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# Policy Evaluation of the Village-Owned Enterprise (BUMDes) Program in Improving the Village Economy

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**ABSTRACT**

This study aims to evaluate the policy implementation of the Village-Owned Enterprise (BUMDes) program in Bojong Village, Banjarwangi District, Garut Regency, in improving the village economy. The research employs a qualitative approach with a descriptive method and uses the CIPP (Context, Input, Process, Product) evaluation model to analyze the effectiveness of the program comprehensively. Data were collected through in-depth interviews, participatory observation, and documentation involving village officials, BUMDes managers, community members, and other stakeholders. The results indicate that, in the context aspect, the BUMDes program is relevant to the socio-economic conditions and needs of the community and is supported by a clear legal framework. However, the formulation of objectives and business development has not been fully based on a comprehensive analysis of local economic potential. In terms of input, the program is supported by organizational structures, village regulations, and initial capital from village funds, yet it still faces limitations in human resource capacity, infrastructure, and access to additional funding. From the process perspective, the implementation of BUMDes has generally followed established mechanisms and involved relevant village institutions. Nevertheless, community participation, socialization efforts, and internal monitoring and evaluation systems remain suboptimal. In the product aspect, the program has contributed to local economic activities and created initial business opportunities for the community. However, its impact on increasing village original revenue (PADes), employment, and overall community welfare is still limited and unevenly distributed. In conclusion, although the BUMDes policy in Bojong Village is conceptually appropriate, its effectiveness is constrained by weaknesses in input quality and implementation processes, which ultimately affect the overall outcomes of the program.

## INTRODUCTION

BUMDes are designed to function as economic entities that manage village assets, facilitate business activities based on local potential, and increase Village Original Revenue (PADes) as well as community welfare. To support accountability and governance, the government has issued guidelines for financial reporting and management of BUMDes, including Ministerial Decree Number 136 of 2022 concerning Guidelines for Preparing BUMDes Financial Statements, as an effort to strengthen transparency and governance of village business units. The implementation of these guidelines serves as one of the benchmarks for policy evaluation at the village level (PDTT, 2022). Although the number of BUMDes across various regions has increased quantitatively since 2020, national empirical literature and regional case studies (including those in West Java and Garut) show varying results regarding the direct contribution of BUMDes to household income improvement and local employment generation. Many studies identify common challenges such as limited managerial capacity, weak access to non-village funding, unstructured marketing systems, and governance weaknesses that hinder BUMDes from transforming into effective drivers of village economies (Firmansyah & Gamaputra, 2025)

Bojong Village, located in Banjarwangi District, has significant potential in agriculture, plantations, and processed natural products. However, this potential has not been fully optimized by the community, particularly through BUMDes. Currently, BUMDes in Bojong Village still face several challenges, including limited capital, insufficient managerial knowledge among administrators, and limited market access for promoting local flagship products. The Village-Owned Enterprise (BUMDes) of Bojong Village continues to strive to optimize local resource potential through various business units in order to increase Village Original Revenue (PADes) and improve community welfare. The main focus of business development is currently on the food security sector, including livestock and agriculture. Based on the data it can be observed that the business units managed by the BUMDes of Bojong Village are diversified and focused on the productive food sector, including both livestock and agriculture. The three established business units poultry farming, catfish farming, and chili cultivation are all actively operating and fully functional. This indicates the effectiveness of BUMDes management in utilizing initial capital and successfully activating strategic business units with the potential to become sustainable drivers of the village economy.

The operational success of these business units not only offers financial benefits through stable cash flow but also generates significant social impacts within the village ecosystem. Economically, commodities such as chicken meat, catfish, and chili are essential goods with high market demand, ensuring the sustainability of BUMDes income. From a social perspective, these business activities contribute to local employment and strengthen food security at the village level. By integrating the livestock and agricultural sectors, the BUMDes of Bojong Village has indirectly developed a self-sustaining circular economy model, reducing dependence on external food supplies while enhancing the village's bargaining position within the regional supply chain.

Despite their operational status, the implementation of these business units still faces several critical challenges that hinder profit optimization and long-term sustainability. One of the main issues is the fluctuation of feed and fertilizer prices, which directly reduces profit margins. In addition, limited supporting infrastructure, such as technical irrigation systems and post-harvest processing technology, increases the risk of crop failure and decreases product quality during extreme weather conditions. These challenges are further compounded by the relatively low digital literacy among BUMDes managers, particularly in online marketing, resulting in limited market reach that is still largely dependent on middlemen or local traditional markets with weak bargaining power.

Moreover, the gap between regulatory frameworks and actual field practices (BUMDes operations) represents a fundamental issue that requires policy evaluation. On one hand, national guidelines (Permendesa 2020; Ministerial Decree No. 136/2022) provide a technical framework; on the other hand, their adoption and implementation at the village level are often constrained by administrative capacity, commitment of village officials, and technical support from local government and external facilitators. Therefore, policy evaluation should assess not only outcomes but also the fidelity of implementation processes.

Although numerous studies have examined the role of BUMDes in rural economic development, most have focused on specific aspects such as institutional performance, community participation, or financial outcomes. Limited studies have applied the CIPP (Context, Input, Process, Product) evaluation model to comprehensively assess BUMDes policy implementation from contextual needs, resource inputs, implementation processes, and program outcomes. Moreover, empirical evidence regarding the effectiveness of Batuwangi BUMDes in Bojong Village, Banjarwangi District, Garut Regency, remains unavailable. This study addresses this gap by employing a comprehensive CIPP-based evaluation to analyze the effectiveness of the BUMDes Program in improving the village economy.

Focusing on Bojong Village requires a comprehensive understanding of the local context, including economic structure, demographic profile, labor migration patterns, infrastructure availability, and local product marketing networks. Village-level data from the Central Bureau of Statistics (BPS) provide quantitative indicators such as population, employment sectors, and age composition, which can be integrated with village administrative data such as the number of BUMDes units, types of businesses, financial reports, and capital ownership structures to analyze the actual contribution of BUMDes to the local economy (Statistik, 2023)

The evaluation of the BUMDes policy in Bojong Village should adopt a comprehensive model that combines quantitative approaches (economic data analysis, PADes indicators, employment absorption, and household income changes) and qualitative approaches (in-depth interviews with BUMDes managers, village officials, local entrepreneurs, and stakeholders). This mixed-method approach is essential to capture institutional dynamics, governance practices, and non-technical barriers such as social resistance or conflicts of interest. The literature on BUMDes performance evaluation recommends the use of the CIPP model or the theory of change framework to link input–process–output–outcome relationships (Firmansyah & Gamaputra, 2025).

Several key indicators should be the focus of this study, including BUMDes financial sustainability (profit/loss, liquidity ratios), contribution to PADes, the quantity and quality of employment generated, the level of community participation and ownership, and compliance with financial reporting standards in accordance with Ministerial Decree No. 136 of 2022. Measuring these indicators longitudinally from 2020 to 2025 will reveal trends in BUMDes performance in the post-pandemic period and following the implementation of new accounting guidelines.

From a practical perspective, this study also examines the supporting ecosystem of BUMDes, including linkages with district technical agencies (trade, cooperatives, agriculture), access to microfinance or local venture capital, managerial training facilities, and the availability of local or export markets for village products. Case studies of successful BUMDes in various regions indicate that multi-stakeholder partnerships and technical assistance programs significantly increase the likelihood of achieving economic objectives (Pratiwi et al., 2025).

From a policy standpoint, the evidence-based evaluation results from Bojong Village are expected to provide practical recommendations for strengthening BUMDes program design, including improving accountability mechanisms, adopting mixed financing models (village funds combined with external capital), enhancing managerial capacity through continuous training, and developing marketing strategies that optimize local commodity potential. These recommendations are also relevant for district-level policymakers in designing more targeted and adaptive interventions based on field conditions.

The novelty of this study lies in the comprehensive application of the CIPP (Context, Input, Process, Product) evaluation model to assess the effectiveness of the BUMDes Program in improving the village economy in Bojong Village, Banjarwangi District, Garut Regency. Unlike previous studies that primarily focused on program outcomes or institutional performance, this study evaluates the entire policy implementation process from contextual needs and resource readiness to implementation mechanisms and economic impacts. This holistic approach provides a more comprehensive understanding of the factors influencing the success and sustainability of BUMDes in rural economic development.

This study is important not only for Bojong Village but also contributes to the broader literature on BUMDes policy evaluation at the village level, which has shown heterogeneous results. By covering the 2020–2025 analysis period, this research provides insights into post-COVID-19 policy impacts, the implementation of new guidelines (2022), and recent trends in BUMDes management, offering valuable input for decision-makers at the village, district, and provincial levels.

## RESEARCH METHODS

This study employs a qualitative approach with a descriptive method. The qualitative approach is used to gain an in-depth understanding of the implementation process and the impacts of the BUMDes policy (Creswell et al., 2006). This approach is chosen because data collection and observation are conducted in a natural setting without manipulating the research subjects, making the study naturalistic in nature. The type of research used is evaluative research, which aims to assess the effectiveness of a program or policy based on specific criteria (Dunn, 2018). In this study, the BUMDes program in Bojong Village is evaluated using the CIPP (Context, Input, Process, Product) evaluation model.

The selection of evaluative research using the CIPP model is based on the need to comprehensively examine the BUMDes policy, not only focusing on final outcomes but also covering the planning stage through to the socio-psychological impacts generated. Through this approach, the researcher is able to conduct an in-depth analysis of the relevance of village potential (context), the adequacy of resources and capital (input), the effectiveness of operational management in the field (process), and the significance of economic improvement within the community (product).

Research informants were determined using purposive sampling, including the Head of Bojong Village, BUMDes managers, village officials, community members or business actors involved in BUMDes activities, and local community leaders. Data collection techniques consisted of: (1) in-depth interviews to explore information related to the planning, implementation, and evaluation of the program; (2) participatory observation of BUMDes activities and the economic conditions of the community; and (3) documentation, including financial reports, village regulations, and relevant activity records.

The research informants were selected using a purposive sampling technique, in which participants were chosen based on their in-depth knowledge and involvement in the implementation of the Village-Owned Enterprise (BUMDes) Program in Bojong Village. The informants in this study consisted of the Head of Bojong Village, the Village Secretary, village officials responsible for BUMDes affairs, the Chairperson/Director of BUMDes, BUMDes management members, village facilitators, community leaders, and community members who are beneficiaries of or business actors involved in the BUMDes program.

This research was conducted at the Village-Owned Enterprise (BUMDes) of Bojong Village, Banjarwangi District, Garut Regency. The research site was selected because the BUMDes remains actively engaged in several business units and is highly relevant to the focus of this study, namely the evaluation of BUMDes policies in improving the village economy. The study was carried out from July 2025 to December 2025, encompassing the stages of preparation, data collection, data analysis, and report writing.

## RESULTS AND DISCUSSION

### Context Evaluation

The establishment and implementation of the Batuwangi BUMDes Program in Bojong Village, Banjarwangi District, Garut Regency, were motivated by the economic conditions of the local community, which are still dominated by the agricultural sector and micro-enterprises, with limited access to capital and markets. Economic activities are largely carried out individually and have not been optimally managed. Context evaluation in Bojong Village needs to assess whether the objectives of the BUMDes policy are aligned with the needs of the village community in improving the economy, such as job creation, optimization of local potential, and contributions to village revenue (PADes). National empirical studies indicate that villages with BUMDes tend to have higher Village Development Index (IDM) scores compared to those without BUMDes, suggesting a positive relationship between BUMDes policies and overall village development (Ultari & Khoirunurrofik, 2024).

Context evaluation also examines the extent to which the BUMDes program responds to specific local community needs. In many evaluative studies, these needs include increasing household income, improving market access, and empowering marginalized communities. However, the literature indicates that BUMDes often have not been able to fully meet these needs independently, mainly due to lim-itations in capital, human resource capacity, and collaboration mechanisms with external stakeholders (such as local governments and the private sector) (Rachmawati, 2024).

In the context of Bojong Village, context evaluation must empirically identify patterns of community needs, for example through surveys or interviews with local economic actors, so that the objectives of the BUMDes program truly reflect real economic aspirations and constraints in the village. One important aspect of context evaluation is assessing the capacity of the local environment to support the success of BUMDes. This includes the availability of competent human resources, village economic infrastructure, and the readiness of the community to participate in BUMDes business units.

National empirical research emphasizes that although BUMDes programs can improve certain village development indicators, their overall impact on the local economy remains varied and often not significant unless supported by adequate complementary policies (Ultari & Khoirunurrofik, 2024).

Based on the understanding of context evaluation, seve-ral important policy implications for BUMDes in Bojong Village include:

First, expanding community participation in formulating program objectives so that local economic needs are well reflected in the BUMDes strategic plan. Community participation is a fundamental foundation of community-based development. According to participatory development theory, involving citizens throughout the entire program cycle from planning to evaluation enhances ownership and the effectiveness of program implementation (Sari et al., 2024).

Empirically, active participation contributes to the success of BUMDes by increasing the relevance of its activities to local community needs, building social capital that strengthens community support for the program, and reducing social resistance because citizens feel they have a voice in economic decision-making (Khairina et al., 2025). However, challenges to participation still arise due to low economic literacy and limited access to information (Adinda et al., 2022). Therefore, strategies are needed to formally integrate participatory planning mechanisms into village development meetings (Musrenbang) and other community forums, as recommended by research findings.

Bojong Village needs to strengthen formal participatory mechanisms, such as jointly formulating the vision and mission of BUMDes with the community, conducting focus group discussions (FGDs), and disseminating clear information about the objectives and benefits of BUMDes. This

will enhance the social legitimacy of BUMDes as a community-based economic institution.

Second, customizing BUMDes policies according to local potential (such as agribusiness, ecotourism, and logistics services) to ensure real economic relevance. BUMDes is designed to utilize local resources to improve the village economy through business units based on local economic development (Ultari & Khoirunurrofik, 2024). Policy customization means aligning the types of BUMDes business units with local economic characteristics so that their impact is more significant.

Research in various villages shows that BUMDes managing unique local potentials (such as distinctive agribusiness or community-based tourism) are more capable of increasing household income and community welfare compared to BUMDes that only focus on general business activities without differentiation (Agus et al., 2025). Therefore, the selection of BUMDes business units in Bojong Village must be based on systematic analysis of local potential, for example through village economic profiling. The policy should emphasize comparatively advantageous sectors that can support local economic growth. In addition, business diversification strategies can help mitigate risks from fluctuations in specific economic sectors.

Third, strengthening organizational governance and human resource capacity, supported by training and accounting systems that align with best practices for micro and village economic institutions. The success of BUMDes heavily depends on managerial capacity, good governance, and the competence of its human resources. Institutional theory suggests that economic institutions are effective only when supported by adequate organizational structures and strong human resource competencies (Khairina et al., 2025).

Research also indicates that many BUMDes face challenges in managerial training, accounting systems, and market understanding (Agus et al., 2025). Without capacity improvement, BUMDes risk stagnation due to their inability to manage business units professionally and adapt to market dynamics. Therefore, Bojong Village needs to allocate budgets and design regular training programs for BUMDes managers, including financial management, digital marketing, and technical business skills. This approach will strengthen organizational governance, improve accountability and transparency, and promote professionalism in BUMDes operations.

Fourth, cross-sector collaboration with regional policymakers and market actors to address external constraints that may limit the impact of BUMDes policies. Cross-sector collaboration represents an important form of collaborative governance in local economic development. This theory suggests that the involvement of government, the private sector, and the community can overcome resource limitations and enhance the effectiveness of development programs (Widiastuti et al., 2024). Case studies in several villages show that collaboration between BUMDes, cooperatives, MSMEs, and local governments can create synergies in market access, distribution of local products, and community empowerment (Jaya, 2025). Furthermore, collaborative relationships create broader support networks for BUMDes, strengthening the village's economic position within the regional ecosystem.

Therefore, cross-sector collaboration strategies must become an integral part of the BUMDes development plan in Bojong Village. The village government needs to establish strategic partnerships with district governments, microfinance institutions, cooperatives, and local/regional business actors. These collaborations may include capital support, joint training programs, market access, and even digital marketing technologies for village products.

Context evaluation is the initial component of the CIPP evaluation model (Context, Input, Process, Product), which is based on the ideas of Daniel L. Stufflebeam (Stufflebeam & Shinkfield, 1985). This evaluation assesses needs, objectives, and the alignment of the program with environmental conditions and existing problems to ensure that the formulated policy is relevant and appropriately targeted within the framework of improving the village economy, as implemented in the BUMDes of Bojong Village.

Theoretically, the CIPP model positions evaluation as an integral part of the program management cycle, not merely as a final assessment, but as a process conducted before, during, and after program implementation. This contrasts with many other models that focus primarily on outcomes or final results (Stufflebeam & Shinkfield, 1985). BUMDes, as a village economic institution in Indonesia, has a strong legal foundation through Government Regulation No. 11 of 2021 concerning BUMDes, which emphasizes the utilization of local potential to increase village revenue (PADes) and support sustainable village development. This policy is part of the implementation of Law No. 6 of 2014 on Villages, which grants villages autonomy in managing local economic institutions (Dja'far et al., 2024).

The findings imply that the development strategy of Batuwangi BUMDes should be directed toward addressing the primary economic constraints faced by the community, particularly limited access to capital, restricted market opportunities, and the fragmented nature of local economic activities. Since the majority of residents depend on agriculture and micro-enterprises, BUMDes should prioritize business units that provide production support, facilitate access to financing, strengthen product marketing networks, and encourage collective economic activities among community members.

Furthermore, the findings indicate the need for BUMDes to function not only as a business entity but also as a local economic institution capable of integrating individual economic activities into a more organized and sustainable system. Through such an approach, BUMDes can play a strategic role in increasing community income, enhancing the competitiveness of local products, creating employment opportunities, and contributing to village-generated revenue (PADes). Therefore, future BUMDes policies should be designed based on the actual economic characteristics and needs of the Bojong Village community to ensure greater effectiveness and sustainability of village economic development.

**Input Evaluation**

Based on field findings, the inputs of Batuwangi BUM-Des located in Bojong Village, Banjarwangi District, Garut Regency, include the availability and readiness of resources that support the implementation of the BUMDes Program policy. These resources consist of human resources, funding, facilities and infrastructure, supporting regulations, and program planning. In general, BUMDes management has been established through village deliberation mechanisms, taking into account elements of trust and community involvement.

In program evaluation studies, input evaluation includes an analysis of: (1) Human Resources: the qualifications, competencies, and experience of managers and implementers; (2) Facilities and Infrastructure: the available infrastructure, technology, and operational facilities; (3) Funding and

Capital: the availability of budgets, financial support, and mechanisms for utilization and accountability; and (4) Organizational Structure and Governance: internal regulations, decision-making mechanisms, and coordination among stakeholders (Nurcahya et al., 2019). Input evaluation is not merely an inventory of resources, but also an analysis of whether these resources are adequate and aligned with the objectives of the BUMDes policy in improving the village economy.

One common finding in the literature on BUMDes evaluation is the limited capacity of human resources as a major constraint in policy implementation. Studies in several villages indicate that the skills, education, and experience of management directly influence the operational effectiveness of village business units (Todapa & Juemi, 2024). In the context of Bojong Village, it is important to assess whether BUMDes managers possess adequate managerial competence, entrepreneurial understanding, and accounting knowledge to operate business units professionally. Weaknesses in these aspects may hinder the optimization of BUMDes as a driving force for the village economy.

Input evaluation also includes the availability of physical infrastructure and business capital. Capital availability is crucial, as BUMDes requires both initial investment and working capital to sustain its operations. Empirical studies show that limited capital is one of the main obstacles to BUMDes productivity, particularly in villages that are newly developing business units (Fitriani & Gesmi, 2024). Funding sourced from village funds or grants should be analyzed not only in terms of quantity but also in terms of allocation efficiency and management transparency, as part of policy inputs. In addition, supporting facilities such as market access, production facilities, and basic technology are important input factors that need to be evaluated to ensure BUMDes readiness in creating economic value.

The organizational structure is a key aspect of input evaluation, as it determines functional flexibility, transparency, and accountability within BUMDes. Input evaluation examines whether the governance structure has been designed to facilitate coordination among the village government, BUMDes management, and the community. According to the literature, weak and poorly integrated organizational structures often lead to misalignment between policy objectives and operational implementation (Artanto et al., 2023). In the case of BUMDes in Bojong Village, this aspect needs to be analyzed, particularly in terms of how decision-making structures are implemented and whether participatory mechanisms exist between village officials and the community in formulating BUMDes business strategies.

Based on the input evaluation framework, BUMDes in Bojong Village needs to conduct an internal audit of all input components: (1) implementing intensive training and capacity-building programs for management to strengthen managerial and technical business skills; (2) improving access to capital, both through partnerships with microfinance institutions and through PADes reinvestment mechanisms; (3) establishing a clear, accountable, and participatory organizational structure; and (4) providing operational facilities that support the main business units of BUMDes. This is consistent with findings from various regional studies indicating that strong input evaluation is a crucial prerequisite for the successful implementation of BUMDes programs as instruments of village economic development (Meliana et al., 2025).

The findings imply that the sustainability and effectiveness of the Batuwangi BUMDes Program largely depend on the optimization of existing inputs, particularly human resources, funding, facilities, and institutional support. Although the establishment of BUMDes management through village deliberation reflects community participation and social legitimacy, efforts are still needed to strengthen managerial competencies, organizational professionalism, and technical capacities to ensure effective program implementation.

Furthermore, the availability of supporting resources provides a strong foundation for BUMDes development; however, these resources must be managed strategically and integrated through comprehensive planning and clear operational guidelines. The findings also suggest the importance of continuous capacity-building programs, transparent financial management, and adequate infrastructure support to enhance organizational performance. Strengthening these inputs is expected to improve the ability of BUMDes to achieve its objectives, expand business opportunities, increase community participation, and contribute more significantly to village economic development and village-generated revenue (PADes).

**Process Evaluation**

Based on the research findings, the implementation process of the BUMDes Program policy in Bojong Village has been carried out in accordance with the plan, but has not yet reached an optimal level. This is evidenced by the existence of coordination among village institutions, relatively good community participation as beneficiaries, and supervision conducted by the village government and the Village Consultative Body (BPD). However, the implementation process still faces several challenges, including limited human resource capacity, weak structured evaluation systems, and suboptimal community involvement in the management of Batuwangi BUMDes in Bojong Village, Banjarwangi District, Garut Regency.

In the literature on public policy evaluation, process evaluation involves measuring aspects such as implementation standards, the quality of coordination among stakeholders, communication effectiveness during implementation, and responses to challenges encountered in the field. This helps to map the extent to which implementation practices align with the objectives set out in the policy (Prayuga et al., 2025). Effective implementation processes do not solely depend on formal policy structures but also on the relationships among the village government, BUMDes management, the community, and regional authorities. Effective communication, internal coordination, and adaptation to local contexts are key factors in ensuring that the BUMDes policy operates (Meliana et al., 2025).

Process evaluation in policy studies is an analytical stage that assesses how a policy is implemented, including implementation mechanisms, coordination among actors, effectiveness of policy communication, and the dynamics of interactions among stakeholders within the operational context of the program. This evaluation focuses on the linkage between planning and implementation practices and is closely related to the factors influencing policy success in the field (Meliana et al., 2025).

Therefore, process evaluation does not only focus on whether the program is implemented according to established rules, but also on how dynamic interactions among policy elements, managers, and the community occur in real implementation contexts. The results of process evaluation are expected to serve as a basis for recommendations to improve both operational practices and policy design, thereby streng-

thening the contribution of BUMDes to village economic development in the future.

The findings imply that the successful implementation of the Batuwangi BUMDes Program depends not only on the existence of coordination mechanisms, community participation, and supervision but also on the capacity of the organization to manage and continuously improve the implementation process. Although the program has been implemented according to the established plan, the persistence of challenges related to human resource capacity, evaluation systems, and community involvement indicates that the implementation process has not yet fully achieved its intended effectiveness.

Therefore, efforts should be directed toward strengthening the managerial and technical competencies of BUMDes administrators through regular training, mentoring, and capacity-building programs. In addition, a more structured monitoring and evaluation system is needed to ensure that program implementation can be measured, reviewed, and improved on an ongoing basis. Strengthening evaluation mechanisms will enable BUMDes to identify operational weaknesses, assess program outcomes, and make evidence-based decisions.

The findings also suggest the importance of expanding community involvement beyond the role of beneficiaries to include participation in planning, implementation, and evaluation processes. Greater community engagement can enhance accountability, strengthen local ownership, and improve the sustainability of BUMDes programs. Consequently, improving organizational capacity, institutionalizing evaluation practices, and fostering participatory governance are essential strategies for enhancing the effectiveness of BUMDes implementation and maximizing its contribution to village economic development.

**Product Evaluation**

Based on the research findings, product evaluation in this study is aimed at assessing the results and impacts of the implementation of the BUMDes Program policy, both in the short and medium term, particularly in relation to improving the village economy, the benefits perceived by the community, and the contribution of BUMDes to Village Own-Source Revenue (PADes). At present, the BUMDes program has generated initial achievements in supporting village economic activities, although its impact has not yet been fully significant.

In product evaluation, several key indicators commonly used in BUMDes studies include: contributions to village own-source revenue (PADes) and village economic growth; increases in household income or community welfare; job creation and the development of local micro and small enterprises; as well as local economic multiplier effects through capital circulation and village business activities. These indicators serve as benchmarks to determine whether BUMDes outputs have effectively transformed the village's economic conditions compared to the pre-intervention situation.

Product evaluation in the CIPP (Context, Input, Process, Product) policy evaluation model, as proposed by Stufflebeam, is intended to assess the effectiveness of a program's outputs and outcomes in relation to its predetermined objectives (Stufflebeam & Zhang, 2017). In the context of BUMDes (Village-Owned Enterprises), product evaluation is directed at measuring the extent to which the existence and implementation of the BUMDes program contribute to the village economy, including village own-source revenue (PADes), community income, public welfare, and other indicators of local economic development after the program has been implemented.

Various empirical studies show mixed results regarding the impact of BUMDes on village economies across different regions in Indonesia:

a. Contribution to the Village Development Index and Local Economy

   Panel data studies across villages in Indonesia indicate that the presence of BUMDes has a significant positive relationship with the Village Development Index (IDM) as an overall indicator of village development. Villages with BUMDes tend to have higher IDM scores compared to those without, reflecting improvements in local economic conditions and welfare.

b. Increase in Community Income and Welfare

   Several quantitative and qualitative studies have found that BUMDes can increase community income, improve access to economic services, and strengthen local economic empowerment. For example, research conducted in Aeng Tabar, Bangkalan, found that BUMDes had a significant effect on welfare and income improvement, including enhanced economic literacy and better access to business services (Fitria & Tarman, 2025).

c. Cases with Suboptimal Impact

   Not all BUMDes have shown significant results in improving village economies. Studies in several villages indicate that BUMDes have not yet provided optimal contributions to PADes or community welfare due to internal constraints such as limited capital, managerial capacity, or community awareness (Iskandar & Sihombing, 2022). In addition, case studies highlight that operational challenges, such as low human resource capacity and limited community understanding, can restrict the economic impact generated (Setiadi et al., 2024).

Although many studies demonstrate positive outcomes, product evaluation also acknowledges methodological and practical challenges in measuring the impact of BUMDes, including: limited evaluation timeframes where long-term impacts may not yet be visible in the early stages of BUMDes operations; contextual variations across villages, where differences in local economic potential lead to varying outcomes; and data and documentation issues, where limited systematic quantitative data hinder rigorous evaluation.

The findings imply that the Batuwangi BUMDes Program has demonstrated its potential as an instrument for supporting village economic development, as reflected in its initial contributions to local economic activities and community empowerment. However, the fact that its impact has not yet been fully significant indicates that further efforts are required to strengthen the effectiveness and sustainability of the program.

The findings suggest the need for BUMDes to improve the scale, quality, and diversification of its business units to generate greater economic benefits for the community and increase its contribution to Village Own-Source Revenue (PADes). In addition, performance indicators should be developed to measure not only financial outcomes but also broader socio-economic impacts, such as employment creation, income growth, business development, and community welfare improvements.

Furthermore, the limited impact observed in the current stage highlights the importance of continuous innovation, stronger market access, and enhanced collaboration with

government agencies, private-sector actors, and community organizations. Such efforts can help expand business opportunities, improve the competitiveness of local products, and strengthen the economic role of BUMDes within the village economy. Therefore, future policy directions should focus on strengthening business sustainability, increasing economic value creation, and maximizing the contribution of BUMDes to long-term village development.

Based on the research findings and discussion using the CIPP policy evaluation approach, it can be concluded that the BUMDes Program policy in Bojong Village, Banjarwangi District, Garut Regency has been implemented as an instrument of village economic development; however, it has not yet achieved optimal effectiveness in sustainably improving the village economy.

From the input perspective, the implementation of the BUMDes Program policy in Bojong Village is supported by the availability of initial resources, such as organizational structure, initial capital from village funds, and regulatory support from the village government. However, the findings indicate that the quality and adequacy of these inputs are not yet sufficient to support optimal policy implementation.

Limited human resource capacity among BUMDes managers, particularly in managerial, entrepreneurial, and financial management aspects, constitutes one of the main constraints. In addition, limited supporting infrastructure and restricted access to additional capital further constrain BUMDes in developing sustainable business units. Therefore, policy inputs need to be strengthened through human resource capacity building, capital enhancement, and the provision of adequate supporting facilities.

Process evaluation indicates that the implementation of the BUMDes Program policy in Bojong Village has been carried out in accordance with formal provisions, but has not yet been fully effective and consistent. Coordination mechanisms among BUMDes management, the village government, and the community remain suboptimal, particularly in business planning, decision-making, and activity reporting. The findings also show that BUMDes has not yet fully functioned as the primary driver of the village economy, but rather as a complementary component of existing community economic activities. This condition is closely related to limitations in both input quality and implementation processes. Thus, while the objective of improving the village economy has begun to be achieved, it is not yet sustainable nor evenly distributed across the entire community.

Overall, the results of the CIPP evaluation indicate that weaknesses in input and process aspects have directly affected the outcomes of the BUMDes Batuwangi Program policy in Bojong Village. Although the policy context is appropriate and highly relevant, limitations in management capacity, coordination, and resources have resulted in suboptimal outcomes.

Therefore, the success of the BUMDes Program policy in Bojong Village in improving the village economy largely depends on strengthening the integration among the CIPP dimensions, particularly through improving input quality and refining implementation processes. These improvements are expected to generate more significant, sustainable, and inclusive economic impacts for the village community in the future.

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