village-owned enterprises (BUMDes) cannot be achieved solely through managerial and capital approaches; it must also be accompanied by strengthening village-level socio-political governance. Village governments need to ensure business differentiation that does not directly conflict with the

local economy, so that BUMDes function as complements, not competitors. Furthermore, social accountability mechanisms such as open deliberations, regular reporting, and community involvement in strategic decision-making need to be strengthened to prevent potential elitism and maintain social legitimacy.

For future researchers, cross-regional comparative studies with a wider variety of social and political contexts are needed to deepen understanding of the configuration of power relations within BUMDes. Longitudinal research is also crucial to examine the sustainability of social legitimacy and the long-term impact of institutional change. An interdisciplinary approach combining perspectives from political economy, rural sociology, and public governance will enrich the analysis of BUMDes as hybrid institutions in the process of rural social change.

BIBLIOGRAPHY

Aditya, D. A. P., & Hidayah, S. (2024). Gerakan Lingkungan Yayasan Borneo Urban Lab Pada Masyarakat Tepian Sungai Di Kota Banjarmasin. *Multikultural: Jurnal Ilmu Sosial*, *2*(2), 50–59. https://doi.org/10.20527/multikultural.v2i2.405

Aprillia, A. R., Cahyono, D., & Nastiti, A. S. (2021). Systematic literature review (SLR): Keberhasilan dan kegagalan kinerja Badan Usaha Milik Desa (BUMDes). *Jurnal Akuntansi Terapan Dan Bisnis*, *1*(1), 35–44.

Dahiba, H., Kamuli, S., & Hamid, S. Al. (2024). Konflik kelembagaan Badan Usaha Milik Desa (BUMDes) di Desa Lahumbo, Kecamatan Tilamuta, Kabupaten Boalemo. *Jurnal Review Pendidikan Dan Pengajaran*, *7*(2).

Flora, C. B., & Flora, J. L. (1990). Developing entrepreneurial rural communities. *Sociological Practice*, *8*(1).

Flora, C., Flora, J. L., Green, G. P., & Schmidt, F. E. (1991). Rural economic development through local self-development strategies. *Agriculture and Human Values*, *8*(3), 19–24. https://doi.org/10.1007/BF01591839

German, L., & Keeler, A. (2010). "Hybrid institutions": Applications of common property theory beyond discrete tenure regimes. *International Journal of the Commons*, *4*(1), 571. https://doi.org/10.18352/ijc.108

Hidayat, A. F., & Hidayah, D. D. (2023). Pengembangan Desa Mandiri Melalui Pengelolaan Badan Usaha Milik Desa di Desa Madiasari Kecamatan Cineam Kabupaten Tasikmalaya. *JURNAL SYNTAX IMPERATIF : Jurnal Ilmu Sosial Dan Pendidikan*, *4*(4), 436–444. https://doi.org/10.36418/syntax-imperatif.v4i4.268

Kurniasih, D., & Wijaya, S. S. (2017). Kegagalan Bisnis Pemerintah Desa: Studi Tentang Relasi Bisnis-Pemerintah pada Pengelolaan Badan Usaha Milik Desa di Kabupaten Banyumas. *JPSI (Journal of Public Sector Innovations)*, *1*(2), 66. https://doi.org/10.26740/jpsi.v1n2.p66-72

Nisaa, K., & Hidayati, N. (2022). Peranan Badan Usaha Milik Desa (Bumdes) dalam Pemberdayaan Masyarakat di Desa Lambang Sari. *Jurnal Sosial Dan Sains*, *2*(7), 779–786. https://doi.org/10.59188/jurnalsosains.v2i7.444

Prastiwi, J. H., & Ulfah, I. F. (2022). Dinamika Politik Dalam Pendirian Dan Pengelolaan BUMDes: Studi Pada Tiga BUMDes Terbaik Jawa Timur. *Sospol*, *8*(1), 78–95. https://doi.org/10.22219/jurnalsospol.v8i1.20412

Sambodo, M. T., Hidayat, S., Rahmayanti, A. Z., Handoyo, F. W., Yuliana, C. I., Hidayatina,

A., Purwanto, P., Suryanto, J., Yaumidin, U. K., Nadjib, M., & Astuty, E. D. (2023). Towards a New approach to community-based rural development: Lesson learned from Indonesia. *Cogent Social Sciences*, *9*(2). https://doi.org/10.1080/23311886.2023.2267741

Schlager, E., & Ostrom, E. (1992). Property-Rights Regimes and Natural Resources: A Conceptual Analysis. *Land Economics*, *68*(3), 249. https://doi.org/10.2307/3146375

Sidik, F., Nasution, F. G. A., & Herawati, H. (2019). Pemberdayaan Masyarakat Desa Menggunakan Badan Usaha Milik Desa: Desa Ponggok dan Kritik Terhadap Prestasi "Terbaik Nasional." *Jurnal Pemikiran Sosiologi*, *5*(2), 80. https://doi.org/10.22146/jps.v5i2.44636

Sugiyono, S. (2022). Metode Penelitian Kuantitatif, Kualitatif, dan R&D. Alfabeta.

Suwito, S., & Jabid, A. W. (2022). The Chain of Business Failures Village Owned Enterprises Gain Profits and Create Community Welfare. *Atestasi : Jurnal Ilmiah Akuntansi*, *5*(1), 33–45. https://doi.org/10.57178/atestasi.v5i1.20

Thiam, D. R. (2014). Property Rights, Institutions and Forest Resources Management in Developing Countries. *Natural Resources*, *05*(04), 107–118. https://doi.org/10.4236/nr.2014.54012

Umar, & Anggraeni, R. N. (2023). The Role of BUMDES in Increasing Village Original Income and the Village Community Economy in Sigi Regency. *International Journal of Health, Economics, and Social Sciences (IJHESS)*, *5*(3), 332–336.

Wabelo, T. S. (2020). Legal and Institutional Frameworks Regulating Rural Land Governance in Ethiopia: Towards a Comparative Analysis on the Best Practices of Other African Countries. *Beijing Law Review*, *11*(01), 64–98. https://doi.org/10.4236/blr.2020.111005