

## **Balung Kulon Community Economic Empowerment Strategy Through Waste Management of Units of Enterprises Owned by Balung Kulon Village**

Syaifuddin Yahya \* Abdul Wadud Nafis\*\*, Abdul Rokhim\*\*\*

\* Postgraduate Islamic Economics Study Program Kh Ahmad Siddiq State Islamic University Jember

\*\* Postgraduate Islamic Economics Study Program Kh Ahmad Siddiq State Islamic University Jember

\*\*\* Postgraduate Islamic Economics Study Program Kh Ahmad Siddiq State Islamic University Jember

**Abstract:** BUMDes Karya Mandiri in Balung Kulon Village, Jember Regency, has developed a waste management unit as a strategy for community economic empowerment. This initiative aims to transform previously valueless waste into a source of income and a means to enhance community self-reliance. The study aims to describe the implementation of waste management by BUMDes Karya Mandiri and the strategies applied to empower the community through this unit. The research employs a descriptive qualitative approach, with data collected through observation, interviews, and documentation. Research subjects were selected purposively, and data analysis was conducted descriptively using source triangulation as a validity technique. The results show that waste management is carried out through the segregation of organic and inorganic waste by households, schools, offices, and the general public. The management process follows the 3R principles (reduce, reuse, recycle), although the effort to apply the "replace" aspect has not been optimal due to challenges in shifting public mindsets. The empowerment strategies include enhancing the community's capacity for decision-making, fostering economic independence, and promoting sustainable business practices. This waste management unit has proven effective in improving community welfare, creating a cleaner environment, and generating new employment opportunities.

**Keywords:** UMDes; waste management; community empowerment; waste bank; 3R

**JEL Classification:** Fill in with the code JEL Classification

Correspondence: Syaifuddin Yahya

Address: Postgraduate Islamic Economics Study Program Kh Ahmad Siddiq State Islamic University Jember

Email: [Saifyahya3@gmail.com](mailto:Saifyahya3@gmail.com)

## INTRODUCTION

BUMDes is a pillar of economic activities in villages that function as social institutions and commercial institutions. BUMDes as a social institution is on the side of the interests of the community through its contribution in providing social services. Meanwhile, as a commercial institution, it aims to make a profit through the offering of local resources (goods and services) to the market. In running its business, the principles of efficiency and effectiveness must always be emphasized. BUMDes as a legal entity, is formed based on the applicable laws, and in accordance with the agreements built in the village community. Thus, this form is in accordance with the local characteristics, potentials and resources that each village has. Further regulation of BUMDes is regulated through regional alignment (Perda) (Departemen Pendidikan Nasional PKDSP, 2007);(Irfany et al., 2025).

BUMDes or village-owned enterprises and village business institutions managed by the community and village government in an effort to strengthen the village economy and formed based on the needs and potential of the village. BUMDes in government regulation No. 72 of 2005 concerning villages article 78 paragraph 1 says that village-owned enterprises hereinafter referred to as BUMDes are a village economic institution/entity that is a legal entity formed and owned by the village government, managed economically, independently and professionally with capital wholly or mostly separated village wealth. in the end, BUMDes was formed with the aim of obtaining profits to strengthen Village Original Income (PADES), progress the village economy and improve the welfare of the village community (*Government Regulation No. 72 of 2005 concerning Villages Article 78 paragraph (1), 2005*).

The establishment and management of Village-Owned Enterprises (BUMDes) is a manifestation of village productive economic management which is carried out in a cooperative, participatory, emancipative, transparent, accountable and sustainable manner. Therefore, serious efforts are needed to make the management of these business entities run effectively, efficiently, professionally and independently (Ministry of National Education, 2007).

The goal of BUMDes is to optimize the management of existing village assets, advance the village economy, and improve the welfare of the village community. The nature of the business of BUMDes is to erupt on profit, the nature of its management is openness, honesty, partisipative and fair, and the functions of BUMDes are: as a driving force for the village economy, as a Village Original Income business institution (PADES), and as a means to encourage the acceleration of improving the welfare of the village community (Muttaqin et al., 2025).

Village-Owned Enterprises (BUMDes) can consist of several business units such as the management of tourist villages, minimarkets, drinking water management, the provision of agricultural equipment, shophouse rentals, savings and loans by prioritizing village potential, strengthening marketing networks and becoming a means of community empowerment. Entering 2017, the existence of BUMDes is not only used as a forum for managing village-owned businesses as stated in the Regulation of the Minister of Villages, but also required to establish a Waste Bank to process plastic and organic waste in their respective regions. Waste banks are very potential if managed by Village-Owned Enterprises. This can be a solution in waste management at the village level.

Moreover, facilities and infrastructure are still very minimal, so the existence of a Waste Bank can be a solution to control the volume of waste in rural areas (Hadiyanti et al., 2024).

Law number 18 of 2008 mandates waste management with the 3R (Reduce, Reuse, Recycle) principle of the government inviting the public to reduce, reuse and recycle waste. Therefore, waste management with a collection-transport-throw approach is replaced by sorting-collection-transportation-management-processing of the government, making the waste bank a strategy for implementing the 3R (Utami, 2013);(Aji et al., 2025);.

However, 3R activities still face the main obstacle, namely low public awareness to sort waste. One of the solutions to overcome this problem is through the development of a Waste Bank which is a social engineering activity that teaches the community to sort waste and foster public awareness in managing waste wisely and in turn will reduce waste transported to landfills (Final Disposal Sites). The construction of this Waste Bank must be the initial momentum to foster the collective awareness of the community to start sorting, recycling, and utilizing waste, because waste has a fairly good selling value, so that environmentally friendly waste management becomes a new Indonesian culture (Putera & Susanti, 2025).

A waste bank is a collective dry waste management system that encourages the community to actively participate in it, this system will accommodate, select, and distribute waste of economic value in the market so that people get economic benefits from saving waste (Saraswaty & Da Costa, 2025).

Basically, the waste bank is a concept of collecting dry waste and is selected and has management like banking, but what is saved is not money but waste. In government regulation number 27 of 2020 concerning specific waste management, the Waste Bank is a place for sorting and collecting waste that can be recycled and/or reused that has economic value (Pemerintah Republik Indonesia, 2020).

The statistics on the development of Waste Banks in Indonesia in February 2012 are 471 Waste Banks with a total of 47,125 savers and the amount of waste managed is 755,600 kg/month with a turnover value of Rp. 1,648,320,000 per month. This statistical figure increased to 886 Waste Banks running according to data in May 2012, with savings of 84,623 people and the amount of waste managed amounted to Rp. 2,001,788 kg/month and generated money of Rp. 3,182,281,000 per month (Kementerian Lingkungan Hidup, 2012).

As happened in Balung Kulon Village, Balung District, through BUMDes, it has a waste management unit as a program of BUMDes Karya Mandiri which has been running since 2018. Actually, institutionally for BUMDes Karya Mandiri itself has been established since 2016 with a handicraft business unit, in 2018 it developed into a livestock business and a waste management unit.

In this waste management unit, BUMDes Karya Mandiri buys and sells used waste, produces waste recycling and conducts waste transportation services. This waste is processed into handicrafts that have marketability, especially waste derived from wood. In this waste management, BUMDes has at least 12 permanent employees, 53 non-permanent employees and 60 partners. The Waste Management Unit managed by BumDes collaborates with various parties, namely the Environment Agency (DLH),

collectors, Waste Bank grinders, Companies, SOEs & BUMDs, as well as the Police and Bhayangkari. In addition, BumDes Karya Mandiri also has collaborations with 60 partners spread throughout Indonesia, including cooperation with universities, such as the University of Muhammadiyah Jember, POLIJE Jember, the University of Jember, ITS Surabaya and ITB Bandung. Cooperation is also carried out with school institutions and Islamic boarding schools. BumDes Karya Mandiri also collaborates with MSME actors and Waste Banks throughout Jember Regency. BUMDes Karya Mandiri through its waste management unit tries to utilize waste to be used as handicrafts and has high marketability.

From its efforts, at least BUMDes Karya Mandiri is able to contribute to the Village Original Income starting in 2018 of Rp. 3,000,000, in 2019 of Rp. 5,000,000 and in 2020 of Rp. 1,500,000. This contribution has increased and decreased depending on the income from the sale of the handicrafts made. At least from the waste management and handicraft unit, BUMDes Karya Mandiri is able to provide jobs for the surrounding community, a clean and healthy environment, grow new businesses and provide health insurance allocations to cleaners and employees who are BUMDes.

In financial management, there is no separation between the business units that are run, because BUMDes make these business units interrelated with each other. Waste is sorted into types of household waste, school waste, office waste and general waste. Waste is categorized into three, namely organic waste, inorganic waste and wood waste. Organic waste is sent to the Landfill, inorganic waste is managed by the waste bank and sent to waste recycling plants for reproduction. BUMDes Karya Mandiri already owns the factory. General Sampak which comes from wood waste is processed into handicrafts (Nugraha & Kusumastuti, 2024).

## LITERATURE STUDY

Herlina Muzanah Zain's (2018) research from the University of Muhammadiyah Yogyakarta entitled *The Effectiveness of Village-Owned Enterprises in Increasing Village Original Income (Case Study of BUMDes Amarta, Pandowoharjo Village, Sleman District, Sleman Regency in 2016-2017)* examines the extent of the effectiveness of BUMDes management in increasing Village Original Income (PAD). This study uses a qualitative approach with observation, interview, and documentation techniques. The results of the study show that BUMDes Amarta has two main business units, namely the waste management unit and the village shop unit. The waste management unit has succeeded in reaching the community as customers with a mutually agreed tariff system, while the village shop unit implements a profit-sharing system of 80% for MSME actors and 20% for BUMDes. This research highlights the active role of the village government in managing funds and empowering the community as a tangible form of village autonomy. The relevance to this research lies in the focus of community empowerment through BUMDes business units, but it differs in the final goal; Herlina's research emphasizes the contribution to PAD, while this research focuses on community economic empowerment through waste management units (Zain, 2018).

A similar research was conducted by Jumrotul Arafat (2018) from UIN Raden Intan Lampung under the title *Implementation of Village Government Policies in Waste Management to Increase Village Original Income in an Islamic Economic Perspective (Case Study of BUMDes Kuta Dalam Village)*. This study aims to determine the

effectiveness of waste management policies in increasing village PAD and identify factors that hinder its implementation. Using a descriptive qualitative approach, this study explores policy aspects that include operational, institutional, legal, financing, community participation, and health impact aspects. The findings show that the success of waste management is largely determined by the synergy between the village government and the community. The similarity with this study lies in the focus of waste management as a business unit of BUMDes, but it is different in terms of approach; Arafat's research emphasizes the contribution to PAD in an Islamic economic perspective, while this study highlights the socio-economic role of waste management in community empowerment (Arafat, 2018).

The research by Muchammad Fauzan (2018) from UIN Sunan Ampel Surabaya entitled Economic Strengthening of PKK Women's Groups through the Utilization of Plastic Waste in Jabon Village, Mojoanyar District, Mojokerto Regency uses the Asset-Based Community Development (ABCD) approach to explore the potential of local communities. This research focuses on the empowerment of PKK women's groups in plastic waste management as a form of social entrepreneurship education. The results show that the use of local assets such as human resources, the environment, and village government support is an important factor in the success of the program. Training and community organizing are carried out in stages through the process of discovery, dream, design, and destiny. The relevance to this research is seen in the use of an empowerment approach and a focus on waste management, but the object and scope are different. Fauzan emphasizes the empowerment of women's groups specifically, while this research examines the institutional role of BUMDes in empowering village communities in general (Fauzan, 2018).

## RESEARCH METHOD

This study uses a qualitative approach with a descriptive type. This approach was chosen because it is able to describe the phenomenon in depth and contextual, especially related to the implementation of the community's economic empowerment strategy through waste management units by BUMDes Karya Mandiri in Balung Kulon Village, Balung District, Jember Regency. A descriptive qualitative approach is well suited to explore the meaning, social processes, and experiences of participants in real-life contexts (Creswell, 2013) (Moleong, 2017).

The selection of the research location was carried out purposively (purposive sampling), considering that Balung Kulon Village has been actively developing a waste management unit since 2018 as part of the BUMDes program. The research subjects consist of BUMDes managers, waste management unit workers, partners such as the Environment Agency (DLH), community leaders, schools, and the general public who act as waste bank customers. The selection of informants was carried out by considering their level of involvement and knowledge of the program being studied (Sugiono, 2009).

Data collection was carried out through three main techniques: participatory observation, in-depth interviews, and documentation studies. Observations are used to observe direct waste management practices, including classification, recycling processes, and community participation. Interviews were conducted in depth with semi-structured guidance to obtain data on empowerment strategies, socioeconomic changes, and implementation challenges in the field. Documentation is used to complete primary data

through the analysis of activity reports, institutional documents, village profiles, and the results of inter-agency cooperation (Nasution, 2006)(Yin, 2018).

The data was analyzed qualitatively using an interactive model from Miles and Huberman (1994), which included three stages: data reduction, data presentation, and conclusion drawn. Data reduction is carried out by sorting and simplifying data based on the focus of the research. The presentation of data is carried out in the form of a thematic narrative to facilitate the tracing of patterns and tendencies. Conclusions are drawn repeatedly with continuous verification so that the findings are valid and reflective.

To ensure the validity of the data, this study uses a source triangulation technique, which is comparing information obtained from various informants, direct observation results, and official documents. Triangulation is carried out to test the consistency, accuracy, and validity of findings methodologically (Patton, 2002). In addition, re-checks of informants (member checks) are carried out to ensure that the interpretation of data is in accordance with the reality in the field (Creswell, 2013).

## RESULT

This research reveals two main focuses, namely the implementation of waste management by BUMDes Karya Mandiri and strategies used in community economic empowerment through waste management units. First, the implementation of waste management in Balung Kulon Village is carried out through a waste grouping mechanism involving various elements of society, such as housewives, schools, offices, and residents in general. Waste is classified into three types, namely organic, inorganic, and wood waste. Organic waste is partly directed to maggots used as animal feed, while inorganic waste and wood waste are more focused on the recycling process and making handicrafts. This management applies the 3R (Reduce, Reuse, Recycle) principle, but has not fully adopted the Replace principle, due to limitations in changing people's mindsets regarding waste consumption and reduction from the source.

BUMDes Karya Mandiri also provides incentives to people who are active in saving waste, such as basic necessities and precious metals (minigold), which are adjusted to the duration of savings. This management activity is supported by 12 permanent workers, 53 non-permanent workers, and 60 partners spread across various regions. BUMDes establishes strategic cooperation with government agencies, campuses, educational institutions, and MSME actors to strengthen waste management unit systems and networks.

Second, in the aspect of community economic empowerment, it was found that the existence of waste management units was able to increase the economic independence of villagers. People who previously worked outside the city, now tend to choose to work in BUMDes as a form of participation and utilization of village potential. Education and socialization carried out by BUMDes enable people to make their own decisions related to waste management, while fostering collective awareness of the importance of a clean environment and a sustainable economy. Furthermore, the community also showed the ability to use waste as raw materials for future businesses, such as handicrafts that are marketed locally and internationally, as well as the development of the livestock sector through the manufacture of feed from maggots. Turnover data shows a significant

increase from IDR 4,477,800 in 2017 to IDR 314,989,900 in 2020. The contribution to Village Original Income (PAD) was recorded at IDR 3,000,000 in 2018, IDR 5,000,000 in 2019, and IDR 1,500,000 in 2020. The decline in contribution in 2020 was caused by the pandemic which had an impact on the production and marketing of handicrafts. Overall, the results of this study show that waste management carried out in an integrated manner by BUMDes not only functions as an environmental solution, but also as an effective economic empowerment instrument at the village scale.

## DISCUSSION

### **The implementation of waste management carried out by BUMDes Karya Mandiri, Balung Kulon Village, Balung District, Jember Regency**

Waste management is carried out by BUMDes Karya Mandiri through a waste grouping mechanism. The classification is carried out by housewives, schools, offices and the community. Sorting is carried out to make it easier to recycle. Waste is classified into organic and inorganic waste. Inorganic waste managed in waste banks and wood waste waste. The process carried out is reduce, reuse, recycle. The replacement has not been carried out, because BUMDes have not been able to change the mindset of the community to reduce waste in their daily lives. In fact, when saving waste, BUMDes has provided gold for savers for one year or more, as well as providing basic necessities for savers less than one year. BUMDes also collaborates with various parties to realize clean and healthy villages and have an independent economy. In the waste management stage, BUMDes Karya Mandiri has not been able to manage its waste with the integration of the 4 R's as conveyed by the Assistant Deputy for Waste Management from the Ministry of Environment. According to him, waste banks cannot stand alone but must be integrated with the 4R movement so that the immediate benefits are felt not only economically, but also in the development of a clean, green and healthy environment. Based on Law Number 18 of 2008 concerning Waste Management and Government Regulation Number 81 of 2012 mandates the need for a fundamental paradigm change in waste management, namely from the paradigm of gathering and transporting waste to processing that relies on waste reduction and waste handling.

This waste management system can be carried out with four systems, namely (Kusminah, 2018):

a. Reduce

Reduce is reducing waste and saving the use of goods so as not to cause excessive waste. If waste production is indeed unavoidable, then there needs to be an alternative so that the waste produced can be environmentally friendly. It must be followed that in environmental management it is not possible to continuously deal with the "causes" and not deal with the "impact". The causes and impacts must be handled by environmental managers, but it is necessary to remember that management that is getting closer to "impact" is more difficult, more expensive, and incomplete.

b. Reuse

Reuse is by reusing waste that can still be used. Waste in the form of used goods, both used packaging, containers, and so on, can be partially reused. The

principle of reuse is how to strive to use waste both for the same use/function (extending the life of use) and for other uses.

c. Recycle

Recycle is the recycling of waste that can still be recycled. Recycling in this case is an effort to make the same or similar products using the same materials. Some recycling efforts that are relatively easy to implement and provide immediate results are composting and paper recycling.

d. Replace

Replace is an appeal to the public to try their best to minimize plastic bag waste by replacing it with daily shopping baskets and replacing other materials for styrofoam waste because the waste cannot be degraded naturally.

In the stages of waste management in the waste bank, there should be 4 stages of things that must be done. However, in BUMDes only 3 things are done. The replacement process is difficult to do because it has to change the mindset of the community. Actually, this is the most basic thing, namely the idea that trying to minimize the use of waste, so that waste no longer accumulates but can be reduced. Especially household waste. If this replacement process can be done, the process of waste management stages will be much easier. Because as is well known, waste that is not managed properly will be the cause of environmental disturbances and imbalances. Solid garbage that accumulates or is scattered creates the impression of dirty and shabby. So that the aesthetic value of the settlement and the area around the waste looks very low. If in the rainy season, solid garbage can trigger flooding; So during a dry period, the waste will be easily burned. Garbage fires, in addition to causing air pollution, are also a threat to settlements.

However, the waste management carried out by BUMDes Karya Mandiri Balung Kulon is in line with the theory conveyed by the Settlement Research and Development Agency on 3R-Based Waste Management, that there is a waste management process that can cause empowerment in the community. The concept that gave birth to the operation of the waste bank is as follows:

Waste deposited into the Waste Bank is divided into several types, such as plastic, iron, and others. In BUMDes Karya Mandiri, it is divided into organic, inorganic waste and wood waste. Waste that can still be recycled such as organic waste (vegetable pieces, food scraps) can still be used to be more useful for soil fertility applied in their respective households. This is also done at BUMDes Karya Mandiri by managing organic waste into maggot which can later be used for animal feed. However, this has not been fully developed, because BUMDes Karya Mandiri focuses on processing non-organic waste and wood waste to be designed into crafts. For non-organic in the form of plastic, shredding is carried out with a shredding machine.

The longest disbursement of money in the Waste Bank is carried out about once every 3 months. This is not the same as what is done with BUMDes Karya Mandiri Balung Kulon. Saving money from saving waste will be more valuable if the account is stored for more than one year. At least one year of storage will get minigold, if not up to one year of garbage exchanged with basic necessities. Of course, this is a motivation for residents to continue to be diligent in saving waste.

Residents or the surrounding community can help the government to clean the surrounding environment while also being able to save for the future. This is in line with



what is done by the people of Balung Kulon. They do waste classification and the proceeds can be used for their future investments.

Each customer has a large bag stored in the bank to store all the waste they save. Each pocket is given the name and account number of each customer. This has not been done perfectly in Balung Kulon. However, for each resident, there is already a waste sorting according to their respective types. However, there are no special pockets and special facilities from BUMDes.

Not all waste is deposited to junk workers. Some of them, namely plastic sachet and cork, can be processed by the waste bank themselves. There must be cooperation between the baker and the waste bank, as in BUMDes Karya Mandiri Balung Kulon. So that the work of the waste bank is easier with the help of junk workers.

Waste banks deduct funds from the value of waste deposited by customers for operational costs, such as photocopying, making passbooks, paying waste carriers and others. Meanwhile, this has not been done, because the value of waste is still 100 percent returned to customers. So that BUMDes for operational costs do not take from customer accounts, but use operational costs that do come from waste banks.

### **BUMDes Karya Mandiri's Strategy in Empowering the Community Economy through Waste Management Units in Balung Kulon Village, Balung District, Jember Regency**

The empowerment process carried out by BUMDes Karya Mandiri through the waste management unit, there is a welfare side in the community. The criteria for empowered communities by BUMDes Karya Mandiri Balung Kulon, namely:

a. Ability to make decisions

The people of Balung Kulon after receiving education and socialization from the BUMDes Karya Mandiri, the community is able to make their own decisions. People with their own awareness want to collect waste in their homes and at the same time sort it into organic and inorganic waste. The people of Balung Kulon are able to make their own decisions related to waste.

In addition, from the side of the village government itself, by establishing BUMDes Karya Mandiri, it has been able to make its own decisions. Especially the decision in carrying out the managerial BUMDes Karya Mandiri. Regarding the selection of employees, the determination of the type of business and financial management. The type of business owned by BUMDes Karya Mandiri is more oriented towards business activities that can have an impact on the welfare of the village community.

b. Independence

An empowered society is an independent society, especially related to the economy. Since the existence of BUMDes Karya Mandiri, the people of Balung Kulon have economic independence by working at BUMDes Karya Mandiri, especially in waste management and handicrafts. The community can rely on BUMDes in meeting family needs. Usually some residents look for jobs outside the city or abroad, but since the presence of BUMDes Karya Mandiri, people prefer to work in BUMDes, so that BUMDes can indirectly help the economic independence of the Balung Kulon community.

c. The ability to leverage business for the future

Through BUMDes Karya Mandiri, the people of Balung Kulon Village are able to use waste for productive businesses. In this case, the business is in the form of handicrafts. These handicrafts are not only produced for the local but also for the international market. It does not stop at that, but there is also the development of livestock feed from waste, namely maggots. So that the farm is cheaper in cost.

So the following is presented the turnover of BUMDes Karya Mandiri Balung Kulon Village.

Table V.1 Development of Turnover of BUMDes Karya Mandiri

2017	2018	2019	2020
4.477.800	48.272.100	125.455.500	314.989.900

Source: processed from the BUMDes Karya Mandiri document

Based on the data above, BUMDes Karya Mandiri is able to contribute to the Village Original Income as much as; in 2018: Rp. 3,000,000, in 2019: Rp. 5,000,000 and in 2020: Rp. 1,500,000. There was a decrease in contribution in 2020, due to the inhibition of handicraft sales due to the lockdown policy in various countries, PSBB in various regions and PPKM. So that the main income from handicrafts is reduced. The existence of this waste bank also fosters new businesses in Balung Kulon village, such as various types and handicrafts as well as various waste processing businesses.

The above empowerment practice in accordance with the concept of empowerment has been applied by the Prophet PBUH. He gave examples related to the principles of justice, equality and participation in society. Empowerment cannot be separated from the principle of justice which means conditional freedom of Islamic morals, which is interpreted as unlimited freedom, will destroy the social order in human empowerment. as stated in the Quran as follows (Departemen Agama RI, 2004):

لَقَدْ أَرْسَلْنَا رُسُلَنَا بِالْبَيِّنَاتِ وَأَنْزَلْنَا مَعَهُمُ الْكِتَابَ وَالْمِيزَانَ لِيَقُومَ النَّاسُ بِالْقِسْطِ وَأَنْزَلْنَا الْحَدِيدَ فِيهِ بَأْسٌ شَدِيدٌ وَمَنَافِعٌ لِلنَّاسِ وَلِيَعْلَمَ اللَّهُ مَن يَنْصُرُهُ وَرُسُلَهُ بِالْغَيْبِ إِنَّ اللَّهَ قَوِيٌّ عَزِيزٌ

Meaning: Verily, We have sent Our Messengers with clear proofs and We have sent down with them the Book and the balance (justice) so that people can act justly. And We created iron that has strength, greatness, and many benefits for mankind, and that Allah may know who helps Him and His Messengers, though He does not see them. Indeed, Allah is Mighty, Mighty.

The true Muslim society is a human being who provides absolute justice for other human beings, maintains their dignity in distributing their wealth fairly, provides equal opportunities for them to work according to their abilities and fields. So the duty of every individual in Islamic society is required to be fair to all other societies as explained in Q.S al-Hadid verse 25.

Community empowerment in this context is a process in which people, especially those who are under-resourced, women and other neglected groups, are supported to be able to improve their welfare independently. In Islam, the empowerment strategy means developing a system from the ummah, by the ummah and for the benefit of the ummah. About the people who are useful in their lives, Allah SWT said (Almaidah et al., 2018):

أَلَمْ تَرَ كَيْفَ ضَرَبَ اللَّهُ مَثَلًا كَلِمَةً طَيِّبَةً كَشَجَرَةٍ طَيِّبَةٍ أَصْلُهَا ثَابِتٌ وَفَرْعُهَا فِي السَّمَاءِ تُؤْتِي أُكْلَهَا كُلَّ  
حِينٍ يُبَادِنُ رَبِّهَا وَيَضْرِبُ اللَّهُ الْأَمْثَالَ لِلنَّاسِ لَعَلَّهُمْ يَتَذَكَّرُونَ

Meaning: Do you not notice how Allah has made a parable of good words such as a good tree, whose roots are firm and whose branches (rise) to the sky, the tree bears its fruit in every season with the seizing of its Lord. Allah made these parables for people so that they would always remember them (Q.S. Ibrahim 24-25)

Community empowerment activities are an activity that has a clear goal and must be achieved, therefore, every implementation of community empowerment needs to be based on a certain work strategy for its success to achieve the desired goals. So that humans must always be useful to other communities so that the implementation of community empowerment can be achieved according to desire. As explained in Q.S Ibrahim verses 24 and 25. In an effort to empower the community, there are several things that can be done, including: human development, business development, environmental development and institutional development. Human development, business, environmental development and institutional development are one of the approaches carried out in long-term rural development (Tukajang) in realizing an improvement in the welfare of rural communities and indirectly also laying solid foundations for national development.

From the empowerment process carried out by BUMDes Karya Mandiri Balung Kulon, it can be discussed that empowered communities according to the findings are in accordance with Kesi Widjanti who explained related to the indicators of economically empowered communities. These indicators include:

a. Ability to make decisions

The community is able to make their own decisions without any coercion from other parties.

b. Independence

The community has independence in terms of income. So, people no longer depend on other regions to meet their needs. This means that the village community has an income by utilizing the potential of the village.

c. The ability to leverage business for the future

People who are already economically empowered, are able to read the existing business opportunities. So that the community can manage their business for the common good and for the benefit of the future.

In realizing the process of community economic empowerment, especially in the village area, the efforts carried out are by activating Village-Owned Enterprises (BUMDes). The following is an explanation of BUMDes that can have an impact on the economic welfare of the community. BUMDes is a business entity managed and run by the village government. As one of the economic institutions operating in rural areas, BUMDes must have a difference from economic institutions in general. This is intended so that the existence and performance of BUMDes are able to make a significant contribution to improving the welfare of villagers. In addition, so as not to develop a capitalistic business system in the countryside which can result in disruption of the values of community life. BUMDes as an institution that runs several businesses in the village including village economic services, including: financial services business, land and water

transportation services, village electricity, and other types of businesses, distribution of nine village economic staples, trade in agricultural products including food crops, plantations, livestock, fisheries and agribusiness, industry and people's handicrafts. According to this, BUMDes Karya Mandiri Balung Kulon has made efforts in the form of improving the people's handicraft industry. Through waste, people are able to be educated and trained to make handicrafts that can bring income.

BUMDes in their activities do not only rely on commercial activities and seek profits, but also pay attention to aspects of the social welfare of the community. Here are some types of businesses run by BUMDes (Peraturan Menteri Desa, Pembangunan Daerah Tertinggal, dan Transmigrasi Republik Indonesia, 2015):

a. Social Business (Serving)

In this model, BUMDes provides services to the community so that people can feel the benefits of BUMDes in this Social Business model. Based on Article 19 of Permendesa PDTT Number 04 of 2015, BUMDes can run a simple social business that provides public services (serving) to the community by obtaining financial benefits. Business units in BUMDes can utilize local resources and appropriate technology, including: village drinking water, waste management, village electricity business and food barns, local technology resources.

b. Finance (Banking)

It is no secret that some commercial banks do not favor small communities because of the high interest rates set. However, with the existence of these BUMDes, it is hoped that it can help the community, especially small communities, to get access to business capital loans with low interest rates. Based on Article 23 of Permendesa PDTT Number 4 of 2015, BUMDes can run a financial business that meets the needs of micro-scale businesses run by village economic business actors. Business units in BUMDes can provide access to credit and loans that are easily accessible to the village community and free the community from the shackles of dependence on loan sharks.

c. Rental Business (Renting)

In this model, BUMDes has a role as a provider of various equipment needed by the community so that people do not experience difficulties in terms of renting an item they need. Based on Article 20 of Permendesa PDTT Number 04 of 2015, BUMDes can run a business of renting goods to serve the needs of the village community and aimed at obtaining Village Original Income. Business units in BUMDes can carry out rental business activities including: Transportation equipment, party equipment, meeting halls, shop houses, land owned by BUMDes, other rental goods.

d. Brokering Institutions

This model makes the role of BUMDes as an intermediary between commodities that have been produced by the community with a wider market reach. In the sense that the existence of BUMDes can shorten the commodity distribution route to the target market. This will have a positive impact on the community that has produced a commodity so that it is not controlled by middlemen. Based on Article 21 of Permendesa PDTT Number 4 of 2015, BUMDes can run an intermediary business (brokering) that provides services to residents. Business units in BUMDes can carry out intermediary business activities which

include: electricity payment services, village markets to market products produced by the community and other services (Fahmi & Panorama, 2025).

e. Trading

In this model, BUMDes runs a goods or services business where no individual can do it alone. Based on Article 22 of Permendesa PDTT No. 4 of 2015, BUMDes can run a business that produces and/or trades certain goods to meet the needs of the community or to be marketed on a wider market scale. Business units in BUMDes can carry out trading activities including: gas stations, ice factories, liquid smoke factories, agricultural products, agricultural production facilities, former mining wells, other production business activities.

f. Joint Venture (Holding)

In this model, BUMDes seeks to build an integrated business system that shows the potentials possessed by the village. Based on Article 24 of Permendesa PDTT Number 4 of 2015, BUMDes can run a joint venture (holding) as the parent of units developed by village communities both on the local scale of the village and on the scale of rural areas. Business units can stand alone which are regulated and managed synergistically by BUMDes so that they grow into joint ventures. Business units in BUMDes can carry out business activities including: large-scale village ship development to organize small fishermen so that their business becomes more expansive, tourism villages that organize a series of business types from community groups and joint business activities that consolidate other types of local businesses

Based on the explanation above, BUMDes is a forum for business facilitators in community economic empowerment. Waste management is one of the efforts of BUMDes in improving the community's economy. If BUMDes have a waste management business, a clean environment will be created and there will be labor absorption. For example, initially the community only depended on their income from farming, Rp. 45,000 a day with waste management there was an additional Rp. 40,000 to Rp. 120,000. Economic empowerment through waste management, is not directly carried out but can be done through BUMDes to become a liaison between the community and waste management units.

## CONCLUSION

Waste management is carried out by BUMDes Karya Mandiri through a waste grouping mechanism. The classification is carried out by housewives, schools, offices and the community. Sorting is carried out to make it easier to recycle. Waste is classified into organic and inorganic waste. Inorganic waste managed in waste banks and wood waste waste. The process carried out is reduce, reuse, recycle. The replacement has not been carried out, because BUMDes have not been able to change the mindset of the community to reduce waste in their daily lives. Second; The empowerment process carried out by BUMDes Karya Mandiri through the waste management unit, there is a welfare side in the community. The criteria for empowered communities by BUMDes Karya Mandiri Balung Kulon, namely: ability to make decisions, independence, namely an empowered community, namely an independent community, especially related to the economy, the ability to utilize businesses for the future. Waste management is one of the efforts of BUMDes in improving the community's economy. If BUMDes have a waste management business, a clean environment will be created and there will be labor absorption.

## BIBLIOGRAPHY

- Aji, J. S., Mina, F. L. P., & Pahlevi, R. W. (2025). The effectiveness of the role of Village-Owned Enterprises (BUMDes) as an instrument for improving community economic empowerment. *IOP Conference Series: Earth and Environmental Science*, 1475(1), 12019. <https://doi.org/10.1088/1755-1315/1475/1/012019>
- Almaidah, E. I., Effendi, R., & Masrur, I. (2018). Tinjauan Islam Terhadap Peran Bank Sampah Asri Dalam Pemberdayaan Ekonomi Masyarakat Desa Puhsarang Kabupaten Kediri. *Jurnal Qawanin*, 2(2).
- Arafat, J. (2018). *Implementasi Kebijakan Pemerintah Desa Dalam Pengelolaan Sampah Untuk Meningkatkan Pendapatan Asli Desa Dalam Perspektif Ekonomi Islam*. UIN Raden Intan Lampung.
- Creswell, J. W. (2013). *Qualitative Inquiry and Research Design: Choosing Among Five Approaches*. Sage Publications.
- Departemen Agama RI. (2004). *Al-Qur'an dan Terjemahnya*. CV Penerbit J-ART.
- Departemen Pendidikan Nasional. (2007). *Buku Panduan Pendirian dan Pengelolaan Badan Usaha Milik Desa*.
- Departemen Pendidikan Nasional PKDSP. (2007). *Buku Panduan Pendirian dan Pengelolaan BUMDes*. FEUB.
- Fahmi, R. A., & Panorama, M. (2025). Strengthening the role of Village-Owned Enterprises (BUMDes) through Islamic social entrepreneurship. *Journal of Islamic Economics Lariba*. <https://journal.uui.ac.id/JIELariba/article/view/38093>
- Fauzan, M. (2018). *Penguatan Ekonomi Kelompok Ibu-ibu PKK Melalui Pemanfaatan Sampah Plastik di Desa Jabon Kecamatan Mojoanyar Kabupaten Mojokerto*. UIN Sunan Ampel Surabaya.
- Hadiyanti, P., Darmawan, D., & Sasmita, K. (2024). Empowering rural entrepreneurship through Village-Owned Enterprises. *Journal of Nonformal Education*. <https://journal.unnes.ac.id/journals/jone/article/view/5998>
- Irfany, M. I., Purwawangsa, H., & Slamet, A. S. (2025). Rural communities and the One Village One CEO program. *Proceedings of ISOTOBAT IPB*. <https://conference.ipb.ac.id/index.php/isotobat/article/view/1678>
- Kementerian Lingkungan Hidup. (2012). *Profil Bank Sampah 2012*.
- Kusminah, I. L. (2018). Penyuluhan 4R (Reduce, Reuse, Recycle, Replace) dan Kegunaan Bank Sampah Sebagai Langkah Menciptakan Lingkungan yang Bersih dan Ekonomis di Desa Mojowuku Kabupaten Gresik. *Jurnal Pengabdian Masyarakat LPPM Untag Surabaya*, 3(1).
- Moleong, L. J. (2017). *Metodologi Penelitian Kualitatif*. Remaja Rosdakarya.
- Muttaqin, M. Z., Haris, H., Rifdan, & Herman. (2025). Debate: Towards accountability in the village enterprise accounting system. *Public Money & Management*. <https://doi.org/10.1080/09540962.2025.2520515>
- Nasution, S. (2006). *Metode Penelitian Naturalistik Kualitatif*. Tarsito.
- Nugraha, A. T., & Kusumastuti, D. (2024). Enhancing community participation in waste sorting: A study of rural Indonesia. *Journal of Environmental Sociology*, 16(1), 45-60.

- Patton, M. Q. (2002). *Qualitative Research and Evaluation Methods* (3rd ed.). SAGE Publications.
- Pemerintah Republik Indonesia. (2005). *Peraturan Pemerintah No. 72 Tahun 2005 tentang Desa Pasal 78 ayat (1)*.
- Pemerintah Republik Indonesia. (2020). *Peraturan Pemerintah Republik Indonesia Nomor 27 Tahun 2020 tentang Pengelolaan Sampah Spesifik Poin 16*.
- Peraturan Menteri Desa, Pembangunan Daerah Tertinggal, dan Transmigrasi Republik Indonesia. (2015). *Peraturan Menteri Desa, Pembangunan Daerah Tertinggal, dan Transmigrasi Republik Indonesia Nomor 4 Tahun 2015*.
- Putera, D. B. R. M., & Susanti, P. H. (2025). Model pengembangan desa wisata Sangeh berbasis potensi desa. *Jurnal SIBATIK*. <https://www.publish.ojs-indonesia.com/index.php/SIBATIK/article/view/2822>
- Saraswaty, A. N., & Da Costa, B. E. C. M. (2025). Application of the principles of management of Village-Owned Enterprises (BUMDes). *Jurnal Akuntansi, Manajemen Dan Ekonomi*. <https://www.rayyanjournal.com/index.php/jambu/article/view/4209>
- Sugiono. (2009). *Metode Penelitian Kuantitatif, Kualitatif, Dan R&D*. Alfabeta.
- Utami, E. (2013). *Buku Panduan Sistem Bank Sampah \& 10 Kisah Sukses*. Yayasan Graha Unilever.
- Yin, R. K. (2018). *Case study research and applications: Design and methods* (6th ed.). Sage publications.
- Zain, H. M. (2018). *Efektifitas Badan Usaha Milik Desa dalam Meningkatkan Pendapatan Asli Desa*. Universitas Muhammadiyah Yogyakarta.