

Development of Village-Owned Enterprises (BUMDes) in Bintan Regency Through Collaborative Governance

Afrizal^{1*}, Kustiawan¹, Nazaki¹, Anggia Paramitha²

¹Universitas Maritim Raja Ali Haji, Tanjung Pinang, Indonesia

²Universitas Riau, Pekanbaru, Indonesia

*Correspondence Email: afrizalkaharuddin@umrah.ac.id

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Abstract: Village-Owned Enterprises (BUMDes) are one of the programs of the government of the Republic of Indonesia to improve the welfare of village communities. BUMDes is expected to be able to change the economic conditions of village communities, the majority of which are poor, towards economic stability. According to data from BPS in 2020, the majority of poor people in Indonesia are at 60%. BUMDes that are successful in their management are proven to be able to provide economic benefits to village communities and village governments by providing income in the form of PADes. BUMDes that have innovation in their management provide benefits for Indonesia's development, which builds society starting from the village. One of the innovations in developing BUMDes is through government cooperation or Collaborative Governance. BUMDes in Bintan Regency, Riau Islands Province which implements Collaborative Governance and is proven to be able to increase BUMDes income. This research wants to find out and explain how the implementation of BUMDes Collaborative Governance in Bintan Regency towards independent BUMDes improves the economy of village communities.

Keywords: BUMDes; Development; Village Community; Collaborative Governance.

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Introduction

In accordance with the spirit of President Joko Widodo's Nawacita, which makes the focus of Indonesia's development from the periphery, building Indonesia from the periphery makes the village the main focus of national development. The spirit of development presents Law Number 6 of 2014 concerning villages, which regulates village development in such a way starting from empowering village communities, strengthening village apparatus, and managing village budgets. Such great attention to the village makes all issues concerning the village a concern for the central government.

Improving the village economy and making it economically independent is one of the goals of village development by the government. In an effort to improve the economy of village communities, Village Law Number 6 of 2014 stipulates village-owned enterprises (BUMDes) as one form of government program. BUMDes is established by villages and/or together with villages to manage businesses, utilize assets, increase investment and productivity, and provide utilization services (Wijaya, 2018). Village government and Village-Owned Enterprises (BUMDes) are village institutions that are the main concern of the government in village community development. Village government and village institutions are the focus and research specialization for the author, especially village government governance and village institutional governance. Starting from the arrangement of village government governance, then making a model of the stages of developing village governance and village institutions.

BUMDes is a village-based business entity that carries out its activities in addition to assisting in the implementation of village government and meeting the needs of the village community. BUMDes can also perform service functions, trade, and other economic development. BUMDes is able to run its business well, and the results of its business can be used for business development, village development, village community empowerment, and assistance. The presence of BUMDes is expected to be able to provide economic benefits to the village community through the business units it manages. BUMDes that are well managed will provide benefits to the village community, especially the community's economic sector. Likewise, if the existing BUMDes is not managed properly, it will not have an impact on improving the community's economy (Afrizal et al., 2023). So the management of BUMDes should be the main job for the government to increase community prosperity.

Villages are encouraged to be independent in all aspects, one of which is strengthening the economic aspects of village communities. BUMDes is present as a solution from the government to improve the economy of village communities. Villages will try their best so that BUMDes can generate economic benefits. BUMDes that are well-managed will make villages economically independent. This is evident from several BUMDes that are already well-known for their success in providing economic impacts for village communities, starting from opening up employment opportunities for the community and opening up markets for community

products (plantations, agriculture, fisheries) (Sofyani et al., 2019).

To realize effective governance in the very complex social life of society, cooperation or collaboration between the government, both at the central and village government levels, is very important (Güney, 2016). In general, cooperation between the government and the community is very beneficial and will result in good governance. There are many studies on government cooperation with the community to improve people's lives and better governance. This study can be associated with the concept of government cooperation, which means that the government involves more than one institution in decision-making to solve public problems directly or indirectly (Ansell & Gash, 2008).

In addition, government cooperation can be defined as an effort to offer solutions to government weaknesses in meeting increasingly complex demands of society that are no longer able to be met by the government alone (Visser, 2002). This collaboration is considered a good way to manage government. However, there is not much evidence that this cooperation process has been successful. There are many challenges in this collaboration process, such as leadership factors, low community participation, sectoral pride, lack of coordination, and problems with access to resources (Febrian, 2016).

The concept of collaborative government has evolved into a new governance strategy. This governance model brings together stakeholders in common interests with other public bodies in consensus-oriented decision-making. Collaborative governance is control among public institutions that work together to create public policies and involve various stakeholders (Ode &

Islamy, 2022). Collaborative governance is also defined as a collective decision-making process based on mutual agreement to create, establish, and implement policies.

Collaborative Governance is the right alternative to choose in management that requires collaboration with other parties. Collaboration will be able to overcome several problems faced by other parties who have limitations in terms of resources. Political Will is a necessity for an institution to realize this collaboration (Subekti & Irma Fitriana Ulfah, 2023). Collaboration aims to build commitments that must be achieved and how to maintain existing trust for the sustainability of a program (Bela & Utama, 2022). Therefore, government collaboration is an effort to create continuity of the program of an agency or institution to realize a desired interest.

The village government and local communities work together to build BUMDes. By increasing authority and financial resources, as well as reorganizing that increases the authority of village communities over government. Law Number 6 of 2014 gives villages more freedom to develop themselves. Village Funds (DD) and Village-Owned Enterprises (BUMDes) are two main issues that are often considered by the government after the Village Law was made. Therefore, the study of this collaboration is very interesting to do, especially conducting research on collaboration in managing BUMDes with other parties, especially the private sector.

The collaboration pattern carried out by BUMDes in Bintan Regency shows that BUMDes management is heading on the right path to increase BUMDes income and the community's economy. Although it has not been significant in providing economic impact, it has proven that

BUMDes in Bintan Regency is trying to take advantage of existing opportunities and is able to adapt to the development of the times and human needs. The three BUMDes that collaborate with the government show that BUMDes can collaborate with third parties in developing their businesses. Although other BUMDes in Bintan Regency have not yet collaborated with the government in improving the quality of BUMDes management.

Method

This qualitative research will be able to explore in detail government collaboration in making BUMDes a means of improving the economy of rural communities. This research will also see how BUMDes as an institution is able to develop itself so that it is able to realize the goals of the organization, especially to gain material benefits for improving the economy of rural communities. The use of qualitative methods is based on the formulation and objectives to be achieved, namely to describe existing phenomena. The characteristics of this qualitative research explain the creation of a complete picture formed with words, reporting the views of informants in detail, and arranged in a scientific setting that involves subjective factors from both informants, subjects, and the views of the researchers themselves (Creswell, 2013). The use of a qualitative approach makes this research able to explain and analyze behavior, both individually and in groups and organizations, principles or beliefs, understanding or thinking, and perceptions or assumptions.

Research informants were selected using *purposive sampling* (Nyimbili & Nyimbili, 2024). In *purposive sampling*, samples were taken with a predetermined purpose. There is a plan in advance.

Usually there is already a predefinition of the groups and the specific characteristics sought. Data collection techniques are carried out by means of a study of literature and documentation, observation, and in-depth interviews. The sources for this study numbered 20 people who came from the local government of the Regency Bintan from the Department Community and Village Empowerment, Village Government, Village Consultative Body, community leaders, chairpersons, and administrators of BUMDes Mitra Perdana of Teluk Sasah Village, BUMDes Anugerah Ekang of Ekang Anculai Village, BUMDes Bina Sejahtera of Teluk Bakau Village, hamlet leaders, and local economic activists.

To conduct qualitative data analysis, this study uses an interactive analysis model (Miles B. Matthew, Huberman Michael, 2014). The interactive model consists of three main things, namely: (1) data reduction; (2) data presentation; and (3) drawing conclusions/verification. explains the interactive model moving between four "axes," namely the data collection process, data presentation, data reduction, and conclusions or verification. The process continues to repeat and continue and follows each other during and after the data collection process takes place and will stop when the research is ready to be carried out.

Result and Discussion

The Development of the Ekang Village-Owned Enterprise (BUMDes) of the Ekang Anculai Village

BUMDes Anugerah Ekang Ekang Anculai Village was established on June 6, 2016, through the Ekang Anculai Village Regulation of 2016. At the beginning of its establishment, BUMDes Ekang Anculai Village had several business units covering

the trade and service sectors, namely cattle fattening and savings and loans. Over time, business units have increased

in the service sector, namely Tourism Village and trade (mini markets), and others.

Table 1. Types of BUMDes Business Anugerah Ekang, Ekang Anculai Village

No	Business Unit
1	Revolving Fund: <ol style="list-style-type: none"> Loan with 1% interest on capital and mandatory monthly installments The loan capital for fattening cattle is paid at the time of sale of the cattle, service fee of 1% and a fine of 5,000/day (service fee and fine must be paid in full at the time of sale of the cattle)
2	Rental (tables, chairs, tents)
3	Collaboration/partnership in managing tourist villages
4	Trading (fertilizer sales)
5	Tree House Tour
6	Race Course/Cross

Source: BUMDes Ekang Anculai Village 2024

For the first year of its establishment, BUMDes Ekang Anculai Village was able to provide PADes for the village of Rp. 1,380,000, and then in the

following years, BUMDes experienced significant development in providing contributions to the village. As shown in the table below.

Table 2. Surplus Income of BUMDes and PADes of Ekang Anculai Village

No	Year	Surplus (Rp)	Village Revenue Contribution (Rp)
	2016	-	1,380,000
	2017	-	6,132,500
	2018	103,299,900	36,130,465
	2019	105.172.250	35,513,700
	2020	105,608,700	29,576,840
	2021	111,124,000	35,116,800

Source: Bintan PMD Service 2023

The significant increase in income was also followed by the benefits obtained by the village community. Based on the data above, it shows that BUMDes Anugerah Ekang shows a positive trend in terms of income so that it is able to contribute to the village in the form of Village Original Income (PADes). Although not significant in number, BUMDes Ekang Anculai is able to contribute to the village

economy. This is evidenced by the opening of employment opportunities for village communities, such as being employed in managing tourist villages, fattening cattle, and trading businesses.

Meanwhile, the income from BUMDes also varies greatly every year and is very fluctuating; this can be seen from the amount of income each year. This is inseparable from the influence of COVID-

19 that has hit the world and other aspects that greatly affect BUMDes income. Among the business units managed by BUMDes Anugerah Ekang, there is one business unit that is managed in collaboration with a third party, namely the Ekang tourism village business unit. This collaboration has been carried out since 2018, marked by a memorandum of understanding between the management of BUMDes Anugerah Ekang and PT Tunas Pertiwi in managing the Ekang Village Tourism Area.

The cooperation between BUMDes Anugerah Ekang and PT. Tunas Pratiwi Nusantara as the manager of this tourist area is specifically in the distribution of income from ticket sales, where the BUMDes party gets a 10 percent profit from each sale. In addition to getting ticket sales profits for BUMDes, there are still other benefits for the Ekang Anculai village, namely the opening of opportunities for village residents to get jobs from the Ekang village tourist area.

Development of BUMDes, the First Partner of Teluk Sasah Village

Teluk Sasah Village is one of the villages in the Regency that has a Village-Owned Enterprise (BUMDes) with an

advanced category and is able to provide economic benefits for the village community and village government. BUMDes Mitra Perdana Teluk Sasah Village was established on January 15, 2015, through a village meeting and then strengthened by the Teluk Sasah Village Regulation in 2016. At the beginning of the establishment of BUMDes Teluk Sasah, it still did not have many business units, but over time it continued to grow, so the BUMDes business units also increased. BUMDes Teluk Sasah, in its journey, was able to take opportunities, especially utilizing the local natural potential of the village to be used as a source of BUMDes income.

The utilization of local village resources and potentials can be utilized well by BUMDes, as evidenced by the type of business unit run, which is the utilization of village potential and is truly needed by the village community. The village potential includes potential in the aspects of trade and services. Village Fund support is also an opportunity for BUMDes to be able to access capital in developing its business units. These potentials can be translated through business units as shown in the table below:

Table 3. Types of BUMDes Business Partners of Teluk Sasah Village

No	Type of Business Unit		Products/Activities implemented
1	Service Sector		1. Renting a kiosk 2. Rent a tent 3. Renting a sewing machine 4. Renting a 4 x 3 meter entertainment stage
2	Clothes/Bag Services	Sewing	1. Sewing RT RW clothes for Bintan Regency 2. Sewing village orders carried out by local people who have received training organized by the village government.

3	Subcontractor and Supplier Business	<ol style="list-style-type: none"> 1. Providing clothing materials needed by the village community of Teluk Sasah Village Community 2. Making trellises, such as doors, windows and others. 3. AC Installation 4. Building Construction 5. Electrical Network Installation
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Source: BUMDes, the First Partner of Teluk Sasah Village 2024

In its development, BUMDes Teluk Sasah received capital injection from the village government through capital participation from village funds. Almost all of the capital owned by BUMDes in running its business comes from capital participation from the village government. The capital provided by the village

government is very fluctuating and depends on how much funds are proposed and the business-program being run. Based on the amount of capital provided since the establishment of BUMDes in 2016 until 2023, it amounted to IDR 1,443,127,092.00, as explained in the table below:

Table 4. Amount of Capital Investment Funds for BUMDes

No	Year	Amount (Rp)
1	2016	210,000,000
2	2017	191,141,552
3	2018	161,717,040
4	2019	565,268,500
5	2021	215,000,000
6	2023	100,000,000

Source : BUMDes Bay 2024

Based on the data in the table above, the capital provided to BUMDes, the first partner of Teluk Village Sasah, is very volatile and stable; almost every year, it gets capital assistance. However, there is a number of the year that is not capital. The amount of capital provided to BUMDes gives a positive impact, with successful

BUMDes giving income to BUMDes and even giving income to the village in the form of Village Original Income (PADes) for the village Bay Sasah. As explained, BUMDes income that successfully provided PADes to Teluk Sasah village is shown in the table below:

Table 5. Village Original Income (PADes) from BUMDes Mitra Perdana, Teluk Sasah Village.

No	Year	Amount (Rp)
1	2017	17,382,478
2	2018	23,335,240
3	2019	31,000,000
4	2020	40,752,725
5	2021	33,671,925
6	2022	18,674,023

Source: BUMDes Teluk Sasah 2024

Based on the table above from the PADes provided by BUMDes to the village, it shows that BUMDes is well managed and is able to provide income and, of course, has an impact on the village community, especially the economic aspects of the community. Until now in 2024, BUMDes Mintra Perdana has assets worth Rp. 1,717,639,412.48. All business units that provide income for BUMDes are not only businesses originating from BUMDes itself, but there are also results from collaboration with other parties, namely with BULOG.

Cooperation with other parties or collaboration with third parties is also carried out by BUMDes Mitra Perdana Desa Teluk Sasah. Not only utilizing the potential in the village but also being able to utilize the potential around it and take advantage of existing opportunities to build partnerships. The partnership carried out by BUMDes is to collaborate with BULOG to procure rice to be sold to the community. So far, people have only bought from wholesalers who are far from

the village area, but with the presence of BULOG rice obtained by BUMDes directly from the source, it makes it easier for small traders to get rice at the same price.

BUMDes Mitra Perdana also built cooperation with Bank Mandiri in establishing Mandiri ATM in Teluk Sasah village. This cooperation makes it easier for the community to make cash transactions facilitated by BUMDes. The business unit of the very spectacular collaboration is the cooperation with Pertamina in creating Pertashop in Teluk Sasah village. This business unit is said to have just started operating in 2023.

Development of BUMDes Bina Sejahtera Village of Teluk Bakau Village

Teluk Bakau Village is one of the villages located on the coast of Bintan Island, Gunung Kijang District. Having abundant natural resource potential in the fisheries and tourism sectors makes Teluk Bakau Village a magnet for sources of economic growth for the people of Bintan Regency. The utilization of these natural

resources presents BUMDes Bina Sejahtera Teluk Bakau Village with the opportunity to play its role as a village institution engaged in the economic sector. BUMDes Bina Sejahtera was established in 2019 through a village deliberation and then strengthened through the Teluk Bakau Village Regulation of 2019 concerning the establishment of BUMDes. Through this regulation, the initial capital participation for BUMDes is regulated in order to run an organization that can provide economic benefits to the community.

Since its establishment in 2019, BUMDes Bina Sejahtera has not been running well; many aspects are the causes, starting from poor human resources for BUMDes managers to the attention of the village government to the minimal participation of the village community in BUMDes. The natural potential and existing opportunities cannot be utilized by BUMDes to be able to provide economic benefits to the village community. In 2023, BUMDes Bina Sejahtera will only show positive results; this can be seen from the existence of business units that are running and developing. these business units include Container Rental, Pickup transportation services, Coffee shop rental, Fish cages, Material shops, Clean water supply, Catering and boxed cakes, Organ rental.

Along with the passage of time and the development of the era coupled with the era of digitalization, BUMDes Bina Sejahtera continues to improve and establish itself to become a village economic institution that truly provides benefits to the village community. Utilization of the potential of the surrounding nature, which is dominated by the tourism sector, makes BUMDes collaborate and partner with other parties,

especially the private sector that manages the tourism sector.

The cooperation was carried out with one of the resort managers in Teluk Bakau, namely Bintan Agro Resort. The cooperation offered was the provision of catering for hotels where food was provided by BUMDes. In addition, BUMDes also collaborated with Bambu business in providing building materials for the resort. This cooperation was strengthened by a cooperation agreement between BUMDes Bina Sejahtera and third parties.

Implementation of Collaborative Governance of BUMDes Bintan Regency in Realizing Village Independence

Collaborative Governance is the right alternative to choose in management that requires collaboration with other parties. Collaboration will be able to overcome several problems faced by other parties who have limitations in terms of resources. Political Will is a necessity for an institution to realize this collaboration (Subekti & Irma Fitriana Ulfah, 2023). Collaboration aims to build commitments that must be achieved and how to maintain existing trust for the sustainability of a program (Bela & Utama, 2022). Therefore, government collaboration is an effort to create continuity of the program of an agency or institution to realize a desired interest.

BUMDes of Bintan Regency, especially BUMDes Mitra Perdana of Teluk Sasah Village, BUMDes Anugerah Ehang of Ehang Anculai Village, and BUMDes Bina Sejahtera of Teluk Bakau Village, are trying to overcome the problems of BUMDes, which in general have not been able to utilize the potential around them. Management is still classical and traditional in nature, where BUMDes is managed without innovation and creativity. Most BUMDes business units

are managed only by utilizing what is available without looking at the opportunities, needs, and capabilities of BUMDes. In the end, BUMDes management tends to be wasteful, spending the budget but lacking in benefits.

Therefore, government collaboration is an option for BUMDes who want business sustainability and benefits for the community, especially the economy, to be realized. The three BUMDes in Bintan that collaborate with third parties, namely the private sector, government, and the community, are BUMDes that have good capabilities in managing BUMDes. This can be seen from the achievements of BUMDes, which are included in the advanced and developing category in Bintan Regency. So that it is able to attract the government and other parties to provide guidance and cooperation with BUMDes. Government collaboration or cooperation carried out by BUMDes is very diverse; there is cooperation with the private sector, such as BUMDes Teluk Bakau with the manager of Bintan Agro Resort. BUMDes Anugerah Ehang collaborates with the manager of the Ehang tourist area, while BUMDes Mitra Perdana collaborates with BULOG, Bank Mandiri, and Pertamina.

Therefore, this study wants to see how the process and mechanism of implementing government collaboration are carried out by BUMDes with partners who are the objects of cooperation. To see this phenomenon, researchers use the perspective of Ansell & Gash (2008), who see collaboration as a negotiation that produces trust carried out by stakeholders. The collaboration process consists of a cycle of face-to-face meetings, building trust, committing to the process, and sharing understanding. In addition, fostering commitment to the process, which is indicated by interdependence, a

sense of ownership of the process, and a desire to explore things that are mutually beneficial. People show understanding of each other through clear missions, shared values, and understanding the same problems.

Ansell and Gash have explained that the Collaborative Governance model has 4 variables, including starting conditions, facilitative leadership, institutional design, and collaboration processes. The collaboration process is carried out through face-to-face dialogue, building trust, commitment to the process, and shared understanding.

Starting Condition in The Implementation of Collaborative Governance Between BUMDes and Partners

The starting condition is the initial stage in forming a relationship, where each actor who has different interests and goals decides to collaborate to achieve a common vision and goals. Ansell and Gash (Tilano & Suwitri, 2019) explain that in a collaboration it will be influenced by several phenomena, namely stakeholders have common interests and visions that they want to achieve, have a history of cooperation in the past, respect each other's cooperation, trust in each stakeholder, and have an imbalance of power, resources, and knowledge.

At this starting condition stage, stakeholders in Bintan Regency, especially village governments and BUMDes managers and the Bintan Regency regional government, in this case the Bintan Regency Village Community Empowerment Service, These stakeholders have the same enthusiasm in building BUMDes, especially in directing BUMDes to collaborate. The village government in this case, as the party directly responsible to BUMDes, wants

BUMDes to be able to provide benefits to the village community. Field findings show that stakeholders such as village heads, community leaders, and BUMDes managers have the same desire to advance BUMDes, including the Bintan Regency regional government.

The collaboration carried out by BUMDes is an initiative of the village government, such as the collaboration in managing the Ehang tourist area with BUMDes Anugerah Ehang. The initial collaboration was communication between the village government and PT Pratiwi Nusantara as the manager of the Ehang tourist area; then BUMDes was asked to execute the technical implementation of the collaboration. Likewise with the partnership carried out by BUMDes Mitra Perdana Desa Teluk Sasah with Pertamina to create Pertashop, the collaboration was an initiative of the Bintan Regency government.

This shows that each stakeholder has the same vision, mission, and goals in building BUMDes through collaboration. Stakeholders see that this collaboration pattern will provide benefits for BUMDes and the village community if managed properly and sustainably. In addition, the third parties who are BUMDes partners are business actors who have been proven to contribute to the village community. Such as the collaboration between BUMDes Enugerah Ehang and the manager of the tourist village area, who is a figure who always contributes to the village community. Likewise, BUMDes Teluk Sasah partners with BULOG, which has been proven to provide convenience for the community to get rice at low prices.

Therefore, at this starting condition stage, each of the actors involved, both from the village government or BUMDes managers with third parties who are BUMDes partners, have an understanding

that the collaboration carried out will provide benefits for each party. For BUMDes, it is easy to manage business units because it is assisted by professional and qualified partners in business management, such as Bintan Agro Resort, which collaborates in food procurement (catering) with BUMDes.

Likewise, BUMDes Anugerah Ehang received income assistance from the management of tourist villages. For third parties, they feel helped in easing the burden of the village community, which is one of the company's obligations to the community (CSR). In addition, the private sector is also helped by the direct involvement of BUMDes as an extension of their hands to expand their business wings to penetrate the village community level.

The situation is very good for BUMDes in Bintan Regency to carry out government collaboration with third parties. Field findings show that all parties play an active role and have one goal: to advance BUMDes through this collaboration. The partners who are the target of this collaboration are also parties who have had good relationships and have provided benefits to the village community and BUMDes. So that this good starting condition has proven to have a good impact on BUMDes in running its business units, especially business units that are run with a collaboration pattern.

Leadership Facilitative in Collaborative Governance BUMDes

Mutual agreement and participation of each *stakeholder* are the requirements of *governance*. Leadership is a factor that plays a very important role in bringing stakeholders into one forum to reach a mutual agreement and get them all involved. Ansell and Gash (Fawwaz Aldi Tilano, 2019) stated that facilitative leadership is related to establishing clear

rules, building trust, sharing mutual benefits, and empowerment.

The implementation of the collaboration process between BUMDes in Bintan cannot be separated from the role of leadership at various levels in Bintan Regency. Starting from the Bintan Regency regional government, sub-districts, village governments, and BUMDes managers. All leaders agree to bring BUMDes that collaborate with third parties to provide economic results for the community. BUMDes Mitra Perdana Teluk Sasah Village, in carrying out a partnership with Pertamina in creating Pertashop, cannot be separated from the role of leaders at the regional government level who encourage and facilitate so that they can work well with Pertamina.

The local government and village government provide convenience and provide assistance for BUMDes so that they can adjust to the wishes requested by third parties. Likewise, BUMDes Bina Sejahtera Teluk Bakau Village received appreciation from various parties, including the third party, namely Bintan Agro Resort. Revenue sharing, clear regulations, and benefits for all parties are all realized through agreements or memorandums of understanding made by each party. All of these things are agreed upon and provide convenience for BUMDes to run business units that partner with third parties.

Leadership is essential to establish and maintain clear ground rules, build trust, facilitate dialogue, and explore mutual benefits. Vangen and Huxham (2003) argue that leadership is essential to embrace, empower, and engage stakeholders and then mobilize them to advance collaboration. Strong leadership from various levels has a strategic role in realizing collaboration. For BUMDes in Bintan Regency, the leadership level that is

very influential for the success of BUMDes in collaboration is at the level of the village government and the BUMDes manager itself. This can be seen from the success of the E kang Anculai village government, which succeeded in embracing the management of the E kang village tourism area to partner in managing tourism, which was then welcomed by the management of the tourism area.

The same thing also happened with BUMDes Bina Sejahtera Teluk Bakau Village, where the role of the BUMDes leader is to utilize every potential in Teluk Bakau Village, especially the management of the tourism area. So that cooperation is realized between BUMDes and Resort Bintan Agro in the field of catering procurement. The role of leaders at the village and BUMDes levels has proven to be able to contribute to the sustainability of collaboration with third parties. For BUMDes and village governments that do not have strong leaders, they will not be able to embrace parties that are considered potential collaborators with BUMDes. As we know, villages in Bintan have potential, especially excellent natural tourism potential. But not all villages and BUMDes are able to take advantage of these opportunities. This proves that only strong leaders and those with clear goals can collaborate with other parties in advancing BUMDes.

Leadership is also important for empowering and representing weak stakeholders. Ozawa (1993), for example, describes what he calls a “transformative” technique in which mediation procedures help to bring about a “balance of power” among stakeholders. This facilitative leadership style also helps stakeholders explore possibilities that could lead to mutual gains.

Leadership at the village and BUMDes levels has shown its role as a

facilitative leader so that the collaboration carried out by the three BUMDes in Bintan Regency with third parties was successful. Although in terms of the results obtained from this collaboration, it is very diverse, such as BUMDes that have already benefited, such as BUMDes Anuegrah Ekang in managing village tourism areas, and there are also those that have not benefited, such as Pertashop, which is run by BUMDes Mitra Perdana. However, BUMDes has proven to be able to collaborate and utilize existing potential, so that in the future, they can improve the quality of management and cooperation so that they can benefit and maintain the sustainability of collaboration.

Institutional Design in Collaborative Governance of BUMDes

Institutional design is needed to encourage participation and transparency in the collaboration process. Ansell and Gash (Tilano & Suwitri, 2019) explain that this institutional design refers to the basic rules for collaboration that have been agreed upon by *stakeholders*, not just a one-party agreement, explaining that institutions refer to the basic rules for collaboration.

Institutional design here refers to the basic protocols and ground rules of collaboration, which are crucial for the procedural legitimacy of collaborative processes. Access to the collaborative process itself is perhaps the most fundamental design issue. Who should be included? Not surprisingly, the literature on collaborative governance emphasizes that processes should be open and inclusive. The literature also suggests that clear ground rules and transparency of the process are important design features. Both can be understood in terms of procedural legitimacy and building trust.

It has become a necessity when you want to do something big or a big goal, especially something that concerns the affairs of many people; then a clear design is needed. BUMDes, as a village institution engaged in the economic sector with a mandate from the state through the village law, should have a clear institutional design. Moreover, the presence of BUMDes has received support from the village government to get capital injections through capital participation. Therefore, with the burden of tasks and great expectations from the state and society, BUMDes is able to provide benefits to the community, especially through the collaboration that is carried out.

For BUMDes in Bintan Regency that collaborate with other parties in its implementation, they have created an institutional design together with a third party. Almost all parties that collaborate with BUMDes have an agreement in the form of a memorandum of understanding or work contract regarding what must be done or avoided in the implementation of the collaboration. The memorandum of understanding regulates various matters ranging from technical implementation to profit sharing and termination of cooperation. As done by BUMDes Anugerah Ekang, which collaborated with PT Tunas Pratiwi Nusantara as the party that manages the Ekang tourist area, an agreement in the form of a memorandum of understanding in a profit-sharing system was made. In the memorandum of understanding signed by each party on May 4, 2018, it was stated that BUMDes Anugerah Ekang received a 10% profit share for every ticket sale in the Ekang Tourist Area.

Likewise with the contract or letter of agreement made between BUMDes Bina Sejahtera Teluk Bakau Village and Bintan Agro Resort. The letter of agreement made

on July 2, 2023, stated that BUMDes is able to prepare catering for hotel guests for dinner and breakfast and for payment to be made no later than 3 days after the catering is prepared. Then other things are regulated in the agreement as a form of design to facilitate the realization of collaboration, which includes transparency, participation, and legality in carrying out the collaboration.

Therefore, in carrying out the collaboration between BUMDes and third parties in Bintan Regency, it has been carried out well by each party. This is evidenced by the existence of a contract or agreement letter in carrying out the cooperation. The agreement letter that regulates technical matters in such detail makes each party feel comfortable and safe in carrying out the collaboration. The trust that is built from each party is very necessary in implementing the collaboration, so the agreement letter must have a long-term impact for the benefit of each party. For BUMDes, the ability to design institutions is an absolute skill that must be possessed and is also a major concern for the authorities. This is done so that the sustainability of BUMDes as a village economic institution can be long-lived in providing benefits to the village community.

Collaboration Process in *collaborative governance* of BUMDes with partners in the Regency Bintan

Implementation collaboration governance carried out by BUMDes with partner parties must go through proper mechanisms so that they can produce something in accordance with goals. The collaboration process, according to Ansel and Gash, divides the collaboration process into several models, namely:

a. Face-to-Face *Dialogue*

Actors talk to each other directly to build cooperation. To achieve common goals, collaboration itself requires in-depth communication or direct conversation. This process solves communication problems, so it is more than just negotiation. This will have an impact on trust, attention, shared understanding, and commitment to the collaboration process itself in the future.

BUMDes in Bintan Regency technically carries out a direct communication pattern to partners in building cooperation, as carried out by BUMDes Bina Sejahtera Teluk Bakau Village by visiting prospective partners directly. But before that, the BUMDes manager sent a letter to make an appointment, then followed by a face-to-face meeting. This face-to-face meeting was carried out not only once but more than once. This is done to build commitment and trust from prospective partners so that sustainability can be carried out.

BUMDes Anugerah Ekan, Ekan Anculai village, also does the same thing, namely direct dialogue between the village head and the manager of the Ekan tourism area so that there is a commitment that continues to cooperation. Face-to-face dialogue is an important element in the *collaborative governance process*. Regular meetings between *stakeholders* such as BUMDes administrators, village government, community leaders, and representatives of residents need to be held periodically. Meetings involving many parties can convey aspirations, express opinions, and discuss openly issues related to BUMDes management. In an effort to build *collaborative governance*, BUMDes Mitra Perdana, Teluk Sasah Village, holds routine monthly meetings involving all stakeholders, such as BUMDes

administrators, village government, community leaders, and representatives of residents. In the meeting, there was a face-to-face dialogue between stakeholders to discuss various issues and plans related to the management of BUMDes Mitra Perdana, Teluk Sasah Village.

b. Trust Building

Building trust between actors is the same stage as talking directly, but good leaders know how important it is to build trust between actors before the actors manipulate the situation. This is especially true in situations where there is an unhealthy relationship between actors. The sustainability of a collaboration is very dependent on mutual trust between the actors involved. Trust that is not built between actors will have a negative impact on the parties involved in the collaboration, making it difficult for those who collaborate.

The establishment of trust is caused by several factors, one of which is the guarantee of benefits or advantages for the parties involved in the cooperation. If one of the actors feels that they are getting benefits from the cooperation pattern, it will make it easier for cooperation to occur. In addition, the track record of the actors involved is also a determining factor in realizing cooperation. Of course, the parties involved do not want to cooperate with people who have problems in terms of track record. BUMDes Bina Sejahtera Teluk Bakau Village cooperates with the management of the Bintan Agro Hotel because the hotel management is a group of professional people who have been proven to be able to survive in managing hotels. So if you cooperate with the hotel, especially in the procurement of catering, it will certainly provide real benefits in front of your eyes.

Trust between actors and potential partners is built through strict

transparency in the management of funds and clear responsibilities stated in a notarized MOU. This process demonstrates a strong commitment to integrity and clarity of the rules of the game in cooperation. Transparency ensures that each party is clear about how funds are managed and used, which helps avoid potential conflicts and misunderstandings. With a notarized MOU, both parties are legally bound to fulfill their responsibilities, which strengthens mutual trust and commitment to achieving common goals. This approach creates a solid foundation for long-term collaboration and confirms a dedication to fair and open business practices.

However, for the Bintan Agro Hotel, they want to collaborate with BUMDes because they see the seriousness of the local community in wanting to build the village economy through BUMDes. The letter of agreement or memorandum of understanding that was made further strengthened the hotel's trust in BUMDes in collaborating. The personal relationship that was built between the hotel manager and the Teluk Bakau village community was also one of the causes of mutual trust in collaborating. The same thing also happened with the partnership carried out by BUMDes Mitra Perdana, Teluk Sasah village. Pertamina, as a third party, believes that BUMDes is able to manage Pertashop because they see the track record of the manager, who has succeeded in becoming a BUMDes that has a fairly high income compared to other BUMDes in Bintan Regency.

Based on the field findings above, it shows that cooperation between third parties and BUMDes is caused by trust between the two parties. So that good and productive cooperation emerges, not cooperation that is accidental and

tendentious, or there are other factors in carrying out cooperation.

c. *Commitment to the Process*

Commitment is closely related to successful collaboration because it is what influences the desire to work with others. It is said that stakeholders sometimes participate because they have their own interests, such as ensuring that their interests are not ignored, maintaining their position, or complying with the law. In such situations, they should follow the same process, because negotiation is the best way to achieve mutually desired policies.

To build BUMDes commitment, first explain the purpose of BUMDes face to face and create a comfortable atmosphere between the two. and BUMDes Teluk Bakau provides services in accordance with the agreed MOU. In addition, there is already a work agreement, so there is a commitment that has been agreed upon initially. If there is a discrepancy with the agreement at the beginning, this cooperation can be canceled in the middle of the road.

Commitment to the process of cooperation between actors and potential partners is demonstrated through regular meetings and ongoing discussions. In addition, the existence of a notarized MOU and legally binding rules emphasizes the dedication of both parties to maintaining the continuity of cooperation. Regular meetings allow for periodic monitoring and evaluation of the progress of cooperation so that any challenges or obstacles can be immediately identified and addressed. Continuous discussions ensure that each party remains aligned in the goals and strategies to be achieved. A notarized MOU provides legal certainty and the necessary formalities, making every commitment made have a strong and accountable basis. This approach

reflects the seriousness in efforts to maintain the continuity of cooperation and demonstrates dedication to achieving the desired results through a structured and trusted framework.

Collaborative governance processes need strong commitment from all stakeholders involved. Each party must understand the importance of participating in a way that is active and have the will to contribute in every stage of the process. Commitment must be realized in real action, like presence in meetings, involvement in taking decisions, and contributions from source power (good financial or non-financial) according to respective capacities. All *stakeholders*, BUMDes, the First Partner of Teluk Village Sasah, own strong commitment for being involved in a way that is active in the *collaborative governance* process. They are committed to attending regular meetings, providing input, and participating in decision-making.

Field findings clearly show that until now each party has built a clear commitment in carrying out cooperation. So that the strong commitment is evidence of the still strong cooperation of each party, both the cooperation that occurs between BUMDes Teluk Bakau, Teluk Sasah, and Ehang Anculia. If the commitment is not strong, it will certainly disrupt the collaboration process.

d. *Shared Understanding*

Stakeholders must develop a common understanding as the collaboration progresses. Here, shared understanding means a common mission, goals, ideology, and clarity of purpose. The collaboration carried out by BUMDes with other parties clearly has a common vision, mission, and purpose; this is the factor that makes both parties want to work together. This collaboration as a step to improve the community's economy also

becomes a common understanding between the parties involved. In fact, this collaboration will provide PADes for the village government as one of the strengtheners of this collaboration.

A shared understanding between actors and potential partners is achieved through a shared vision that benefits both parties, both materially and non-materially (Silvia, 2011). This shared vision shows that all parties have the same goal in this collaboration, which is important for creating synergy and harmony in actions and decisions. By having a shared vision, both actors and potential partners can work together effectively to achieve the desired results, minimize potential conflicts, and maximize potential benefits. Material benefits include financial and resource aspects, while non-material benefits can include increased reputation, learning, and innovation. This shared understanding forms a strong foundation for ongoing collaboration, ensuring that every step taken supports the shared vision and brings benefits to all parties involved.

In the *collaborative governance process*, a shared understanding between *stakeholders* is very important to achieving the desired goals (Buuren, 2009). This shared understanding includes a common perception of the vision, mission, and goals of BUMDes management, as well as an understanding of the roles and responsibilities of each stakeholder in achieving these goals. Through face-to-face dialogue and intensive discussions, *stakeholders of BUMDes Mitra Perdana Teluk Sasah Village* succeeded in building a shared understanding of the vision, mission, and goals of BUMDes. They agreed that BUMDes Mitra Perdana must be managed

professionally to improve the welfare of the village community.

e. Intermediate *Outcomes*

The intermediate results are step additions in the collaboration process. If the goal of collaboration can be achieved, the benefits that will be obtained from collaboration are clear, and if there is victory, small or large, it can be considered a sign of successful collaboration and also a bait to come back for increased collaboration. With small wins, the authorities will surely feel that the collaboration is beneficial. The collaboration that is built must provide benefits for both actors involved; if one party does not benefit, of course this collaboration will not be realized. One example of the benefits received, one of which is in BUMDes, besides increasing BUMDes income, is the existence of an agreement to prioritize using local workers in the managed business units.

Ultimately, the collaboration process aims to produce decisions or solutions that are mutually agreed upon by stakeholders. The results of this collaboration must reflect the interests and aspirations of all parties involved and provide benefits to the Teluk Sasah Village community as a whole. The results of the collaboration can be policies, programs, or initiatives that are planned and implemented together. An effective collaboration process will ensure that the final results are accepted and supported by all *stakeholders* so that they can be implemented properly and sustainably. BUMDes Mitra Perdana collaborates with several partners, such as Pertamina, by establishing a Pertashop, collaborating with Bulog for rice procurement, collaborating with Bank Mandiri regarding land rental to establish an independent ATM in Teluk Sasah Village, and there is also cooperation with UMKM

business actors and KUBE (Joint Business Group) for the procurement of dry cake consumption.

The collaborative governance process at BUMDes Mitra Perdana Desa Teluk Sasah has succeeded in achieving various positive results. Among them are increasing the income of BUMDes Mitra Perdana Desa Teluk Sasah, developing new businesses, improving the welfare of village communities through economic empowerment programs, and receiving an award as the best BUMDes in Bintan Regency.

Conclusion

Collaborative governance, as one form of activity carried out by BUMDes in Bintan Regency, especially BUMDes Mitra Perdana in Teluk Sasah Village, BUMDes Anugerah Ekan in Ekan Anculai Village, and BUMDes Bina Sejahtera in Teluk Bakau Village, in general, has provided an illustration that BUMDes are able to collaborate with other parties. The phenomenon of the difficulty of collaborating by BUMDes is refuted by the success of three BUMDes in Bintan Regency in being able to do so. Although the results of the collaboration are not significant in providing economic benefits for BUMDes and the village community, at least BUMDes have started and are able to survive to continue to collaborate, especially in managing business units.

All processes and techniques in implementing collaborative governance are carried out well by the collaborating BUMDes. Although there are still things that have not been optimally carried out, it is important to continue to make improvements in the future.

1. BUMDes that have collaborated are expected to continue building cooperation with third parties that have greater economic benefits

compared to the cooperation that has been carried out.

2. BUMDes needs to improve the quality of human resources management, especially in terms of the ability to find potential partners for collaboration.

For related parties, whether directly or indirectly related to BUMDes, it is hoped that they will pay great attention to BUMDes in collaborating with third parties that provide economic benefits for BUMDes and the village community.

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