



## The Role of the Village Head in Managing Bumdes Based on Law no. 06 of 2014 concerning Villages in Realizing Community Welfare Perspective of Islamic Law (Case Study of Bumdesa Aek Haruaya, Portibi District, North Padang Lawas District)

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**Abstract** - This study uses a case study of BUMDes Aek Haruaya, Portibi District, Padang Lawas Utara Regency, to analyze the function of the Village Head in the management of Village-Owned Enterprises (BUMDes) based on Law No. 06 of 2014 on Villages and from an Islamic legal perspective. The primary goal of this study is to assess the Village Head's performance in managing BUMDes and the ways in which this management promotes the welfare of the village community. Field study using a descriptive qualitative technique is the research methodology employed. Through observations, interviews, and pertinent document analyses, data were gathered. According to the report, the Village Head is crucial to the planning, implementation, and evaluation of BUMDes programs. According to Law No. 06 of 2014, the Village Head is expected to manage BUMDes with high transparency and accountability. From an Islamic legal perspective, the management of BUMDes should adhere to principles of justice, welfare, and economic sustainability. The study also identified several challenges, including a lack of resources and training. The main recommendations include enhancing the Village Head's capacity through training, increasing resource allocation, and implementing effective monitoring and evaluation systems. The conclusion of this study emphasizes the importance of the Village Head's role in managing BUMDes to achieve community welfare, while adhering to legal regulations and Islamic principles.

**Keywords:** Village Head, Village Owned Enterprises, Islamic Law, Leadership, Welfare

### I. INTRODUCTION

The establishment of village government and regional autonomy go hand in hand. Village government is the premier community service organization and the key to the success of all projects. Thus, enhancing the village is a step toward hastening the attainment of community welfare. In accordance Villages have the customary right to govern and manage the interests of the local community as well as the right of origin granted by the 1945 Constitution of the Unitary State of the Republic of Indonesia. Additionally, they help make the dreams of independence a reality. During the course of the Republic of Indonesia's constitution, villages have taken on a variety of forms, requiring protection and empowerment in order to grow into powerful, advanced, independent, and democratic entities that lay the groundwork for the establishment of a just and prosperous society as well as the implementation of government (Nurcholis, 2011).

In its implementation, the regulation regarding the Village community's demands and interests have not all been met by the Village so that the practice of implementing Village Government in Indonesia often experiences problems related to Village Financial Management, progress and fair allocation of development in the Village, democratization and others. This kind of thing is a problem in achieving progress in the implementation of Village

Government, if something like this happens, the village head must jump directly and overcome all problems within the scope of the government he leads. The Village Head as the leader of the Village Government must be able to play his role and function optimally, both as a community servant and in managing village assets. (Sujarweni, 2015). To achieve this goal, the village administration consisting of village heads and village officials needs to carry out various strategies, this strategy is important so that the allocation, potential of resources in the village to support the realization of equitable village development. Where village development is intended to be able to enhance the welfare and standard of living for the village community, and one of the things that can village government does to accelerate village economic growth aims to create BUMDes, or village-owned enterprises.

Village-Owned Enterprises were established under Law No. 6 of 2014 regarding Villages, specifically Article 87 paragraph. These entities were later abbreviated as (BUMDes). The first paragraph states that "Villages may establish Village-Owned Enterprises called Village-Owned Enterprises (BUMDes)"; the second paragraph states that "Village-Owned Enterprises (BUMDes) are managed with the spirit of kinship and mutual cooperation"; and the third paragraph states that "Village-Owned Enterprises (BUMDes) may operate as public servants or as businesses in the economic field in accordance with the Law." Law No. 06 of 2014 about Villages, paragraphs (1) and (2), Article 87. Village-Owned Enterprises (BUMDes) distribute goods and services that are administered by the village government and the community in order to meet the needs of the community, both productive and consumptive. Given that Village-Owned Enterprises (BUMDes) would be the primary village enterprise driving the village economy, it is desired that the demand be met without placing undue stress on the community.

Additionally, this institution must be able to offer services at pricing and with offerings that adhere to market norms to non-members (those who live outside the community and the locals themselves). Village-Owned Enterprises (BUMDes) may be founded in accordance with the needs and potential of the village, as stipulated in the law. The government and raising the income of rural According to Regulation of the Minister of Home Affairs No. 39 of 2010 Articles 78-81 about Village-Owned Enterprises, two of the objectives of the establishment of Village-Owned Enterprises (BUMDes) are communities in line with the requirements and capacity of the village. (Articles 78–81 of Minister of Home Affairs Regulation No. 39 of 2010 about Village-Owned Enterprises). For a long time, the government has attempted to boost the rural economy by a variety of programs, but taken as a whole, these initiatives have not produced the expected level of success. and to respond to the economic problems of Aek Haruaaya Village, cooperation from various parties is needed, especially the village government and village communities. Here, the role of the village head is the individual overseeing every activity.

In the science of Constitutional Law, which is a law that regulates the organization of the state, how the organs in the state are located, both the relationship of rights and obligations, and their respective duties, in constitutional law, the Regulations also apply to the connection between the national and local administrations. The government developed village-owned enterprises, or BUMDes, with the goal of enhancing the local economy and managing village potential in line with community expectations. The village owns the majority of the capital of a village-owned enterprise, also known as BUM Desa, by direct participation generated from the community's wealth, as per Article 1 paragraph (6) of Law Number 6 of 2014. To support the growth of the village community, the village is divided into departments to handle its resources, services, and other enterprises. As stated in Law No. 06 of 2014's Village Law Article 1, paragraph 6.

One of the verses about the welfare of the community is the responsibility of the government explained in Q.S. Al Maidah: 32

مِنْ أَجْلِ ذَلِكَ كَتَبْنَا عَلَى بَنِي إِسْرَائِيلَ أَنَّهُ مَنْ قَتَلَ نَفْسًا بِغَيْرِ نَفْسٍ أَوْ فَسَادٍ فِي الْأَرْضِ فَكَأَنَّمَا قَتَلَ النَّاسَ جَمِيعًا وَمَنْ أَحْيَاهَا فَكَأَنَّمَا أَحْيَا النَّاسَ جَمِيعًا وَلَقَدْ جَاءَتْهُمْ

رُسُلُنَا بِالْبَيِّنَاتِ ثُمَّ إِنَّ كَثِيرًا مِّنْهُمْ بَعَدَ ذَلِكَ فِي الْأَرْضِ لَمُسْرِفُونَ

Meaning: Therefore, We have established (a law) for the Children of Israel, that: Whoever kills a man, not because he (kills) another man, or because he does not cause damage to the earth, then it is as if He has killed all men. and whoever preserves the life of a man, it is as if He has preserved the life of all men. And indeed, Our Messengers came to them with clear information, and many of them thereafter truly exceeded the limits of doing harm on the earth. (Department of Religion of the Republic of Indonesia, 2012).

From the above verse, It's evident that using Islamic economics in Village-Owned Enterprises (Village-Owned Enterprises (BUMDes) is very important because the majority of the Indonesian population is Muslim, so Village-Owned Enterprises (BUMDes) that are in accordance with Islamic economic contracts are very relevant such as; The village community actively participates in the processes of overseeing, implementing, and planning. Village-Owned Enterprises (BUMDes) need to be managed to produce advantages and outcomes for local residents in a sustainable way. Meanwhile, Village-Owned Enterprises (BUMDes) were established in an attempt to boost local and village original revenue through strengthening the capacity of the community to plan and oversee village economic development. Additionally, the creation of Village-Owned Enterprises (BUMDes) aims to assist the village community in creating profitable businesses and in lowering and enhancing welfare communities. The village community has three main objectives, which are: enhancing the village economy; raising the village's initial revenue; and enhancing the management of the village's potential in accordance with the needs of the community. (Pengembangan, 2015)

Initial observations and information obtained by the researcher, the Village Head at the settlement of Aek Haruaya, North Padang Lawas Regency's Portibi District, his role is less effective in advancing Village-Owned Enterprises (BUMDes) can be seen in supervision and also coordinators in business activities in Aek Haruaya village. In fact, the leader of the village is crucial in serving and protecting the community because it is one of the keys to the increase in the community's standard of living, particularly in the field of economics. It is evident that the village chief's job is to assist in fostering the community's advancement toward economic independence and advancement based on one of the chief's responsibilities, which aims to enhance communal welfare. At Aek Haruaya Village, North Padang Lawas Regency's Portibi District, village-owned enterprises, or BUMDes, were established on April 20, 2015, under the name Beringin Makmur Sejahtera Village community. These businesses provide a range of services, including village markets, savings and loans, and rent.

Then, the Village Owned Enterprises are those that deal in agricultural facilities, small businesses, and locally made crafts as specified in Village Regulation (PERDes) No. 01 of 2018 concerning Village Owned Enterprises (BUMDes). Since the potential of Village-Owned Enterprises (BUMDes) is accountable for the well-being of the village community as a whole as an autonomous corporate enterprise, there need to be a rise in the economic and service endeavors undertaken by BUMDes. Moreover, to make it possible for those living in rural areas to realize their full potential and gain more. Village-Owned Enterprises in Aek Haruaya village still cannot be said to be effective in contributing socially and economically because the pattern of utilization of Village-Owned Enterprises (BUMDes) is still not running optimally. The Aek Haruaya Village Government has actually made efforts to improve the community's economy such as training in making handicrafts, agricultural counseling to increase crop yields, rental of tents, chairs and stages. (Candra, 2024) . The Aek Haruaya Village Government from April 20, 2015 until now has implemented the Village-Owned Enterprises (BUMDes) program, so that the potential of the village will be able to be developed and allocated properly for the economic progress of the village community and the welfare of the community.

Considering all of the above-mentioned descriptions of the issues, the author is interested in learning more about the challenges facing Aek Haruaya Village's Village-Owned Enterprises (BUMDes) and how the village government—in this case, the village head—plays a role in the growth and development of these businesses program's execution and its effects on the village economy, the writer became curious about the practical reality regarding village

problems that the author will examine by taking by articulating the following issues under the caption Village Leaders' Function in Managing Village-Owned Businesses (BUMDes) Using Law Number 06 of 2014 to Apply Islamic Law to Villages in Enacting Community Welfare (Case Study of Aek Haruaya Village, Portibi District, North Padang Lawas Regency)<sup>1</sup>). What part do Village Heads play in managing Village-Owned Enterprises (BUMDes) and what are their duties? What are the obligations and obligations of the village head in terms of implementing communal welfare from the standpoint of Islamic law?

## **II. METHOD**

This type of research is Field Research. Field research is a method of research conducted by collecting data directly from the location or situation where the phenomenon being studied occurs. The main objective is to obtain more accurate and relevant information by observing and interacting directly with the objects or subjects of the research in their natural environment. In this case, the author directly engages in the field to collect data and documents related to the Role of the Village Head in Village-Owned Enterprises (BUMDes) in Aek Haruaya Village based on the actual conditions observed in the field, using a descriptive qualitative approach.

The research was conducted after the Research Decision Letter (SK) was issued by the Department of State Administrative Law, Faculty of Sharia. This research took place in Aek Haruaya Village, Portibi District, Padang Lawas Utara Regency, for one month, during which data related to the research was collected. The location was chosen considering that it is easily accessible for the researcher, facilitating the collection of the desired data.

## **III. RESULT AND DISCUSSION**

According to Law Number 32 of 2004 regarding Regional Government, village government is understood as a legal community unit with jurisdictional boundaries that is in charge of enforcing local laws and providing for the needs of the community in compliance with regional customs and traditions that are recognized by the federal government and those in districts/cities, as stated in the Republic of Indonesia's 1945 Constitution. The cornerstones of village life are variety, participation, original sovereignty, democracy, and community empowerment government regulations.

Law No. 32 of 2004, explains the autonomy owned by the village government, the village head through the village government can be given tasks by his superiors such as the central government or local governments to carry out their government duties. As a manifestation of democracy in accordance with the provisions of Law No. 32 of 2004, the government in the village government order is formed the Village Consultative Body (BPD) which functions as a regulatory and controlling institution in the implementation of village government, such as in the creation and implementation of Village Regulations, Village Revenue and Expenditure Budgets, and Village Head Decrees. In the village, a community institution is formed that is positioned as a partner of the village government in empowering the village community.

In Islam, leaders are often referred to as caliphs which means "representatives" as Allah says in Surah Al-Baqarah:

It means: "And He is the one who made you rulers of the earth, and He exalts some of you above some (other) degrees, to test you about what He has given you. Indeed, your Lord is quick to punish Him, and indeed He is Forgiving and Merciful." (Q.S. Al An Am: 165) (Indonesia, 2012).

The meaning of caliph can be further elaborated into several meanings as follows:

1. Tagresponsibility for behaving economically in the right way A business that owns, processes or utilizes resources must be managed in the right way;
2. Responsibility to realize maximum benefits In utilizing economic resources, it can provide the greatest benefits for human life as a means of achieving prosperity;

3. Responsibility for improving the welfare of each individual For the improvement of welfare Those who obtain rizki are responsible for giving a part of their rizki to another party who has a small amount of rizki.

Islam holds that achieving welfare does not always mean maximizing income and consumption; rather, it means satisfying both the material and spiritual needs of people in a way that is harmonious. Clothes, food, housing, education, transportation, a sufficient level of life and property security, and all other products and services that truly contribute to comfort and well-being are considered material requirements. In the meantime, spiritual necessities include devotion to Allah, mental tranquility, inner contentment, harmony within the family and community, and the lack of wicked anomie. (Chapra, 2001). In Islam, there is Fiqh Siyasaah Maliyah, Siyasaah Maliyah is a siyasah that regulates the income, management, and expenditure of money or property belonging to the state. The arrangements in Siyasaah Maliyah are oriented to regulate the benefits of the community, in Siyasaah Maliyah including regulating relationships with the community related to property. In this case, the Siyasaah Maliyah fiqh is needed to regulate public relations with the village government regarding the use of village funds.

The history of Village-Owned Enterprises (BUMDes) Aek Haruaya is prosperous inseparable from the existence of the Village Empowerment Program (PPD), the Village Empowerment Program (PPD) is a form of poverty alleviation program as an effort to solve the problem of low people's welfare which is the government's obligation according to the main agenda of national development. In this study, the pillars of Islamic economic development are used to review the use of village funds used for village development in accordance with the pillars of Islamic economic development so that the purpose of using village funds to be able to increase development can be realized.

#### **a. Village Heads' Duties and Functions in the Administration of Village-Owned Businesses (VOBs)**

In addition to being a financial institution, Village-Owned Enterprises (BUMDes) can also create enterprises in order to boost the local economy. The primary goal of BUMdes is to give credit loans to individuals who require them in order to operate a business. Village-Owned Enterprises (BUMDes) are village business establishments that are developed according to the needs and potentials of the village and are managed by the village government and community in an effort to strengthen the local economy. Village-Owned Enterprises (BUMDes) were founded, among other things, in the framework of raising Village Original Revenue (PADes), in accordance with law number 32 of 2004 respecting Regional Government.

The results of the author's interview with the informant can be explained as follows:

"In my opinion, Village-Owned Enterprises (BUMDes) established on April 20, 2015 are joint business entities owned by residents or communities in an area or village that are formed by and through mutual agreement to be used jointly for the needs of village residents". (Armada, 2024).

Based on the explanation of the informant above, the author can understand that some informants such as village heads understand carefully about the institution of Village-Owned Enterprises (BUMDes), so that if from the understanding they already understand what Village-Owned Enterprises (BUMDes) are, they will also understand the functions and roles of Village-Owned Enterprises (BUMDes). Furthermore, in the management of Village-Owned Enterprises (BUMDes), there are several roles that must be carried out and carried out by a village head as a village leader, the role of the village head can be explained through the following interview:

"Yes, if the task of the village head is to implement the village government, but if the duties and roles of Village-Owned Enterprises (BUMDes) specifically are: 1) planning activities; 2) carry out supervisory activities of the planned program by coordinating with the

management of Village-Owned Enterprises (BUMDes); 3) conducting monitoring; 4) evaluation of the Village-Owned Enterprises (BUMDes) program that has been running." (Armada, 2024)

The duties as well as the village chief's duties in overseeing local-owned businesses (BUMDes) include establishing a policy for managing village funds, as explained by the following village heads:

"Yes, the task Role the Head of Village in overseeing Village finances is to set policies to be implemented by all components of the village apparatus as well as in the battle of Village-Owned Enterprises (BUMDes), then supervise and monitor the implementation of the program or policy, as well as evaluate the program that has been running periodically, for example once a year, to see the performance and extent of effectiveness of the Village-Owned Enterprises (BUMDes) program". (Armada, 2024).

Furthermore, socialization to the community is urgently needed in carrying out the VILLAGE-OWNED ENTERPRISES (BUMDes) program, as expressed by the following village heads:

"Yes, socialization must be carried out to the community with the aim that the community and residents know about the existence of the VILLAGE-OWNED ENTERPRISES (BUMDes) program that is active in the field of savings and loans, and socialization has been carried out, I have instructed other village officials to carry out socialization". (Armada, 2024)

"Yes, socialization has been carried out, but only once, and at that time not all residents were present or it can be said that only some of them knew, socialization should be carried out in stages with the aim of providing development of this program that is already running". (Joni, 2024)

Based on the results of the interview with the informant above, it can be understood that the socialization has been carried out, but the information from the informant that the socialization has only been carried out once, and there are still some residents who do not know the existence of the VILLAGE-OWNED ENTERPRISES (BUMDes).

The Village-Owned Enterprises (BUMDes) program can be realized with several kinds of programs, one of which is the savings and loan program for the community as in Aek Haruaya Village, Portibi District, North Padang Lawas Regency, as explained by the following informant:

"The Village-Owned Enterprises (BUMDes) program in our village is engaged in savings and loans from village funds that have been allocated, to be further processed by Village-Owned Enterprises (BUMDes) Aek Haruaya Sejahtera. If the details are institutional, they are: small trade; capital: Rp. 85,000,000,- its business activities: contractor, trade, and plantation; goods and services such as: savings and loans, village markets, household industries, construction services, goods trading, agriculture, livestock, trade, food barns, and so on, so yes, just adjust from the needs needed by the community". (Joni, 2024)

"In our village, Village-Owned Enterprises (BUMDes) are more oriented towards savings and loans, intended for farmers and smallholders, as well as traders who sell in our village market. So to help provide more capital and those who want to enlarge their business". (Armada, 2024)

In carrying out village programs or policies, some have been in accordance with the objectives of the program, or have been in accordance with the law, some have not been appropriate, and it depends on the performance and management and management as well as the support of various good parties, as explained by the following informant:

"From the programs that have been running, this is due to the lack of coordination from institutions to the community, as well as the lack of coordination of Village-Owned Enterprises (BUMDes) devices or officers to community members, so that the programs that are running do not achieve their goals". (Armada, 2024)

"Savings and loans that have been running are not running as expected, because they are due to: the lack of understanding of residents about this program, the lack of economic level of residents so that they are still afraid to borrow capital from Village-Owned Enterprises (BUMDes), and the lack of sense of responsibility of residents who have run savings and loans". (Joni, 2024)

"As far as I know, it has not been fully utilized by residents. If the cause is likely to be the lack of socialization of Village-Owned Enterprises (BUMDes) to residents, as well as the lack of understanding of residents with such a program". (Bonar, 2024)

Based on the results of interviews with some of the informants above, the author can understand that the Village-Owned Enterprises (BUMDes) program that has been running is still not optimal and maximum, this is due to several factors, including: the lack of a sense of responsibility of residents with the savings and loan program that he has run, the lack of understanding of residents about the savings and loan program, the lack of economic level of residents so that they are still afraid to borrow capital from Owned Enterprises Village (BUMDes). Meanwhile, if referring to the governance objectives of Village-Owned Enterprises (BUMDes) above, the program run by Beringin Makmur Sejahtera has not achieved the desired goals.

**b. From the perspective of Islamic law, the role and responsibility of village heads in achieving community welfare**

Islam's ultimate objective is to seek happiness in this world and the afterlife (falah) through living a morally upright life, which is also the aim of Islamic sharia. This is the true happiness that every human being wants, not the pseudo-happiness that often ends up giving birth to suffering and misery. In the context of economics, the goals that Islamic economics wants to achieve include micro or macro aspects, including the time horizon of the world or the hereafter. (H.D, 1992). Realizing true prosperity is the foundation and primary objective of Islamic sharia (mashlahah al ibad), Consequently, Islamic economics also aims to achieve this. The Village-Owned Enterprises (BUMDes) program is based on a sense of helping and only wants to help improve the welfare of the poor, so it is allowed as long as it does not burden the borrower to manage it, and the interest from the Village-Owned Enterprises (BUMDes) loans itself is quite low compared to other financial institutions, hence it can be said that both Islamic law and Islamic economic assessments are followed by this business.

However, to carry out a program that has expectations for the community, it should be selected from good resources and have good Islamic principles and work ethic. As explained, a caliph is a person who is given the mandate and responsibility to realize the benefits by managing resources that are powered by Allah SWT.. The definition of caliph in general is the mandate and responsibility of human beings for what has been entrusted to them, in the form of human attitudes and behaviors towards Allah SWT, others and the universe. In a narrow sense, caliph means the responsibility of human beings to manage the resources that Allah SWT has authorized him to realize maximum benefits and prevent damage on the earth. To realize the value of the caliph, humans have been given Allah SWT in the form of the right of the ruler of ownership. The right to manage resources and the freedom to choose and be creative to carry out their mandate.

Islam views man as the caliph, that is, as God's emissary, stand-in, or representative on earth. About the way he fulfilled the sacred obligations of his caliphate. Humans are therefore endowed with a variety of potentials, including intellect, which gives them the capacity to fulfill

this duty. The meaning of caliph can be further elaborated into several meanings as follows; 1). Responsibility for behaving in the right way A business that owns, processes or utilizes resources must be managed in the right way; 2). Tagresponsible for realizing masalah; 3). Responsibility for improving the welfare of each individual. Based on this, the Aek Haruaya Village Government was given a mandate from the central government to establish and manage the Aek Haruaya Makmur Sejahtera Village-Owned Enterprises (BUMDes) in accordance with sharia principles. The principles of leaders in Islam are as follows; 1). Anamah; 2). Justice; 3). Shura; 4). Amr bi al-ma'ruf nahy an al-munkar.

Understanding that human welfare is fundamental is the basis and principal objective of Islamic economics, and by extension, Islamic law. Five (five) components make to the protection of mashlahah: 1. Faith (ad-dien); 2. Al-Islamic Science; 3). 5. Property (al-Maal); 4. Life (an-nafs); and 5. An-nash, or continuity of descent. These five are the means needed for good survival and achieving a level of welfare. Islamic sharia aims to maintain the benefit of people while staying clear of mafsadat and mudharat from a variety of situations in this life as well as the next. There are 5 (Five) basic Masalah as part of maqasid al Shari'ah that must be maintained, namely maintaining religion, soul, intellect, descendants and property. These five items represent fundamental human wants, which must be met in order for people to enjoy happy lives both here on Earth and in the afterlife. The satisfaction of life is likewise not entirely attained in the direction of true prosperity if any of the aforementioned demands are not satisfied.

Fiqh siyasah maliyah regulates the Islamic political and economic system through aspects of state revenue and expenditure that are in accordance with the general benefit without eliminating individual rights and wasting them. One of the state's expenses is the utilization of local money. where village funds aim to increase village development. The pillars of Islamic economic development in siyasah maliyah fiqh can be a reference to assess the achievement of the use of village funds in Aek Haruaya village, one of which is related to village development. The pillars of economic development in question are the goals that must be achieved by the legal rules formulated by the government in regulating development policies and economic activities.

The pillars of economic development include;

Turning on the Human Factor The Aek Haruaya village government still does not provide community empowerment activities in the form of training or providing financial assistance to small entrepreneurs considering the large number of Aek Haruaya villagers who work as entrepreneurs and who still do not have a job, it is hoped that the training can help provide skills from the training. Community empowerment can also help improve the quality of life of the community so that the Aek Haruaya village government can help revive the human factor using village funds which are expected to advance the village economy and alleviate poverty in Aek Haruaya village so that the goals of village funds can be realized properly.

In accordance with the Islamic concept of leadership, the government of Beringin Makmur II in this case is that the Village Head has fulfilled the principles of leadership in Islam, but it is not yet comprehensive, such as the lack of openness in disclosing details about the accounting of monies utilized, The research underscores the pivotal role of the Village Head in managing Village-Owned Enterprises (BUMDes) as outlined by Law No. 06 of 2014 and viewed through the lens of Islamic legal principles. Key findings indicate that, The Village Head is crucial in the successful management of BUMDes, overseeing all aspects from planning and implementation to evaluation. Their leadership is integral to ensuring that BUMDes effectively contributes to community welfare.

Adherence to Law No. 06 of 2014 mandates that the Village Head ensure BUMDes operations are transparent and accountable. This legal framework is essential for maintaining public trust and effective financial management. Management practices must align with Islamic principles of justice, welfare, and sustainability. This alignment ensures that BUMDes not only adheres to legal standards but also upholds ethical and moral values consistent with Islamic teachings. By focusing on these recommendations, the Village Head can better



manage BUMDes to improve community welfare, ensuring that practices are both legally sound and ethically grounded. Implementing these strategies will bridge the gap between research findings and practical applications, thereby enhancing the effectiveness of BUMDes in achieving its objectives.

#### **IV. CONCLUSION**

Conclusions from research on the role of Village Heads in managing BUMDes based on Law no. 06 of 2014 and the Islamic law perspective can cover several main points, the Village Head has a central role in managing BUMDes, including in planning, implementing and evaluating BUMDes programs aimed at improving community welfare. Based on Law no. 06 of 2014, Village Heads are expected to manage BUMDes in accordance with applicable laws and regulations, ensuring transparency and accountability in managing village finances. From an Islamic law perspective, BUMDes management must pay attention to the principles of justice, prosperity and economic sustainability in accordance with Islamic law. Challenges faced include a lack of resources and training. Recommendations include increasing the capacity of village heads, more intensive training, and regular monitoring and evaluation to ensure management is effective and in accordance with the principles of Islamic law. Thus, the role of the Village Head in managing BUMDes is very important in realizing community welfare, by complying with legal regulations and sharia principles.

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