

## The Effectiveness of BUMKAL Oerip Soemohardjo in Community Economic Empowerment

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### ABSTRACT

This study aims to analyze the effectiveness of the Village-Owned Enterprise (BUMKAL) Oerip Soemohardjo program in economically empowering the community of Sardonoharjo Village, Ngaglik District, Sleman Regency. The urgency of this research lies in the expectation that BUMKAL will serve as a driving force for rural economies following the enactment of the Village Law, as well as the phenomenon of BUMKAL revival after the COVID-19 pandemic, during which many failed. The method used is descriptive qualitative research employing observation, in-depth interviews, and documentation. Data analysis followed the Miles and Huberman model, integrated with Indrajit's (2016) effectiveness theory across three dimensions (support, capacity, value) and Bressers' (2004) Contextual Interaction Theory. The results indicate that program effectiveness is at a moderate-to-high level. The support dimension is strong due to the existence of Village Regulations, capital allocation of IDR 250 million, and market protection. The capacity dimension is innovative, with homecare, brokerage, and tourism units, but remains weak in digitalization. The value dimension is perceived by the community through an increase in MSME turnover of up to 150%, access to affordable services, and the creation of new jobs. This study recommends enhancing business unit digitalization, expanding community participation, and strengthening human resource capacity.

### Keywords

*program effectiveness,  
economic empowerment,  
BUMKAL, village  
governance, people's economy*

## Introduction

Village development in Indonesia has undergone a significant paradigm shift since the enactment of Law No. 6 of 2014 concerning Villages. This policy grants broader autonomy to villages to manage local resources while encouraging the establishment of Village-Owned Enterprises (BUMDes) as instruments for driving village economies. In the context of the Special Region of Yogyakarta, BUMDes is known under the nomenclature of Village-Owned Enterprise (BUMKal), reflecting local cultural distinctiveness and customary law. BUMKal is expected not only to focus on financial profit but also on community economic empowerment and the preservation of local wisdom values. However, field realities show that not all BUMKal have succeeded in carrying out their roles effectively, especially after the COVID-19 pandemic, which caused many BUMKal to go bankrupt. The revival of BUMKal Oerip Soemohardjo in Sardonoharjo Village after 2023 presents an interesting case study for examining the factors that determine the effectiveness of economic empowerment programs.

Several previous studies have examined various aspects related to BUMDes and community economic empowerment. First, research by Munthe et al. (2023) shows that the microeconomic sector at the village level serves as a primary foundation for absorbing local labor and reducing economic disparities between urban and rural areas. Their study emphasizes that BUMDes managed with good governance principles can increase village original income by up to 35% within two years. Second, Maharani and Nurlukman (2023), in their study on collaborative governance in BUMDes management, found that the role of the village government as a facilitator and regulator is critical to BUMDes success. They identified that the success of BUMDes in Bandung Regency depends heavily on the village head's commitment to providing regulatory support and market access. Third, Fauzi, Santoso, and Wijaya (2023) analyzed the impact of BUMDes financial service units on community welfare and found that easy and affordable access to capital can increase MSME turnover by up to 80%. However, they also noted that non-performing loan risk becomes a serious challenge if not accompanied by business assistance. Fourth, Lestari and Nurcahya (2021) examined the role of store image in mediating the effect of retail mix on customer satisfaction in retail BUMDes. Their results indicate that physical aspects and service are important factors in building customer loyalty, but many BUMDes ignore these aspects due to budget constraints. Fifth, Salkiah and Putra (2025), in their study on optimizing the role of BUMKal in Sleman Regency, found that the digital literacy of BUMKal managers remains a major obstacle in adapting to the digital economy. They recommend intensive training and technical assistance to enhance human resource capacity.

Although these studies have made important contributions, several limitations need to be addressed. First, most of the research remains descriptive and has not deeply integrated public organization effectiveness theory with local contextual

dynamics. Second, research on the post-pandemic revival of BUMKAl is still very limited, even though this recovery period offers valuable lessons about organizational resilience. Third, no study has specifically examined BUMKAl effectiveness from the perspective of Contextual Interaction Theory, which considers motivation, cognition, and power relations among actors. Fourth, studies on BUMKAl digitalization are still dominated by quantitative approaches, which are less capable of capturing local cultural and social barriers.

Based on these gaps, this study offers novelty by integrating two theoretical frameworks simultaneously: Indrajit's (2016) effectiveness theory, which focuses on three dimensions (support, capacity, value), and Bressers' (2004) Contextual Interaction Theory, which analyzes the motivation, cognition, and power of actors. This integration allows the researcher not only to measure the level of effectiveness but also to explain why and how effectiveness is achieved or not achieved. Furthermore, this study takes place in Sardonoarjo Village, which has unique characteristics as an urban buffer area with a strong agrarian and MSME base, while also possessing the cultural distinctiveness of Yogyakarta that demands a balance between modern business orientation and the preservation of customary values. The revival of BUMKAl Oerip Soemohardjo after total dormancy during the pandemic serves as a natural laboratory for examining key factors for successful reactivation.

The objectives of this study are to analyze program effectiveness and to identify contextual factors that serve as both drivers and barriers. The significance of this study lies in its contribution to the development of public organization effectiveness theory in the context of BUMKAl, as well as providing applicable policy recommendations for the Sardonoarjo Village Government and other BUMKAl in Yogyakarta. Thus, this research is expected to be beneficial not only academically but also practically for strengthening the people's economy at the village level.

## Method

This study employs a descriptive qualitative approach aimed at explaining in detail and depth the phenomenon of the effectiveness of the BUMKAl Oerip Soemohardjo program in community economic empowerment in Sardonoarjo Village. The research location was set in Sardonoarjo Village, Ngaglik District, Sleman Regency, Special Region of Yogyakarta. The location selection was based on the following considerations: (1) Sardonoarjo is an urban buffer area with complex economic dynamics; (2) BUMKAl Oerip Soemohardjo successfully recovered after the pandemic following total dormancy, making it a unique case for organizational recovery studies; (3) this village has strong MSME and agrarian potential that has not yet been optimally utilized. The research period was from October 2025 to February 2026, allowing the researcher to adequately observe BUMKAl's operational cycles.

The research design used is an instrumental case study, in which BUMKAL Oerip Soemohardjo was selected as a case to understand the broader phenomenon of BUMKAL effectiveness in Yogyakarta. This approach allows the researcher to conduct an in-depth exploration of the context, processes, and outcomes of the empowerment program. The main focus of the research is on BUMKAL governance (including regulatory, managerial, and operational aspects) and its impact on community economic empowerment (including income increases, access to services, and job creation).

Research subjects or key informants were selected using purposive sampling with the following criteria: (1) having knowledge and authority in BUMKAL decision-making; (2) being directly involved in daily operations; (3) experiencing the program's impact as a partner or beneficiary. The informants included: (a) the Head of Sardonoharjo Village (Mr. Harjuno Wiwoho, S.E.) as the highest authority at the village level who provides mandates and regulatory support; (b) the Director or manager of BUMKAL (Mr. Cahyo) responsible for daily operations and business unit development; (c) an MSME partner of BUMKAL (Mrs. Siti Fatimah) who directly experienced the program's impact on her income. In addition to key informants, the researcher also conducted supporting interviews with two homecare unit technicians and one tour guide to enrich the perspectives.

Data collection techniques employed triangulation through three methods. First, direct observation of the operational activities of BUMKAL business units, including the homecare unit (AC servicing, cleaning service), the commercial unit (brokerage for motorcycle/car purchases), and the tourism unit (batik packages, gamelan, melon picking). Observations were conducted at different operational hours to capture activity variations. Second, semi-structured in-depth interviews with informants, using an interview guide developed from Indrajit's three dimensions of effectiveness (support, capacity, value) and CIT elements (motivation, cognition, power). Each interview lasted between 60 and 90 minutes, was recorded with the informant's permission, and transcribed verbatim. Third, documentation, including BUMKAL annual reports (2023-2025), Village Regulation No. 7 of 2022 and its 2023 amendment, the Sardonoharjo Village profile, Village Deliberation documents, and local media coverage related to BUMKAL.

The main research instrument was the researcher themselves, assisted by observation sheets, interview guides, and recording devices. To ensure data reliability and validity, this study applied several strategies. First, source triangulation by comparing information from the village head, manager, and MSME partner regarding the same events. Second, member checking by reconfirming findings and interpretations with informants to ensure no misunderstanding. Third, an audit trail by systematically documenting the entire research process, including methodological decisions and changes in focus during the research. Fourth, peer

debriefing by regularly discussing with the thesis supervisor and fellow researchers to test the logic of analysis and avoid researcher bias.

Data analysis used the interactive model from Miles, Huberman, and Saldana (2019), which consists of three stages. The first stage, data reduction, involved selecting, focusing, simplifying, abstracting, and transforming data from interview transcripts and field notes. Data irrelevant to the research questions were discarded. The second stage, data display, was conducted in the form of descriptive narratives and thematic matrices to facilitate conclusion drawing. The third stage, conclusion drawing and verification, was carried out iteratively throughout the analysis process. To enhance analytical depth, the researcher integrated findings with Indrajit's (2016) effectiveness theory focusing on three dimensions (support, capacity, value) and Bressers' (2004) Contextual Interaction Theory emphasizing motivation, cognition, and power of actors. The synthesis between empirical data and theoretical frameworks yielded a holistic understanding of program effectiveness, not merely a phenomenological description.

## Result and Discussion

### 1. Support Dimension: The Strong Role of the Village Government

In-depth interview results with the Head of Sardonoharjo Village, Mr. Harjuno Wiwoho, S.E., revealed that the village government's support for BUMKAL Oerip Soemohardjo is not ceremonial but structured, adaptive, and sustainable. In terms of regulation, the Village Government issued Village Regulation No. 7 of 2022, which was later amended in 2023 to accommodate a shift in business strategy from the conventional model (which had previously failed) toward homecare, brokerage, and educational tourism units. The Village Head explained that this regulatory change was important because many BUMKAL in Sleman were hindered by rigid regulations unresponsive to post-pandemic market opportunities. The amended regulation provides flexibility for BUMKAL managers to innovate their business models without having to wait for regulatory changes that take months.

From the budget perspective, the Village Government allocated initial capital of IDR 250 million from the Village Fund in 2023, plus an annual allocation of IDR 50 million for human resource training and promotion. Additionally, the Village Government provides free office and operational facilities, including secretariat space, electricity, and water. In the interview, the Village Head emphasized that this budget allocation is not a form of "blind subsidy" but an initial investment expected to yield long-term social and economic benefits. The target is for BUMKAL to become self-sufficient within three years without relying on the Village Fund.

What is most distinctive and sets BUMKAL Oerip Soemohardjo apart from other BUMKAL is the form of market protection provided. This protection is not protectionist in a way that hinders healthy competition but is competitive through three mechanisms. First, the homecare unit (cleaning and home repair services)

becomes the only service provider officially recommended by the Village. Every resident needing AC repair, cleaning services, or minor renovations is encouraged to use BUMKal's services. Second, the tourism unit requires batik and gamelan packages for every study tour or official visit to the Village. This policy creates a reliable and steady demand. Third, the "Proudly Made in Sardonoarjo" campaign is promoted through various community meetings, including neighborhood association meetings, women's religious study groups, and national holiday events. This campaign is not merely an appeal but is implemented in the procurement of goods and services for village events.

From the perspective of Bressers' (2004) Contextual Interaction Theory (CIT), the Village Head of Sardonoarjo has very high motivation to increase village original income while simultaneously improving the welfare of his residents. This motivation did not arise suddenly but was driven by the painful experience during the pandemic when many residents lost their livelihoods and no local institution could respond quickly. The Village Head's cognition of local potential is also very deep; he understands that the cultural heritage of batik and gamelan can be commercialized without losing their cultural essence, and that urban residents' need for trustworthy household services represents a significant market opportunity. His power as village head is used intelligently as a market maker—not merely a passive regulator. He utilizes his authority to create a market for BUMKal through official recommendations and mandatory tour package policies.

However, a critical analysis of this support dimension also reveals potential weaknesses. High dependence on Village Fund allocation remains a structural risk. If in the future village funds are cut or priorities shift from the central government, then the sustainability of BUMKal's capital will be threatened. Moreover, the very strong support from the current Village Head also raises questions about program sustainability after his term ends. Will his successor have the same commitment? Therefore, strong support must be immediately balanced with institutionalization efforts and diversification of funding sources, for example through profit-sharing from existing business units and partnerships with banks or private investors.

This finding reinforces the research results of Maharani and Nurlukman (2023) that BUMDes success greatly depends on the village head's function as a regulator and facilitator. However, this study goes beyond those findings by showing that the most effective support is not merely financial support but support that creates markets through official recommendations and mandatory policies. This aligns with the concept of "state-led market building" put forward by Ansell and Gash (2008) in collaborative governance theory. The new contribution offered by this study is the identification of three specific market protection mechanisms that can be replicated by other BUMKal in semi-urban areas.

## 2. Capacity Dimension: Business Model Innovation versus Digitalization Limitations

Based on interviews with Mr. Cahyo, the daily manager of BUMKal Oerip Soemohardjo, it was found that the organizational capacity of this BUMKal has both innovative strengths and significant weaknesses. Its main advantage is an asset-light business model that is highly adaptive to capital limitations. The homecare unit, for example, does not require investment in heavy equipment because the recruited local technicians already have their own basic tools (screwdrivers, pliers, multimeters, etc.). BUMKal only provides additional training and simple certification. The brokerage (commercial) unit does not require a physical store or inventory; it merely acts as a mediator between motorcycle/car dealers and buyers, taking a fee of 3-5% from each transaction. The tourism unit utilizes existing assets: residents' homes for batik, the village hall for gamelan, and residents' agricultural land for melon picking. With this asset-light model, the risk of losses due to failed investments can be minimized.

This strategy has proven successful in creating real jobs and increasing residents' incomes. Mr. Cahyo gave an example of a neighborhood head who had been unemployed for two years after the pandemic and is now a reliable AC technician earning an average of IDR 2 million per month. Women from the Family Welfare Movement (PKK) who are part of the batik group receive honoraria of IDR 300,000 every Saturday when there are tourist groups. A young villager who previously worked odd jobs in the city is now a gamelan guide with a regular schedule. Interestingly, the income from these units is recurring, not one-off projects, thus providing economic certainty for the workers.

However, the most prominent weakness of BUMKal's capacity is low digitalization. Almost all operational processes remain manual and analog. Orders for homecare services and tourism packages are still placed via telephone or the manager's personal WhatsApp. Financial records are still kept in handwritten ledgers, so financial reports are often late and prone to errors. There is no digital cashier system, integrated ordering application, or inventory management platform. Consequently, sales trend analysis cannot be done in real time, and business scalability is hampered. Mr. Cahyo admitted that when transaction volumes increase (for example during the holiday season or at year-end), they often become overwhelmed because they have to manually record and confirm each order by phone.

From the CIT perspective, BUMKal managers have very high motivation to empower residents and develop the business. Their cognition of innovative business models (asset-light, brokerage) is also good, as evidenced by their ability to design adaptive strategies. However, their power or resources are limited, especially in terms of capital for technology investment and access to IT training. This digitalization barrier is not merely technical but also cultural. Mrs. Siti Fatimah, an

MSME partner, admitted that she is more comfortable receiving orders by phone because she does not need to learn new applications. BUMKal once tried using online delivery services like GoBiz, but MSME partners had difficulty managing stock in real time and often forgot to update product availability. This shows that the digitalization problem is not only about device availability but also about digital literacy and ingrained habits.

Short-term solutions that can be implemented at no great cost include utilizing WhatsApp Business with product catalogs and Google Spreadsheet for shared recordkeeping. WhatsApp Business allows BUMKal to create product catalogs, automatically respond to messages, and manage orders from one account. Google Spreadsheet shared in real time can replace manual ledgers at zero cost. For the medium term, BUMKal needs to apply for digitalization grants from the Sleman Regency Communication and Information Office or collaborate with community service students from nearby universities to create a simple web-based application. For the long term, professional cashier software and continuous training for managers and partners are needed.

This finding reinforces the research results of Salkiah and Putra (2025) that digital literacy of BUMKal managers in Sleman remains a major obstacle. However, this study provides new nuance by showing that digitalization barriers are twofold: structural (limited capital for IT) and cultural (manual preferences due to habit and lack of trust in technology). This aligns with Wahyudi's (2024) findings on digital literacy in rural areas, but differs in context because BUMKal is not merely an individual business but a collective organization with higher governance complexity.

### **3. Value Dimension: Real Impacts and Participation Gaps**

The interview with Mrs. Siti Fatimah, an MSME partner engaged in laying hen cultivation who has been involved since the reactivation of BUMKal in 2023, shows that the program's benefits are not only economic but also social and psychological. Economically, Mrs. Siti's turnover increased from IDR 600,000 to IDR 1,500,000 per month, an increase of 150% over two years. More importantly, this income is recurring because her production (chicken eggs) is regularly absorbed for tourism package needs (breakfast for groups) and village events (meetings, training, national holiday commemorations). Unlike itinerant selling, which is fluctuating and uncertain, the absorption system by BUMKal provides a valuable market guarantee for small MSMEs.

In addition, Mrs. Siti also utilizes the homecare unit's services for servicing her home AC. The price set by BUMKal for AC servicing is IDR 75,000 per unit, much cheaper than outside technicians who usually charge IDR 100,000 to IDR 120,000. Mrs. Siti claimed to save around IDR 200,000 per year from AC servicing alone, not including cleaning services, which are also cheaper. This shows that BUMKal's

benefits are twofold: as a supplier (increasing MSME income) and as a service provider (reducing household expenses).

Socially, Mrs. Siti was once invited to the Village Deliberation (Muskal) in December 2025, a village-level citizen participation forum. In that forum, she suggested that BUMKals commercial unit sell affordable basic necessities during the fasting month, given that staple food prices usually spike. Her input was heard by BUMKals managers and is being prepared for implementation in Ramadhan 2026. This indicates a functioning participation mechanism, where the community is not merely a passive beneficiary but can also influence BUMKals policies. However, Mrs. Siti also acknowledged that not all MSMEs are invited to the Muskal; invitations are limited to representatives from each hamlet and certain business groups. Marginal groups such as young female entrepreneurs, persons with disabilities, or residents in remote hamlets are often unrepresented.

Broader social impacts include the emergence of new jobs and the circulation of money within the village. Young people who were previously unemployed are now tour guides, gamelan instructors, and social media managers for BUMKals. PKK women with batik skills become instructors for tourists. When tourist groups come, there is automatically demand for catering, decoration, snacks, and local transportation. All of these are provided by local residents, so money circulates within the village and does not leak out. In other words, BUMKals has succeeded in creating a self-sufficient and sustainable local economic ecosystem.

From the CIT perspective, Mrs. Siti has high motivation to continue partnering with BUMKals because of clear and measurable economic benefits. Her cognition of BUMKals has increased significantly through direct experience: she has personally experienced the convenience of cheap AC servicing, the benefits of the absorption of her egg products, and the experience of participating in the Muskal. Her power or resources (business capital, production skills, social networks) have also increased due to higher income, allowing her to develop her business (for example, by increasing the number of laying hens). However, limited participation in the Muskal shows that social inclusion is not yet perfect. Marginal groups still face barriers to information access and opportunities to voice their concerns.

This finding confirms the research results of Rahmah, Azizah, and Putri (2020) that economic empowerment is not merely material assistance but a process of making communities self-reliant through institutional strengthening and market access. This study also aligns with the findings of Fauzi et al. (2023) on the impact of BUMDes financial units on welfare, but with a different emphasis: in the Sardonoharjo case, economic benefits come not only from credit access but also from product absorption and the provision of cheap services. The new contribution of this study is the identification that social benefits (participation and sense of ownership) are as important as economic benefits, and both mutually reinforce each other in creating program sustainability.

#### 4. Synthesis: Effectiveness Dualism and Staged Recommendations

The synthesis of the three dimensions above shows that the effectiveness of BUMKal Oerip Soemohardjo is at a moderate-to-high level, with the following characteristics. Village government support is very strong but vulnerable to changes in Village Fund allocation and leadership succession. Internal capacity is innovative in the asset-light business model but weak in digitalization, which is an absolute necessity in the digital economy era. Benefits have been genuinely felt by part of the community but are not yet evenly distributed, especially among marginal groups whose participation is limited.

Based on Contextual Interaction Theory, the main bottlenecks to effectiveness lie in two aspects. The cognitive aspect: not all residents fully understand the mechanisms of participation and the benefits of BUMKal. The power/resource aspect: limited capital for digitalization and human resource training. Therefore, the strategic recommendations generated are not general but specific and staged.

**Stage I (0-6 months ahead) – Quick Phase:** (1) Conduct WhatsApp Business training for 12 managers and 30 main MSME partners, focusing on the use of product catalogs, automatic messages, and order management. (2) Create social media accounts (Instagram and TikTok) for tourism unit promotion, managed by digitally literate local youth. (3) Expand invitations to the Village Deliberation by including representatives from marginal groups (young women, persons with disabilities, residents of remote hamlets) through special quotas.

**Stage II (6-12 months) – Strengthening Phase:** (1) Submit a digitalization grant proposal to the Sleman Regency Communication and Information Office with a minimum target of IDR 15 million for creating a simple web-based ordering application. (2) Form an internal cooperative of BUMKal managers with a voluntary contribution of 2% of the marketing fee from the commercial unit, to be collected as a special digitalization fund. (3) Sign a memorandum of understanding with local vocational high schools or polytechnics that have software engineering and accounting departments for internship programs and technical assistance.

**Stage III (12-24 months) – Sustainability Phase:** (1) Launch an integrated ordering application that combines homecare services, tour packages, and MSME product purchases in one platform. (2) Conduct an effectiveness audit by a third party (e.g., graduate students from Gadjah Mada University or an independent research institution) to measure the impact after digitalization. (3) Replicate the brokerage model for other commodities, such as used electronics or organic agricultural products, for income diversification.

With measurable staged implementation involving all stakeholders, BUMKal Oerip Soemohardjo is expected not only to be effective in the short term but also sustainable in the long term, and can serve as a model for other BUMKal in Sleman Regency and the Special Region of Yogyakarta.

## Conclusion

Based on the results and discussion presented in depth, this study concludes that the effectiveness of the BUMKAL Oerip Soemohardjo program in community economic empowerment in Sardonoharjo Village is at a moderate-to-high level. The support dimension is proven to be very strong due to the adaptive Village Regulation, initial capital allocation of IDR 250 million from the Village Fund, and market protection through official recommendations for the homecare unit, mandatory tour packages, and the "Proudly Made in Sardonoharjo" campaign. The capacity dimension shows high innovation through asset-light business models such as homecare (AC servicing, cleaning service), brokerage (mediating motorcycle/car purchases with a 3-5% fee), and educational tourism (batik, gamelan, melon picking). However, the capacity dimension remains weak in digitalization, as reflected in manual financial recording, ordering via telephone/WhatsApp without an integrated system, and the absence of a digital cashier application. The value dimension has been directly felt by the community, evidenced by an increase in MSME partners' turnover of up to 150% (from IDR 600,000 to IDR 1,500,000 per month), access to affordable services (AC servicing at IDR 75,000 compared to the market price of IDR 100,000), the creation of new jobs for local technicians, tour guides, and batik instructors, and the development of a self-sufficient local economic ecosystem with money circulating within the village.

The program's impacts are not only economic but also social, including increased community participation in Village Deliberations, a growing sense of ownership of BUMKAL, and strengthened social capital at the community level. However, these benefits have not been evenly distributed among all residents, and participation in decision-making forums remains limited to certain groups. Marginal groups such as young women, persons with disabilities, and residents in remote hamlets still face barriers to information access and opportunities to voice their concerns.

Bressers' (2004) Contextual Interaction Theory reinforces the finding that the motivations of the three actors (Village Head, BUMKAL managers, and community) are aligned and high. The cognition of the Village Head and managers regarding local potential and business strategies is very good, while community cognition continues to increase through direct experience using BUMKAL's services. Power or resources are used collaboratively, with the Village Head acting as a market maker, managers as innovators, and the community as both producers and consumers. The main bottlenecks hampering effectiveness are low digitalization (limited devices, literacy, and manual habits) and limited access to participation forums for marginal groups.

This study has several limitations that need to be acknowledged. First, it focuses on only one BUMKAL in one village, so generalization of findings to other BUMKAL in Yogyakarta or other provinces must be done cautiously. Second, the

relatively short research period (5 months) is insufficient to capture long-term dynamics, especially program sustainability after the Village Head's term ends. Third, this study relies on qualitative data from interviews and observations, without quantitative data that could measure effectiveness statistically (e.g., pre-test post-test comparisons). Fourth, this study did not involve informants from dissatisfied groups or those who chose not to partner with BUMKAl, so perspective bias may exist.

Future researchers are advised to: (1) conduct comparative studies across several BUMKAl in Yogyakarta to test the validity of these findings in different contexts; (2) use mixed methods (qualitative and quantitative) with a pre-test post-test design to statistically measure the program's impact on income and welfare; (3) extend the research period to at least 2-3 years to capture sustainability dynamics; (4) involve informants from non-participant groups to understand barriers and reasons for dissatisfaction; (5) empirically test the staged digitalization model recommended in this study to examine cost-effectiveness and its impact on BUMKAl performance.

For the Sardonoharjo Village Government, this study recommends: (1) accelerating digitalization through the development of an integrated ordering application and digital cashier system, utilizing grants or collaboration with universities; (2) expanding invitations to the Village Deliberation to be inclusive of all MSMEs including marginal groups, by providing special quotas and accommodation facilities; (3) establishing partnerships with banks or microfinance institutions for additional capital to procure IT equipment and continuous training; (4) increasing tourism promotion through social media such as Instagram and TikTok to reach a wider urban tourist audience; (5) conducting periodic evaluations every six months using measurable effectiveness indicators (average MSME partner turnover, number of jobs absorbed, Muskal participation rate, and community satisfaction index). For other BUMKAl in Yogyakarta, this study offers an asset-light model (homecare, brokerage, tourism) that can be replicated in semi-urban areas with cultural tourism and MSME potential. For academics, this study opens avenues for quantitative studies on the correlation between digitalization and BUMKAl effectiveness, as well as ethnographic studies on power dynamics in BUMKAl governance.

With the implementation of the staged recommendations designed—from WhatsApp Business training in the first six months, submission of digitalization grants within one year, to the launch of an integrated application within two years—BUMKAl Oerip Soemohardjo is expected to be not only effective in the present but also sustainable in the long term. The success of this BUMKAl can serve as a model for other BUMKAl in Sleman Regency and the Special Region of Yogyakarta as a whole, as well as contribute to the development of public organization effectiveness theory in the context of the people's economy at the local level.

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