

## Development Of Bumdes Business Through Mosque Economic Business

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### ABSTRACT

Essentially, a Village-Owned Enterprise (BUMDesa) operates as a social enterprise, a business entity that actively seeks solutions to address social problems in the community. In this regard, social enterprises need to be distinguished from other socially oriented organizations and initiatives that benefit the community but are not businesses and rely more on aid. In the context of a Village-Owned Enterprise (BUMDesa), as a socially oriented institution, it is intended as part of the village government's primary duty to provide solutions to social problems within the community. However, when the Village Government is able to resolve these social problems through activities that generate added value in terms of profit, this becomes a distinct advantage for the Village Government. In the next concept, the presence of Village-Owned Enterprises (BUMDesa) as an economic or profit-oriented institution generates Village Original Income (PADes). This situation should motivate the village government and all related parties to work together to formulate a strategy for establishing Village-Owned Enterprises as economic institutions in the village capable of realizing the true function of BUMDes, including job creation and absorption of the village's workforce. This can be realized when Village-Owned Enterprise (Bumdesa) managers are given full authority through the Village Deliberation to optimize all potential, assets, community institutions, and resources within the village to transform them into business opportunities that can become profit-oriented business units for the advancement and sustainability of the Bumdesa. Based on the aforementioned background, using a strengths (discovery) approach to these potentials, the topic of discussion in this paper can be formulated: "How to develop Village-Owned Enterprises (BUMDesa)" by optimizing village community institutions (Karang Taruna/Mosque Youth) in managing mosque economic enterprises.

**Keywords:** Village-Owned Enterprises, Mosque Economic Enterprises, Village Development, Village Potential, Community Empowerment

### INTRODUCTION

Village-Owned Enterprises (BUMDesa) have emerged as a vital mechanism for bolstering the rural economy and enhancing community welfare in Indonesia (Nugroho et al., 2023; Revida et al., 2023; Saputra, Havlíček, & Marhadi, 2025). The formation of BUMDesa is governed by Law Number 6 of 2014 regarding Villages and is further reinforced by Government Regulation Number 11 of 2021 pertaining to Village-Owned Enterprises. These laws underscore that BUMDesa operates not merely as a commercial entity but also as a social organization that fosters community empowerment and rural economic advancement. By optimizing local resources, BUMDesa is anticipated to serve as a catalyst for sustainable rural development and a source of Village Original Revenue (PADes).

The advancement of BUMDesa is intricately linked to the capacity of village administrations and communities to recognize and leverage local potential efficiently (Sanjaya et al., 2025; Takwani & Martiningsih, 2024). Villages typically exhibit diverse forms of potential, encompassing natural resources, human capital, cultural values, social institutions, and advantageous geographical positions. When effectively managed, these resources can provide profitable economic activities that enhance the quality of life in rural areas (Bianchi & Fernandez, 2024; Ferreira, Broughton, Broadhurst, & Ferreira, 2024; Liang, 2024). In this setting, collaboration among village administrations, community organizations, and youth groups is crucial for the longevity of local economic projects.

Besides its economic focus, BUMDesa also undertakes a social purpose to tackle community issues via community-based business initiatives (Kartikasari, Zainuddin, & Jamil, 2024; Maryunani, 2023; Sakti, Bintoro, Kadafi, & Setyanti, 2023). Integrating community institutions into productive economic activity is a crucial strategy for enhancing village economic potential. Youth organizations within mosques and local community groups can significantly contribute to the administration of community-based enterprises. The presence of these organizations enhances social involvement and fosters chances for youth empowerment and community engagement in local economic growth.

One strategic opportunity that can be cultivated through BUMDesa is mosque-based economic enterprises. Mosques serve as both places of worship and potential hubs for social and economic activities in rural communities. The advantageous positioning of numerous mosques, particularly those situated along significant transportation corridors, facilitates the establishment of diverse commercial ventures, including coffee shops, restaurants, local product centers, rest spaces, and community-oriented creative industries. These activities can yield economic advantages while concurrently bolstering social and religious functions within the village community.

The enhancement of mosque economic businesses necessitates effective planning, administration, and cooperation among many stakeholders. The efficacy of these initiatives relies on the capacity of village administrations, BUMDesa managers, mosque youth organizations, and local communities to collaborate in leveraging village resources and local potentials. Moreover, sustainable management techniques and market-oriented approaches are essential for maintaining the viability and competitiveness of village-based firms.

This study examines the advancement of BUMDesa through mosque economic businesses by enhancing community institutions, specifically mosque youth organizations, in the administration of productive economic activities. This study seeks to investigate the viability of mosque-based commercial ventures as a means to enhance village economies and foster sustainable community empowerment.

## **METHODS**

This research utilized a qualitative descriptive methodology to examine the evolution of Village-Owned Enterprises (BUMDesa) via mosque-centered economic initiatives. The qualitative approach was chosen because it facilitates comprehensive knowledge of village economic development plans, community engagement, and the leverage of local institutional capabilities in fostering sustainable rural economic initiatives. The research concentrated on enhancing community institutions, specifically mosque youth organizations and local community groups, in facilitating the administration of mosque-based economic enterprises under BUMDesa. The discourse highlighted the recognition of village potential, the administration of mosque commercial ventures, and the pivotal role of community engagement in enhancing rural economic development.

The data utilized in this study were acquired by literature review and document examination. A multitude of sources was scrutinized, encompassing legislation and governmental regulations pertaining to Village-Owned Enterprises, literature, scholarly papers, policy documents, and other pertinent references addressing village economic development, community empowerment, and mosque-centered economic activities. This paper analyzes significant rules, including Law Number 6 of 2014 about Villages, Government Regulation Number 11 of 2021 regulating Village-Owned Enterprises, and Ministerial rules pertaining to village economic growth.

The analysis of data was performed utilizing descriptive qualitative methods. The gathered data were rigorously categorized, evaluated, and analyzed to ascertain the correlation between village potential, community institutions, and the advancement of mosque-based economic businesses. The analysis also evaluated supportive factors, possibilities, and problems in the implementation of mosque economic businesses within the framework of BUMDesa development strategies.

This strategy aims to elucidate how mosque-based economic ventures might enhance BUMDesa, foster community engagement, and promote sustainable economic development in villages.

## RESULT AND DISCUSSION

Analysis of regulations, policy papers, and other studies concerning Village-Owned Enterprises (BUMDesa) yielded three principal findings. The success of BUMDesa development is on the capacity of village governments and communities to recognize and leverage local potential. Secondly, mosque-based economic companies exemplify a viable business model that amalgamates economic, social, and religious functions. Third, community institutions, especially mosque youth organizations, are crucial in fostering the viability of rural economic endeavors. These findings point out the importance of collaboration among village governments, BUMDesa management, and community institutions in fostering sustainable rural economic development.

### Identification of Village Potential for BUMDes Advancement

The research of the paper indicated that the potential of the village serves as the fundamental basis for the development of BUMDesa businesses. The examined literature and policy documents constantly highlight that the efficacy of BUMDesa hinges on the capacity to identify and leverage local resources in accordance with village characteristics. These potentials encompass natural resources, human resources, social institutions, cultural values, and strategic geographical situations. Identifying village potential is a crucial step in ascertaining suitable economic prospects for Village-Owned Enterprises (BUMDesa) (Kennedy & Kusuma, 2024; Rawashdeh, Elayan, Shamout, & Hamouche, 2022; Septemuryantoro, 2024). Accurate identification allows village governments and BUMDesa management to develop business strategies that correspond with local need and accessible resources.

The analysis of the examined papers reveals that village potential can be classified into two primary categories: physical and non-physical resources. Physical resources encompass land availability, agricultural zones, water resources, fisheries, livestock, village infrastructure, and topographical conditions conducive to economic operations. Villages with fertile agricultural land, strategic transit links, or plentiful natural resources generally have enhanced prospects for building viable commercial sectors. Moreover, the availability of infrastructure, including roads, electricity, internet connection, and public facilities, significantly impacts the efficacy of village economic development initiatives.

Non-physical potentials encompass social ideals, cultural traditions, community solidarity, inventiveness, and local institutions that enhance community engagement. Social institutions, including mosque youth clubs, women's groups, farmer associations, and community organizations, constitute significant social capital in facilitating village development efforts. These institutions foster social solidarity and collective accountability, which are vital for sustaining community-based economic ventures. Robust social connections among community members can promote collaboration, enhance participation, and enable the execution of village economic activities.

The analysis also illustrates that non-physical resources, especially social capital and community institutions, significantly contribute to the viability of village-based commercial operations. Conversely, non-physical potentials encompass social cohesion, collaborative efforts, creativity, local culture, and the presence of communal institutions, like mosque youth programs and community groups. These intangible resources significantly contribute to the sustainability of village-based economic operations by fostering community engagement and shared accountability.

The enhancement of village potential necessitates methodical mapping and meticulous planning. In this setting, village governments and BUMDesa management must undertake observations, engage in talks, and facilitate community consultations to discern economically viable and sustainably enduring business options. The mapping process is crucial as it facilitates the identification of strengths, limitations, opportunities, and obstacles encountered by villages in establishing economic ventures. By implementing effective mapping, village administrations can prioritize business sectors that align with community needs and local market conditions.

Community participation in the mapping process is crucial, as local populations have a more profound comprehension of village conditions, issues, and market prospects. Participatory techniques allow community members to share ideas, experiences, and local knowledge that can enhance the efficacy of economic programs. Furthermore, engaging communities in decision-making processes enhances their sense of ownership and accountability regarding the sustainability of village enterprises. Consequently, participatory techniques emerge as a crucial strategy for enhancing village economic development and assuring the enduring viability of BUMDesa projects.

Within the framework of BUMDesa development, the assessment of village potential serves as a strategic basis for establishing commercial priorities. Business activities undertaken by BUMDesa should prioritize not just profit production but also the fulfillment of community needs and the creation of wider social benefits. Consequently, village economic operations must be tailored to local attributes, accessible resources, and community ambitions. The amalgamation of economic, social, and cultural dimensions is crucial for ensuring that village development initiatives foster sustainable community empowerment and bolster rural economic resilience. The findings indicate that village potential mapping must encompass not just natural resources but also social institutions and community engagement as strategic assets. This discovery corroborates earlier research highlighting that social capital is a crucial factor in the successful economic development of rural areas and the sustainability of BUMDesa.

### **Development of Mosque-Based Economic Enterprises**

The document analysis highlighted mosque-based economic enterprises as one of the most viable alternative business models for BUMDesa development. This concept employs mosque buildings as both religious centers and business venues that can generate revenue and foster community empowerment. Mosques serve as both religious centers and social entities capable of fostering communal economic activities (Fahmi, Suyitno, & Rochmiatun, 2023; Rakhmawati

et al., 2024; Utami, Amin, Mustafiyanti, & Alon, 2023). Several mosques, especially those along transportation corridors or in heavily populated areas, are strategically positioned to foster lucrative business ventures that can yield economic advantages for the community. The research indicated that mosque economic enterprises can be established in diverse formats, including coffee shops, restaurants, local product centers, online businesses, souvenir stores, and community recreational places. These commercial endeavors may serve as alternate income sources for the village while concurrently bolstering social and religious duties within the community. The use of mosque environs for productive economic activity generates chances for empowering local youth and enhancing community involvement in village development initiatives.

The administration of mosque-based firms necessitates expert management, strategic business planning, and sustainable marketing approaches. Business sustainability is attainable through the combined management of economic activities by BUMDesa, mosque youth organizations, village governments, and local communities. Collaboration among stakeholders is essential for operational efficiency, financial viability, and enhanced community engagement in fostering village economic development. Establishing mosque-based economic businesses can create employment opportunities for rural communities. Youth organizations and local community groups can engage directly in business administration, marketing, and service operations. This engagement not only fortifies local economic resilience but also augments community skills, creativity, and entrepreneurial capability.

The investigation reveals that the strategic positioning of several mosques facilitates the development of small-scale commercial enterprises, encompassing food services, local product promotion, and community-oriented creative ventures. These activities can foster local economic development while enhancing the social role of mosques in rural communities. This discovery aligns with community empowerment theory, which underscores the significance of using local institutions as agents of development. In this setting, mosques serve as both religious institutions and social and economic catalysts, capable of mobilizing community resources for common wellbeing.

### **The Role of Community Institutions in Supporting BUMDesa**

Community institutions play a crucial role in fostering the development and sustainability of BUMDesa. Entities such as mosque youth clubs, community associations, and village social organizations can serve as strategic collaborators in overseeing village economic endeavors (Ayu Purnamawati, Yuniarta, & Jie, 2023; Sinarwati & I Nengah Suarmanayasa, 2023; Yusuf & Khoirunurrofik, 2022). Their participation enhances social capital and promotes collective engagement in village development efforts. The findings indicate that youth organizations within mosques have significant potential to help mosque-based commercial ventures. These organizations typically comprise productive-age community members endowed with creativity, social networks, and a fervent desire to engage in community activities. With appropriate supervision and organizational assistance, mosque youth organizations can effectively engage in commercial management, orchestrate promotional initiatives, and ensure the sustainability of economic programs.

Community engagement is crucial for fostering public confidence in BUMDesa initiatives. The efficacy of village economic businesses predominantly relies on community backing and participation. Consequently, open governance, inclusive decision-making, and ongoing communication between BUMDesa administrators and community members are essential for ensuring program sustainability and social legitimacy.

## **Management of Mosque Economic Enterprises as a Village-Owned Enterprise Business Unit**

Community institutions play a crucial role in fostering the development and sustainability of Village-Owned Enterprises (BUMDesa). Entities such as mosque youth clubs, community associations, women's organizations, agricultural collectives, and village social organizations can serve as crucial collaborators in overseeing village economic initiatives. The presence of these institutions signifies the robustness of social capital in rural communities, which may be used to promote collaboration, collective accountability, and active engagement in village development initiatives. The participation of community institutions enhances the execution of village economic projects due to their strong social ties with local populations. Community institutions typically possess a more profound understanding of local conditions, social dynamics, and community needs than external institutions. Consequently, their involvement can enhance communication, galvanize community engagement, and bolster the durability of village economic initiatives. Moreover, community-based organizations frequently serve as intermediaries between village administrations, BUMDesa administrators, and the populace in executing development projects.

The results indicate that youth organizations within mosques have significant potential to help mosque-based commercial ventures. These organizations typically comprise productive-age community members endowed with creativity, social networks, and a fervent desire to engage in community activities. Their participation is crucial as young individuals are generally more receptive to innovation, technology, and contemporary business techniques. With appropriate supervision and organizational assistance, mosque youth organizations can effectively engage in commercial management, orchestrate promotional initiatives, and ensure the sustainability of economic programs. Youth organizations within mosques can enhance multiple facets of business management, encompassing operational functions, product marketing, digital advertising, customer service, and event coordination. Their participation in economic activities not only sustains the operational viability of mosque-based firms but also fosters young empowerment and entrepreneurial growth. Participation in business management enables young individuals to enhance their managerial skills, leadership capabilities, communication proficiency, and entrepreneurial experience, thereby fostering long-term community development.

Community institutions also play a crucial role in enhancing knowledge about the significance of collective economic empowerment. Community-based initiatives, such as those led by mosque youth groups, can motivate local individuals to engage actively in the support of village economic ventures. This involvement may manifest as labor contributions, product endorsement, commercial collaboration, or community investment. This communal involvement fosters a heightened sense of ownership regarding BUMDesa activities and enhances community dedication to sustaining economic viability. Community engagement is critical to building public confidence in BUMDesa initiatives. The prosperity of village economic ventures predominantly relies on community backing and participation. Communities are more inclined to endorse programs that are administered with transparency, inclusivity, and accountability. Consequently, open governance, inclusive decision-making, and ongoing communication between BUMDesa administrators and community members are essential for ensuring program sustainability and social legitimacy. Transparent communication enables communities to comprehend corporate goals, operational procedures, and the advantages produced by local economic firms.

Moreover, participatory decision-making methods allow communities to offer ideas, thoughts, and recommendations concerning corporate development strategies. This participative method is crucial as it fosters democratic government and mitigates potential conflicts within the community. Engaging local inhabitants in decision-making processes

increases their likelihood of endorsing and actively participating in village economic activities. Thus, community engagement serves as a crucial basis for enhancing social cohesion and guaranteeing the sustainability of BUMDesa initiatives. Community institutions significantly contribute to the preservation of local cultural values and the enhancement of social cohesion in village economic growth. Cultural traditions, social relationships, and religious ideals intricately link economic activities in numerous rural communities. Consequently, the participation of community organizations in overseeing village companies can facilitate the alignment of economic development with local values and community identity. The equilibrium between economic goals and social values is crucial for formulating sustainable and socially acceptable development initiatives.

Notwithstanding their substantial contributions, community institutions encounter numerous hurdles in facilitating BUMDesa development. Restricted managerial capabilities, insufficient financial resources, minimal organizational professionalism, and constrained access to training programs frequently impede the efficacy of community engagement. In certain instances, organizational activities rely on voluntary participation without sufficient institutional backing. Consequently, enhancing institutional capacity via training, mentoring, and organizational development initiatives is essential for augmenting the efficacy of community institutions in bolstering village economic ventures.

Community institutions serve as vital social assets in enhancing the development and sustainability of BUMDesa. Their participation enhances operational efficiency and community engagement while also fortifying social cohesion and collective accountability in rural areas. By engaging in collaborative management and active involvement, community institutions can serve as strategic partners in fostering sustainable economic development and empowering the community.

## CONCLUSION

This study's findings suggest that mosque-based economic businesses provide a strategic opportunity to enhance Village-Owned businesses (BUMDesa) by optimizing village potential, fostering community engagement, and promoting institutional collaboration. and fostering sustainable rural economic development. Optimizing village resources, strategically utilizing mosque assets, and fostering community engagement can generate beneficial economic activities that enhance communal welfare and bolster village economic resilience. The participation of community institutions, especially mosque youth organizations and local groups, is crucial for the viability of mosque-based economic ventures. Cooperative governance among village administrations, BUMDesa managers, and community organizations can enhance business operations, promote community engagement, and augment the efficacy of village economic initiatives. -The execution of suitable business strategies, encompassing resource optimization, institutional collaboration, and digital marketing techniques, is crucial for maintaining firm sustainability and competitiveness. Notwithstanding various obstacles, including constrained financial resources and administrative capabilities, mosque-based economic enterprises continue to represent a viable paradigm for community-oriented economic empowerment and sustainable rural development. The study also emphasizes how crucial mosque youth organizations are as critical partners in overseeing neighborhood-based business ventures. Their participation enhances social capital and supports the sustainability of BUMDesa initiatives.

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