

Research Article

The Influence of Village-Owned Enterprises (BUMDes) on The Level of Welfare in Daenaa Village

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Abstract: This study aims to determine the influence of Village-Owned Enterprises (BUMDes) on the level of community welfare in Daenaa Village, West Limboto District, Gorontalo Province. BUMDes is one of the instruments of village economic development which is expected to be able to increase income and community welfare through the independent and sustainable management of village potential. The problem in this study is the extent of the influence of the existence and performance of BUMDes on the level of community welfare in Daenaa Village. The method used in this study is a quantitative method with a simple linear regression approach. The data used is primary data obtained through the distribution of questionnaires or questionnaires to respondents. The population in this study amounted to 758 people, while the sample used was 119 respondents determined by certain sampling techniques. The data was analyzed using a simple linear regression test to determine the relationship and influence of BUMDes variables on the level of community welfare. The results of the study show that there is an influence between Village-Owned Enterprises (BUMDes) on the level of community welfare in Daenaa Village. This is evidenced by the value of the Pearson correlation coefficient of 0.489 which shows a fairly strong relationship between the BUMDes variable and the level of community welfare. In addition, the remaining 0.511 was influenced by other variables that were not studied in this study. These findings show that the existence of BUMDes has an important role in improving people's welfare, although there are still other factors that also contribute to welfare.

Keywords: BUMDes; community welfare; Daenaa Village; simple linear regression; Village-Owned Enterprises.

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1. Introduction

Community welfare is a subjective condition because each individual has different living standards, goals, and perspectives. According to Cristiano (2015:118), the level of welfare can be seen from three main aspects, namely health, education, and housing. These three aspects are important indicators in assessing the success of the development of a region. The community can be said to be prosperous if the needs in these aspects have been optimally met. Welfare is also understood as a social, material, and spiritual living condition that allows each individual and family to meet their physical, spiritual, and social needs properly (Liony, et al., 2013). Therefore, economic development is an important point in efforts to improve people's welfare, especially in rural areas.

Previous studies have shown that village economic development is often carried out through government programs, but the results are not fully optimal in improving community welfare. One of the approaches used is the establishment of Village-Owned Enterprises (BUMDes) as a village economic institution that manages village potential and assets to increase community income. Wahyu Aditya et al. in their research stated that BUMDes have

an influence on improving community welfare. However, several studies also show that the management of BUMDes still faces obstacles such as limited human resources, suboptimal business management, and lack of strong regulatory support.

BUMDes is a village business institution formed to manage local economic potential to improve the welfare of the community and the village's original income (Ramadana, Ribawanto, and Suwondo, 2013). However, in practice, the implementation of BUMDes is still not running optimally in various regions, including Daenaa Village, West Limboto District. In addition, even though there is a legal basis such as Law No. 6 of 2014 concerning Villages and Permendagri No. 39 of 2010, the implementation of BUMDes still faces challenges in terms of program management and effectiveness.

Based on the results of initial observations in Daenaa Village, it was found that the level of community welfare still varies. There are people who are able to meet their living needs, but there are still people who are classified as underprivileged. This condition shows that the welfare of the community is not evenly distributed. Data shows that there are 236 heads of families who are still classified as underprivileged, while 758 heads of families are classified as capable in meeting their living needs.

The object of this study is Village-Owned Enterprises (BUMDes) and the level of community welfare in Daenaa Village. This study uses a quantitative method with a simple linear regression approach to analyze the influence of BUMDes on the level of community welfare. This method is used to see the relationship and magnitude of influence between the BUMDes variable as an independent variable and community welfare as a dependent variable.

The main problem in this study is that the improvement of community welfare has not been optimal even though BUMDes have been formed in Daenaa Village. Therefore, this study aims to find out how much influence BUMDes have on the level of community welfare in Daenaa Village.

This research is expected to provide a scientific contribution in the form of an empirical picture of the role of BUMDes in improving the welfare of village communities and become an evaluation material for village governments in developing BUMDes to be more effective.

The systematics of writing this research consists of five chapters, namely Chapter I Introduction, Chapter II Literature Review, Chapter III Research Methods, Chapter IV Research Results and Discussion, and Chapter V Closing.

2. Literature Review

Village-Owned Enterprises (BUMDes)

Village-Owned Enterprises (BUMDes) are business institutions formed by the village government together with village communities to manage the economic potential of the village. Based on the Regulation of the Minister of Home Affairs Number 39 of 2010, BUMDes is a village business formed or established by the village government with capital ownership and its management carried out by the village government and the community. BUMDes is present as an effort to strengthen the village economy through the management of local potential in a productive and sustainable manner. The existence of BUMDes is expected to be able to increase community income and encourage village economic development independently. Thus, BUMDes can be understood as a village economic institution that functions to manage the potential of the village to improve community welfare through productive business activities.

Objectives of BUMDes

The objectives of the establishment of BUMDes include:

- a. Improving the village economy;
- b. Increasing the village's original income;
- c. Optimizing the potential of the village according to the needs of the community; and
- d. Becoming a driver of village economic growth.

The management of BUMDes is carried out cooperatively, participatory, transparent, accountable, and sustainable in order to provide benefits to the village community.

BUMDes Indicators

According to Pebriyanti (2020), the BUMDes indicators consist of:

- a. Cooperative;
- b. Participatory;
- c. Emancipative;
- d. Transparent;

- e. Accountable; and
- f. Sustainable.

These indicators show that the management of BUMDes must actively involve the community and be carried out openly and responsibly.

Functions of BUMDes

BUMDes functions as a forum for village economic business development. In its implementation, BUMDes can have several business units, such as:

- a. Financial services units, such as savings and loan businesses; and
- b. Trading or shop units, such as the provision of agricultural needs and the needs of the village community.

Through this function, BUMDes is expected to be able to increase community economic activities and create village economic independence.

Previous Research Studies

Research on the influence of BUMDes on community welfare has been conducted by several researchers previously. Research by Siti and Lestiyani (2019) shows that BUMDes are able to improve the community's economy through various business units that are run. Research by Hartini (2019) also found that the existence of BUMDes has an effect on improving people's welfare through savings and loans and trading.

Furthermore, research by Dewi and Setia (2018) explained that the development of independent villages through BUMDes can improve the welfare of village communities. Research by Riyanti and Adinugraha (2021) shows that optimizing the role of BUMDes is able to support village economic development. Meanwhile, research by Sasauw et al. (2018) states that the effectiveness of BUMDes management is influenced by the ability of administrators to run village business programs.

Based on the previous research, it can be seen that research on BUMDes and community welfare has been carried out a lot. However, this study has differences in the location of the research, namely in Daenaa Village, West Limboto District, Gorontalo Regency. Therefore, this research is important to determine the influence of BUMDes on the level of community welfare in the region.

Frame of Mind

The framework of thought in this study explains the relationship between BUMDes as an independent variable (X) and the level of community welfare as a dependent variable (Y). The existence of BUMDes is expected to be able to improve community welfare through increasing income, employment opportunities, economic access, and meeting the living needs of village communities.

Indicators of community welfare in this study include:

- a. Community income;
- b. Household consumption or expenditure;
- c. Condition of residence;
- d. Residential facilities;
- e. Health of family members;
- f. Ease of access to health services;
- g. Ease of obtaining education; and
- h. Ease of access to transportation.

Meanwhile, BUMDes indicators include cooperative, participatory, emancipative, transparent, accountable, and sustainable aspects. Based on this relationship, this study aims to determine the influence of BUMDes on the level of community welfare in Daenaa Village, West Limboto District, Gorontalo Regency.

3. Research Methodology

Based on the research method used, this study was carried out in Daenaa Village, West Limboto District, Gorontalo Regency for four months, from April to July 2023, using a quantitative approach and a simple linear regression research design to determine the influence of BUMDes on the level of community welfare. The research variables consist of independent variables, namely BUMDes (X) with cooperative, participatory, emancipative, transparent, accountable, and sustainable indicators, as well as bound variables, namely the level of community welfare (Y) which includes quality of life in terms of material, physical, mental, and spiritual aspects. The research population amounted to 1,193 heads of families with a sample of 119 heads of families determined using the sampling technique of 10% of

the total population. Data collection techniques were carried out through observation, questionnaires, and documentation, while data analysis used validity, reliability, normality, simple linear regression, correlation, determination coefficient, and t-test to test the research hypothesis regarding the influence of BUMDes on the level of community welfare

4. Results and Discussion

Descriptive Statistical Analysis

Through this analysis, an overview of the variable conditions of BUMDes and the level of community welfare can be obtained. The results of the measurement of the respondent's responses will show whether the measured variables are at the criteria of Very High, High, Medium, Low and Very Low with measurements by referring to the criteria, the following scale:

Table 1. Scale Range.

No	Mean Score Range	Categories/Predicates
1	1,00 – 1,80	Very Low
2	1,81 – 2,60	Low
3	2,61 – 3,40	Medium
4	3,41 – 4,20	Height
5	4,21 – 5,00	Very High

Source: Sugiyono (2017)

Descriptive analysis was conducted to provide an overview of respondents' perceptions regarding the variables studied, namely the BUMDes variable (X) and the Community Welfare Level variable (Y). This analysis aims to determine the average value of each indicator so that the condition of each research variable can be interpreted clearly. The interpretation of the data is based on the mean score obtained from respondents' answers to the questionnaire distributed. The results of the descriptive analysis are presented in the following table.

Table 2. Description of Data Based on Indicator Averages of BUMDes (X) and Community Welfare Level (Y) Variables.

Variable Name	Indicator	N	Mean	Interpretation
BUMDes (X)	Cooperative	119	4.80	Very High
	Participatory	119	4.82	Very High
	Emancipatory	119	4.43	Very High
	Transparent	119	4.76	Very High
	Accountable	119	4.67	Very High
	Sustainable	119	4.82	Very High
Total Average of BUMDes (X)		119	4.71	Very High
Community Welfare Level (Y)	Quality of Life in Material Terms	119	3.61	High
	Quality of Life in Physical Terms	119	4.89	Very High
	Quality of Life in Mental Terms	119	4.87	Very High
	Quality of Life in Spiritual Terms	119	4.96	Very High
Total Average of Community Welfare Level (Y)		119	4.58	Very High

Source: Primary Data Processed, 2025.

Based on the descriptive analysis presented in Table 4.2, the BUMDes variable (X) obtained a total average score of 4.71, which is categorized as Very High. Among the six indicators, the Participatory and Sustainable indicators recorded the highest mean scores, each amounting to 4.82. This result indicates that respondents perceive BUMDes as involving community participation and maintaining sustainable business activities at a very high level. Meanwhile, the Emancipatory indicator obtained the lowest mean score of 4.43, although it remained within the Very High category. This finding suggests that the role of BUMDes in encouraging community independence and empowerment has been perceived positively, but still has greater room for improvement compared to the other indicators.

Furthermore, the Community Welfare Level variable (Y) obtained a total average score of 4.58, which is also categorized as Very High. The indicator with the highest mean score was Quality of Life in Spiritual Terms, with a mean of 4.96, indicating that respondents perceived spiritual well-being as the strongest aspect of community welfare. In contrast, the Quality of Life in Material Terms indicator recorded the lowest mean score of 3.61, which falls within the High category. This result shows that although the overall welfare level of the

community is perceived as very high, material aspects such as economic adequacy and fulfillment of material needs are relatively lower than physical, mental, and spiritual aspects.

Overall, the descriptive findings indicate that BUMDes is perceived to have been managed and implemented very well, particularly in terms of participation and sustainability. At the same time, community welfare is also perceived to be very high, especially in spiritual, physical, and mental dimensions. Nevertheless, the relatively lower mean score in the material welfare indicator suggests that strengthening the economic benefits of BUMDes remains important in order to improve the material quality of life of the community.

Data Analysis Techniques

Validity Test

Before conducting the research analysis, the researcher first tested the validity and reliability of the research instrument. The validity test was conducted to determine whether each statement item in the questionnaire was capable of measuring the variables studied accurately.

Table 3. Validity Test of BUMDes Variables (X) dan (Y).

No.	Variable	Item Questions	R Count	R Table	Criteria
1	BUMDes (X)	Question 1	0.721	0.150	Valid
2	BUMDes (X)	Question 2	0.982	0.150	Valid
3	BUMDes (X)	Question 3	0.662	0.150	Valid
4	BUMDes (X)	Question 4	0.531	0.150	Valid
5	BUMDes (X)	Question 5	0.688	0.150	Valid
6	BUMDes (X)	Question 6	0.397	0.150	Valid
7	BUMDes (X)	Question 7	0.564	0.150	Valid
8	BUMDes (X)	Question 8	0.574	0.150	Valid
9	BUMDes (X)	Question 9	0.758	0.150	Valid
10	BUMDes (X)	Question 10	0.599	0.150	Valid
11	BUMDes (X)	Question 11	0.461	0.150	Valid
12	BUMDes (X)	Question 12	0.579	0.150	Valid
13	BUMDes (X)	Question 13	0.255	0.150	Valid
14	BUMDes (X)	Question 14	0.377	0.150	Valid
15	BUMDes (X)	Question 15	0.625	0.150	Valid
16	BUMDes (X)	Question 16	0.490	0.150	Valid
17	BUMDes (X)	Question 17	0.418	0.150	Valid
18	BUMDes (X)	Question 18	0.510	0.150	Valid
19	BUMDes (X)	Question 19	0.633	0.150	Valid
20	BUMDes (X)	Question 20	0.594	0.150	Valid
21	BUMDes (X)	Question 21	0.588	0.150	Valid
22	BUMDes (X)	Question 22	0.544	0.150	Valid
23	BUMDes (X)	Question 23	0.397	0.150	Valid
24	BUMDes (X)	Question 24	0.444	0.150	Valid
25	BUMDes (X)	Question 25	0.446	0.150	Valid
26	BUMDes (X)	Question 26	0.222	0.150	Valid
27	BUMDes (X)	Question 27	0.610	0.150	Valid
28	BUMDes (X)	Question 28	0.646	0.150	Valid
29	BUMDes (X)	Question 29	0.707	0.150	Valid
30	BUMDes (X)	Question 30	0.682	0.150	Valid
31	Community Welfare Level (Y)	Question 1	0.156	0.150	Valid
32	Community Welfare Level (Y)	Question 2	0.196	0.150	Valid
33	Community Welfare Level (Y)	Question 3	0.599	0.150	Valid
34	Community Welfare Level (Y)	Question 4	0.567	0.150	Valid
35	Community Welfare Level (Y)	Question 5	0.713	0.150	Valid
36	Community Welfare Level (Y)	Question 6	0.498	0.150	Valid
37	Community Welfare Level (Y)	Question 7	0.520	0.150	Valid
38	Community Welfare Level (Y)	Question 8	0.447	0.150	Valid
39	Community Welfare Level (Y)	Question 9	0.431	0.150	Valid
40	Community Welfare Level (Y)	Question 10	0.661	0.150	Valid
41	Community Welfare Level (Y)	Question 11	0.768	0.150	Valid
42	Community Welfare Level (Y)	Question 12	0.753	0.150	Valid
43	Community Welfare Level (Y)	Question 13	0.618	0.150	Valid
44	Community Welfare Level (Y)	Question 14	0.604	0.150	Valid
45	Community Welfare Level (Y)	Question 15	0.636	0.150	Valid
46	Community Welfare Level (Y)	Question 16	0.636	0.150	Valid

Source : Processed By Researcher, 2025

Based on the results of the validity test, all question items on the BUMDes variable (X) and the Community Welfare Level variable (Y) have an R Count value greater than the R Table value (0.150). Therefore, all statement items are declared valid and feasible to be used in the research. This indicates that each item is capable of measuring the intended variables accurately and consistently. Thus, the research instrument has a good level of validity and can be trusted for data collection and further analysis regarding the influence of Village-Owned Enterprises (BUMDes) on the level of community welfare in Daena Village, West Limboto District.

Reliability Test

Meanwhile, the reliability test was carried out to determine the consistency and stability of the instrument in measuring the variables. An instrument is considered valid if the calculated correlation value (R Count) is greater than the R Table value, while an instrument is considered reliable if it has a Cronbach's Alpha coefficient greater than the predetermined standard. Therefore, the validity and reliability tests are important stages to ensure that the research instrument is feasible and trustworthy for data collection in this study regarding the influence of Village-Owned Enterprises (BUMDes) on the level of community welfare in Daena Village, West Limboto District.

Table 4. Instrument Reliability Test.

No	Variable	Cronbach Alpha	Ket
1.	BUMDes (X)	0.891	<i>Reliable</i>
2.	Community Welfare Level (Y)	0.695	<i>Reliable</i>

Source : processed by researcher, 2025

Based on Table 4.7, the results of the reliability test show that all variables have a Cronbach Alpha value above 0.60, so they are declared reliable. The BUMDes variable (X) obtained a value of 0.891 which is classified as very reliable, indicating high internal consistency in each statement item. Meanwhile, the Community Welfare Level (Y) variable has a value of 0.695 which is also reliable and suitable for use. Thus, all research instruments can be trusted to measure the variables studied consistently.

Simple Regression Analysis

Table 5. Results of Simple Regression Analysis Test.

Models	Coefficient			t	Sig.
	Unstandardized Coefficients		Standardized Coefficients		
	B	Std. Error	Beta		
1	(Constant)	24.283	4.627	5.248	.000
	BUMDes	.344	.032	.700	.000

a. Dependent Variable: Level of Community Welfare

Source : processed by researcher, 2025

Based on the results of the above analysis, the simple linear regression model built is:

$$\hat{Y} = 24.283 + 0.344X$$

From the model, the following things are interpreted:

- The value of variable Y (BUMDes) will be 24,283 if variable X (BUMDes) is valued at 0 or none.
- For every increase of one unit of variable X (BUMDes), the number of variables Y (Community Welfare Level) will increase by 0.344.
- The positive value coefficient means that there is a positive and significant relationship between variable Y (Community Welfare Level) and Variable X

(BUMDes), the higher the value of Variable X (BUMDes), the higher the value of Variable Y (Community Welfare Level).

Coefficient of Determination

Based on the results of the regression equation model estimation that has been carried out above, the value of the determinant coefficient is obtained as follows: r^2

Table 6. Coefficient of Determination X to Y.

R	R Square	Contribution of Other Factors
0.700	0.489	0.511

Source : Processed by Researcher, 2025

Based on the results of the analysis, the value of $R = 0.700$ shows a strong and positive relationship between the BUMDes variable and the level of community welfare. The value of $R\text{ Square} = 0.489$ means that 48.9% of changes in the level of community welfare can be explained by the existence and performance of BUMDes. Meanwhile, the contribution value of other factors of 0.511 or 51.1% shows that there are still other factors outside of BUMDes that also affect community welfare, such as education, employment, and village government policies.

Hypothesis Testing (t-test)

With the help of the IBM Statistics SPSS version 21.0 program, the following results were obtained:

Table 7. Hypothesis Testing (t-test).

Coefficient			
	Models	T	Sig.
1	(Constant)	5.248	,000
	BUMDes	10.591	,000

Source : IBM Statistics SPSS version 21.0 output, 2023

a. Dependent Variable: Level of Community Welfare

Source : Processed by Researcher, 2025

From the above results, a value of 5.248 and a significant level of 0.000 were obtained. Thus, the following significant test results were obtained: t_{hitung}

Table 8. Significant Test Comparison.

Grade Significance of α	Value t_{hitung}	Value t_{tabel}	Value Significance	Conclusion
5%	5.248	1,658	0,000	Significant

Source : Processed by Researcher, 2025

Based on the results of the significant test, a $>$ value was obtained, namely $t_{hitung} > t_{tabel}$ $5,248 > 1,658$ at the level of significance α 5%, then H_0 was rejected H_1 was accepted. This concludes that BUMDes have an effect on the Level of Community Welfare in Daenaa Village, West Limboto District, Gorontalo Province.

Discussion

Based on the results of the analysis with simple regression, it can be seen that there is a positive influence between BUMDes on the level of community welfare. Thus, the research hypothesis that reads the influence of BUMDes on the level of community welfare, is declared acceptable. Based on research conducted by Siti And Lestiyani and Tri Endah Karya (2019), the existence of Village-Owned Enterprises (BUMDes) has a significant influence on improving the welfare of village communities. Through BUMDes, the

community has a forum to develop local economic potential independently. BUMDes play an important role in creating new jobs, increasing community income, and encouraging village economic turnaround. In addition, the profits obtained from the BUMDes business results are mostly reused for village development, community empowerment, and improvement of public facilities. Thus, BUMDes is one of the important instruments in an effort to improve the standard of living and welfare of the community as a whole.

Meanwhile, Hartini (2019) emphasized that BUMDes is a people's economic institution that plays a strategic role in strengthening the village economy. Through the management of local potential-based businesses such as agriculture, trade, and services, BUMDes are able to provide new economic opportunities for the community. The active involvement of the community in the management of BUMDes is also a key factor in realizing common welfare. According to Hartini, BUMDes not only aims to obtain economic benefits, but also create equitable distribution of development results and reduce social inequality in rural areas. With professional governance and the support of the village government, BUMDes is able to become the main pillar in sustainable economic development.

Furthermore, research conducted by Dewi Kirowati and Lutfiyah Dwi Setia (2018) explained that BUMDes play an important role in encouraging village economic growth through optimal management of local resources. BUMDes is a means of economic empowerment of the community by creating business activities that are in accordance with the needs and potential of their region. Through increasing community income, expanding employment opportunities, and improving the quality of life, BUMDes make a real contribution to improving people's welfare. In addition, the success of BUMDes in improving community welfare is also influenced by the ability of management to manage village funds in a transparent and accountable manner. With good management, BUMDes can become a motor of a fair economy at the village level.

Furthermore, Iit Novita Riyanti and Hendri Hermawan Adinugraha (2021) and Cindy Sasauw, Ronny Gosal, and Welly Wawaroudeng (2018) added that BUMDes not only function as economic institutions, but also as social institutions that prioritize community welfare. BUMDes are able to foster the spirit of mutual cooperation, independence, and social solidarity in the midst of village communities. Through productive economic activities, BUMDes contribute to reducing the unemployment rate, increasing people's purchasing power, and strengthening the local economy. The results of their research show that the existence of BUMDes that are managed professionally and transparently is able to create significant changes to the socio-economic conditions of the community. Therefore, BUMDes is a strategic means in realizing an independent, advanced, and prosperous village.

5. Comparison

This study has similarities with previous research because it both discusses the influence or role of Village-Owned Enterprises (BUMDes) on the level of community welfare by using independent variables of BUMDes and dependent variables of community welfare. In addition, some previous studies also used quantitative approaches such as this study. The difference lies in the location of the research, the indicators used, and the research results obtained. This research was conducted in Daenaa Village, West Limboto District, Gorontalo Regency with BUMDes indicators including cooperative, participatory, emancipative, transparent, accountable, and sustainable, while community welfare indicators include quality of life in terms of material, physical, mental, and spiritual. The results of the study showed that BUMDes had a positive and significant effect on the level of community welfare with a t_{hitung} value of 5,248 > t_{tabel} 1,658 and a significance value of 0.000 < 0.05, so this study strengthens the results of previous research that the existence and management of BUMDes is able to improve the welfare of rural communities.

6. Conclusion

Based on the results of data analysis and hypothesis testing that has been carried out, it can be concluded that Village-Owned Enterprises (BUMDes) have a positive and significant effect on the level of community welfare in Daenaa Village, West Limboto District, Gorontalo Province. This is evidenced by the value of $R = 0.700$ which shows a strong relationship between the BUMDes variable and community welfare. The R Square value = 0.489 shows that 48.9% of the variation in community welfare changes can be explained by the existence and performance of BUMDes, while the remaining 51.1% is influenced by other factors such as education, employment, and village government policies. In addition, the results of the t-test showed a t_{hitung} value of 5.248 > t_{table} 1.658 with a significance level of

0.000 < 0.05, which means that BUMDes have a significant effect on the welfare of the community. Thus, the more optimal the management and implementation of the BUMDes program, the higher the level of community welfare in the region.

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