

Legal Analysis of the Role of BUMDes as the Implementer of Village-Scale Food Estate Programs in Strengthening Local Food Security

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Abstract

The Food Estate Program is one of the government's strategic policies in an effort to strengthen national food security, including at the village level. In its implementation, Village-Owned Enterprises (BUMDes) have the potential to play a role as implementers of village economic activities that support the strengthening of local food systems. This study aims to analyze the legal construction of the position of BUMDes as the implementer of the village-scale Food Estate program and to examine the role of BUMDes in realizing local food security and legal protection for farmers. This study uses a normative legal research method with a legislative and conceptual approach. The results of the study show that BUMDes has a strong legal basis to be involved in the management of business activities related to the food sector as regulated in Government Regulation Number 11 of 2021 concerning Village-Owned Enterprises. In practice, BUMDes can play a role in strengthening the village food value chain through production, processing of agricultural products, and distribution and marketing of agricultural products. However, the implementation of this role still faces



various obstacles related to legal substance, institutional structure, and the legal culture of the community. Therefore, strengthening the BUMDes institution and providing legal protection for farmers through clear and fair cooperation agreements are important factors in supporting the success of the village-scale Food Estate program.

Keywords: BUMDes, Food Estate, local food security, legal protection for farmers.

I. Introduction

Food security is a fundamental part of the state's goal of achieving general welfare as mandated in the Preamble to the 1945 Constitution of the Republic of Indonesia. Philosophically, Paragraph II of the Preamble to the 1945 Constitution affirms the Indonesian people's aspiration to create a free, united, sovereign, just, and prosperous nation. Meanwhile, Paragraph IV emphasizes that the purpose of establishing the Government of the Republic of Indonesia is to protect the entire Indonesian nation and all Indonesian bloodshed and to promote general welfare. In this context, food security is not only a technical issue of production, but also part of the state's constitutional responsibility to ensure the welfare and social justice of all Indonesian people. Therefore, it can be said that the 1945 Constitution is a Food Constitution¹.

In line with this constitutional commitment, Indonesia is also bound by global commitments through the SDGs, particularly Goal 2 (Zero Hunger), which explicitly aims to end hunger and poverty, achieve food security, improve nutrition, and promote sustainable agriculture². The implementation of the SDGs at the village level places the strengthening of local food systems as part of community-based sustainable development. Therefore, village food security programs, including *the Mini Food Estate*, are not only administrative policies but also part of efforts to realize the constitutional mandate and global development commitments.

Sociologically, rural communities still face various structural problems in the food sector. Limited access to capital, agricultural technology, distribution infrastructure, and unstable crop prices often place farmers in a vulnerable position. Dependence on intermediaries means that farmers do not fully enjoy the economic value of their production. In these circumstances, the government's policy of requiring a minimum allocation

¹ Putra Perdana and Ahmad Saifulloh, "THE IDEA OF A FOOD CONSTITUTION: THE URGENCY OF REGULATING CITIZENS' RIGHTS TO FOOD IN THE FIFTH AMENDMENT TO THE 1945 CONSTITUTION," 2021, 227–44.

² Rafaila Tentyarsih, "IMPLEMENTATION OF SDG NO. 2 ON ZERO HUNGER IN EFFORTS TO ACCELERATE THE REDUCTION OF STUNTING IN PALEMBANG CITY" (Sriwijaya University, 2023).

of 20% of Village Funds for food security programs as a top priority in the 2025 fiscal year³ opens up strategic opportunities for villages to build more independent and sustainable food systems through Village-Owned Enterprises (BUMDes).

Legally, Village-Owned Enterprises (BUMDes) are legal entities established by villages⁴. Law Number 6 of 2014 on Villages provides the basis for the establishment of BUMDes as an institutional instrument for village economies. The strengthening of BUMDes' status as a legal entity was then confirmed in Government Regulation Number 11 of 2021, which provides legitimacy for BUMDes to carry out business activities professionally and independently. In addition, Law Number 18 of 2012 concerning Food and regulations regarding the use of Village Funds form a legal framework that links village authority, public financial management, and the implementation of food security programs. However, in practice, there are still BUMDes that have not been fully approved as legal entities but are already carrying out business activities, including in the *Mini Food Estate* program. The difference in the legal status of BUMDes raises significant legal issues. This inconsistency has the potential to create legal uncertainty in the implementation of *the Mini Food Estate*, particularly regarding the legality of managing 20% of Village Funds, the authority to enter into business partnership agreements, and legal liability in the event of losses or disputes. In addition, the position of Village Regulations as the basis for BUMDes operations needs to be analyzed for its compatibility with the hierarchy of laws and regulations to ensure accountability and legal certainty.

The issue becomes even more complex when the implementation of *Mini Food Estates* involves business partnerships between BUMDes and local farmers. Such partnership agreements have the potential to create an imbalance in bargaining power if they are not drafted based on the principle of contractual fairness. Given that the legal status of BUMDes is still unclear, the validity of agreements, certainty of accountability, and legal protection for farmers become increasingly vulnerable. In fact, within the framework of SDG Goal 2 (Zero Hunger), improving the welfare of farmers and strengthening sustainable agricultural systems are important indicators of the success of food policies. The main issue raised in this study is the legal uncertainty in the implementation of the village-scale *Mini Food Estate* program due to the inconsistent legal status of BUMDes, which has implications for the legality of Village Fund management and legal protection for farmers in business partnership agreements. This uncertainty

³ Subandi, "Dependence on Intermediaries Prevents Farmers from Fully Enjoying the Economic Value of Their Production. In Such Conditions, the Government Policy Requiring a Minimum Allocation of 20% of Village Funds for Food Security Programs as a Priority," *Bumdes.Id*, February.

⁴ Zulfa Indani, Murwadji Tarsisius, and Ety Mulyati, "STATUS OF BUMDES LEGAL ENTITIES AS INDIVIDUAL COMPANIES IN LIGHT OF LAW NUMBER 11 OF 2020 CONCERNING JOB CREATION" 8, no. 2 (2023).

has the potential to hinder the achievement of the country's constitutional objectives as stated in the Preamble to the 1945 Constitution and the global commitment to SDG 2 (Zero Hunger), if it is not comprehensively analyzed within the applicable legal framework. Based on this background, this study aims to analyze how BUMDes as the implementer of the village-scale Food Estate program and how BUMDes plays a role in realizing local food security and legal protection for farmers.

II. Method

This research is normative legal research (doctrinal legal research) that focuses on analyzing legal norms related to the role of Village-Owned Enterprises (BUMDes) as implementers of village-scale Mini Food Estate programs in order to strengthen local food security. with the main objective of examining the position of Village Regulations as the legal basis for BUMDes operations and assessing their compatibility with the hierarchy of laws and regulations, particularly Government Regulation No. 11 of 2021. This research uses a statute approach through a review of various regulations governing villages, BUMDes, food security, and the management of 20% of Village Funds for food programs, and also utilizes a conceptual approach to analyze the concepts of accountability, village institutional authority, and the principle of contractual justice in business partnerships. The research data sources are entirely derived from legal literature, including primary legal materials such as Law No. 6 of 2014 on Villages, Law No. 18 of 2012 on Food, Government Regulation No. 11 of 2021 on BUM Desa, and the Minister of Villages, Development of Disadvantaged Regions and Transmigration Regulation Number 3 of 2025 concerning guidelines for the use of Village Funds for food security, which are then supported by secondary legal materials in the form of scientific journals, books, previous research results, and policy documents to strengthen academic analysis and argumentation, while tertiary legal materials such as legal dictionaries and encyclopedias are used to clarify certain legal terms and concepts. The collection of legal materials was carried out through a systematic study of various laws and regulations and relevant literature , which were then analyzed using qualitative analysis methods with deductive reasoning, namely drawing conclusions from general legal norms to their application in the context of implementing village-scale Mini Food Estates. Thus, the analysis was prescriptive because the research not only explained the applicable legal norms, but also provides normative recommendations to strengthen legal certainty, improve the accountability of Village Fund management, and provide legal protection for local farmers in business partnerships with BUMDes.

III. Results and Discussion

1. Legal construction of the position of BUMDes as the implementer of the village-scale Food Estate program

The authority of villages in managing local economic potential has a strong legal basis through Law Number 6 of 2014 concerning Villages. This law positions villages as legal entities that have authority based on their original rights and local authority at the village level, including in the areas of development and community empowerment. BUMDes was established as an effort to accommodate all activities in the economic or public service sectors managed by the Village⁵. Within this framework, Article 87 of the Village Law provides legitimacy for villages to establish Village-Owned Enterprises (BUMDes) that are managed in a spirit of kinship and mutual cooperation and can carry out businesses in the economic and/or public service sectors in accordance with the needs and potential of the village. This provision shows that BUMDes is a legal instrument designed to optimize village resources in order to improve the welfare of the community⁶.

The strengthening of the position of BUMDes as a village economic institution is confirmed through Government Regulation Number 11 of 2021 concerning BUM Desa. Article 1 paragraph 1 states that BUMDes is a legal entity established by a village and/or jointly by villages to manage businesses, utilize assets, develop investment and productivity, and provide services to improve the welfare of the village community. The status as a legal entity has legal consequences in the form of separation of assets, the ability to act as an independent legal subject, and the authority to perform

⁵ Sinta Rahmawati et al., "The Village Government's Strategy in Managing the Pusakanagara Village-Owned Enterprise in Baregbeg District, Ciamis Regency," 2022, 2684–93.

⁶ Dr. Nuria Siswi Enggarani Rizky Aditya Saputra, Prof. Aidul Fitriadi, "A Legal Review of the Position of Village-Owned Enterprises (BUMDES) Based on Government Regulation No. 11," 2021, 1–18.

legal actions, including establishing cooperation and making business agreements. Thus, BUMDes is no longer positioned merely as a village administrative unit, but as a legal entity with its own operational capacity and responsibilities.⁷

Furthermore, Articles 3 to 5 of Government Regulation No. 11 of 2021 stipulate that the objectives of establishing BUMDes are to improve the village economy, optimize village assets, and develop businesses in accordance with the potential and needs of the community based on the principles of professionalism, transparency, accountability, and sustainability. Given that most villages in Indonesia are agrarian in nature, these provisions implicitly place the agriculture and food sectors as strategic areas that can be developed through BUMDes. Therefore, conceptually, the objectives and functions of BUMDes are also related to strengthening the food sector at the village level.

In the context of national development, food security is a strategic agenda that is emphasized through various government policies, including the Food Estate program as a model for integrated food production development. Although initially designed on a regional scale, food security policies were later directed to be strengthened at the village level through the optimization of local potential and financial support from the Village Fund. The priority use of the Village Fund, which places food security as one of the focuses of village development, further clarifies the role of BUMDes in managing food-based business activities.

From a sustainable development perspective, the implementation of the Food Estate program at the village level is also closely related to **the Sustainable Development Goals (SDGs), particularly Goal 2, Zero Hunger**. This goal emphasizes the importance of ending hunger, achieving

⁷ JUSMAN KHAIRUL HADI, "The Position of Village-Owned Enterprises (Bumdes) Based on Law Number 11 of 2020 Concerning Job Creation," *JURIDICA: Journal of the Faculty of Law, Gunung Rinjani University* 3, no. 1 (2021): 29–52, <https://doi.org/10.46601/juridica.v3i1.192>.

food security, improving nutrition, and promoting sustainable agricultural practices. Strengthening food production and distribution systems at the local level is one of the key strategies for achieving these targets, as food security at the national level essentially depends on the ability of regions and villages to independently produce and manage food resources⁸.

In this context, the involvement of BUMDes in managing village-scale Food Estate programs can be seen as a concrete implementation of these SDGs at the local level. By strengthening village economic institutions that are capable of integrating food production, processing, and distribution activities, BUMDes has the potential to promote the creation of a more sustainable village food system while improving the welfare of farmers. Thus, the development of Food Estates through BUMDes not only has a legal basis in national legislation, but is also in line with Indonesia's global commitment to achieving Sustainable Development Goals, particularly in efforts to achieve food security and reduce food vulnerability at the village level⁹.

Thus, the involvement of BUMDes in the implementation of village-scale Food Estate programs is a consequence of the authority of villages to manage local economic potential, the strengthening of the status of BUMDes as a legal entity through Government Regulation No. 11 of 2021, and national policies in the field of food security. This legal construct demonstrates the continuity between village institutional arrangements and national strategic policies in the food sector. However, the implementation of this role must still meet the formal and material requirements stipulated

⁸ FAO et al., *SDG-2.1 for Hunger, : The State of Food Security and Nutrition in the World 2023*, 2023, <https://openknowledge.fao.org/server/api/core/bitstreams/8b27c570-2f8b-4350-8d5a-8e82432e6db7/content>.

⁹ Dani Mohammad Ramadhan et al., "Strategies for Developing Village-Owned Enterprises as an Implementation of the Sustainable Development Goals (SDGs) in Candi Village, Bandungan District, Semarang Regency," *Endogami: Jurnal Ilmiah Kajian Antropologi* 6, no. 1 (2022): 101–18, <https://doi.org/10.14710/endogami.6.1.101-118>.

in the legislation so as not to cause issues of legality and legal certainty at the village level¹⁰.

The normative legitimacy granted to BUMDes as a legal entity to manage the economic potential of villages also implies that every business activity must be within the framework of the objectives and functions stipulated by law. In this context, it is important to assess whether the village-scale Food Estate program is legally within the scope of the objectives, principles, and functions of BUMDes as stipulated in Articles 3 to 5 of Government Regulation Number 11 of 2021.

The establishment of BUMDes is essentially aimed at driving the village economy. This is reflected in Article 3 of Government Regulation No. 11 of 2021, which states that BUMDes is established to carry out business activities to improve the village economy, optimize the use of village assets, and provide benefits for the welfare of the village community. In relation to the Food Estate program at the village level, these activities can be seen as a form of economic activity that is in line with the objectives of establishing BUMDes. This program not only covers agricultural cultivation activities but also includes a range of economic activities such as land management, production processes, distribution of agricultural products, and the development of added value for products. Thus, the development of a Food Estate based on local potential can serve as a strategic means to drive village economic growth while strengthening the role of BUMDes as a village economic institution¹¹.

The management of Village-Owned Enterprises (BUMDes) must be carried out with good governance so that village business activities run

¹⁰ Christhania Kerap, Hendrik Manossoh, and Petter Kapojos, "The Effect of the Implementation of Village-Owned Enterprises (Bumdes) on Village Economic Development and Community Welfare in Tulap Village," *Journal of LPPM in the Field of EkoSosBudKum (Economics, Social, Culture, and Law)* 5, no. 1 (2021): 233–42.

¹¹ Alza Nashuha Shahhira et al., "3 1,2,3" 2, no. 2 (2024): 169–94.

effectively and sustainably¹². This is reflected in Article 4 of Government Regulation Number 11 of 2021, which emphasizes the principles of professionalism, transparency, accountability, participation, and sustainability in the management of BUMDes. In the context of developing the Food Estate program at the village level, these principles are highly relevant because business management in the food sector requires systematic planning, proper management of resources and business capital, as well as transparent and accountable reporting mechanisms to the village community. Therefore, the implementation of the Food Estate program through BUMDes can be a means of applying the governance principles as mandated in Article 4 of Government Regulation No. 11 of 2021.

In addition to being oriented towards business activities, BUMDes also has a social function for rural communities. This is reflected in Article 5 of Government Regulation Number 11 of 2021, which positions BUMDes as an institution that manages the economic potential of villages while providing benefits to the community. Given that most villages in Indonesia have an economy that relies on the agricultural sector, the development of food production and management through the Food Estate program is substantially within the scope of these functions. Thus, the involvement of BUMDes in the Food Estate program can be understood as a form of utilizing the economic potential of villages while also striving to improve community welfare, in line with the institutional functions of BUMDes as stipulated in Article 5 of Government Regulation No. 11 of 2021¹³.

Based on the provisions regarding the objectives, principles, and functions of BUMDes in Articles 3 to 5 of Government Regulation Number 11 of 2021, the development of the Food Estate program at the village level basically has a strong normative basis for implementation through

¹² Kerap, Manossoh, and Kapojos, "The Effect of the Implementation of Village-Owned Enterprises (Bumdes) on Rural Economic Development and Community Welfare in Tulap Village."

¹³ Faculty of Law and Malikussaleh University, "JURNAL SULOH : DEVELOPMENT OF FOOD ESTATES IN FOREST AREAS AS A NATIONAL JURNAL SULOH : " 12, no. 2 (2024): 273–98.

BUMDes. This indicates that business activities oriented towards managing the economic potential of villages, including in the field of food production and management, fall within the scope of activities that can be carried out by BUMDes. Therefore, the legal issue in the implementation of the Food Estate program does not lie in whether or not BUMDes can carry out these activities, but rather in the extent to which their implementation meets the legal requirements governing the institutional and governance aspects of BUMDes, such as legal entity status, formation mechanisms, and operational regulations in the Village Regulation¹⁴.

Thus, the alignment between the Food Estate program and the institutional objectives of BUMDes as reflected in Articles 3 to 5 of Government Regulation No. 11 of 2021 does not necessarily mean that every BUMDes can immediately play a role as an implementer of the program. Every business activity carried out by BUMDes must still be based on a clear legal framework in order to have institutional legitimacy and legal certainty in its implementation. This is important because BUMDes not only functions as a village economic actor, but also as an institution that manages village resources responsibly for the benefit of the community.

Within this framework, the process of establishing BUMDes is an important aspect that determines its institutional legitimacy in carrying out village business activities. Article 7 of Government Regulation Number 11 of 2021 stipulates that the establishment of BUMDes is carried out through village deliberations and stipulated by Village Regulations. This provision indicates that the formation of BUMDes is not merely an administrative decision of the village government, but rather the result of a community agreement through a participatory mechanism. In the context of the Food Estate program development, village deliberations play a strategic role in

¹⁴ Environmental Law Development, “, Ida Nurlinda,” 2022.

ensuring that the policy is in line with the needs, economic potential, and social conditions of the village community¹⁵.

In addition, the establishment of BUMDes must be based on the real needs of the community and the economic potential of the village. This is reflected in Articles 8 and 9 of Government Regulation Number 11 of 2021, which emphasize the importance of considering the potential of village businesses, the availability of human resources, and the sustainability of business activities. These considerations are relevant in the implementation of the Food Estate program, given that business development in the food sector requires adequate resource readiness, both in terms of land availability, management capacity, and labor at the village level. Thus, the implementation of the Food Estate program through BUMDes should be based on an analysis of the potential and needs of the village so that it is rooted in the real conditions of the community.

Furthermore, the position of BUMDes as the implementer of village business activities is related to its status as a legal entity. Article 10 of Government Regulation Number 11 of 2021 stipulates that BUMDes obtains legal entity status after being registered in accordance with the provisions of laws and regulations. This status provides legitimacy for BUMDes to carry out various legal actions, such as receiving capital participation, managing village financial resources, and establishing cooperation with other parties. In the implementation of the Food Estate program, this legal entity status is an important basis so that every business activity carried out by BUMDes has clear legal force and guarantees certainty in its management and accountability¹⁶.

¹⁵ Rasji and Vera Tua Tobing, "Problematic Analysis of the Legal Policy of the Food Estate Program (Government Era 2020-2024)," *Journal of Law, Politics and Humanities* 5, no. 2 (2024): 983–91, <https://doi.org/10.38035/jlph.v5i2.1152>.

¹⁶ Mevitama Shindi Baringbing, "Environmental Issues Regarding Food Estate Regulations as a National Strategic Program in Gunung Mas & Pulang Pisau Villages, Central Kalimantan" 7, no. 1 (2021).

From this perspective, the involvement of BUMDes in the implementation of the *Food Estate* program is not only related to the suitability of its objectives and institutional functions, but also to the fulfillment of formal requirements in its establishment and legal status. Regulations concerning the establishment of BUMDes through village deliberations, its stipulation in Village Regulations, and the recognition of its legal entity status as regulated in Articles 7 to 10 of Government Regulation Number 11 of 2021 show that legality is an important element in the implementation of village business activities. If these requirements are not met, the implementation of business activities, including the *Food Estate* program, has the potential to raise issues related to the legality of legal actions, financial management, and accountability in the event of losses or disputes in the future.

Thus, the provisions regarding legal entity status, establishment through village deliberation, and determination through Village Regulations are not merely administrative procedures. Rather, these provisions form the legal basis for BUMDes to carry out various village business activities, including the *Food Estate* program. The provisions in Articles 7 to 10 of Government Regulation No. 11 of 2021 establish institutional legality as a prerequisite for BUMDes to act legally in village economic activities. Therefore, a legal analysis is important to assess the extent to which the implementation of the *Food Estate* program at the village level has met these formal requirements and to identify the legal implications that may arise if these activities are carried out by BUMDes that do not fully comply with the provisions of the law¹⁷.

Fulfilling these formal requirements is also closely related to the need for clear institutional governance within BUMDes. As a legal entity, BUMDes is required to have internal regulations governing its

¹⁷ Kerap, Manossoh, and Kapojos, "The Impact of the Implementation of Village-Owned Enterprises (Bumdes) on Village Economic Development and Community Welfare in Tulap Village."

organizational structure, division of authority, and decision-making mechanisms in carrying out its business activities. In this context, the Articles of Association and Bylaws (AD/ART) serve as internal normative instruments that provide operational direction and authority limits for BUMDes in carrying out its economic activities.

In line with this, the provisions regarding the organizational structure of BUMDes in Government Regulation No. 11 of 2021 indicate that the management of village enterprises requires institutional mechanisms that can ensure accountability and balance of authority. The organizational structure, which consists of advisory, operational, and supervisory elements, reflects the existence of an internal control system in the management of BUMDes¹⁸. This division of roles enables a process of control over the running of village businesses. In the implementation of the *Food Estate* program, which involves business capital management, cooperation with farmers, and distribution of production, a clear organizational structure is an important factor in ensuring that each institutional function runs proportionally and preventing overlapping authority and potential abuse of authority in the management of village businesses¹⁹.

In addition to regulations regarding organizational structure, the existence of Articles of Association and Bylaws (AD/ART) also has an important function as a normative guideline in running BUMDes business activities. Through AD/ART, various fundamental aspects are determined, such as the types of businesses that can be run, capital participation mechanisms, profit sharing, and procedures for cooperation with other parties. In the implementation of the *Food Estate* program, these regulations are important to ensure that BUMDes business activities are

¹⁸ Urip Tri and Riski Setyaningrum, "BUMDES After the Enforcement of Government Regulation Number 11" 2, no. 3 (2022): 476–86.

¹⁹ Kerap, Manossoh, and Kapojos, "The Effect of the Implementation of Village-Owned Enterprises (Bumdes) on Rural Economic Development and Community Welfare in Tulap Village."

within the scope of legal authority. If the program is not accommodated in the AD/ART, issues may arise regarding the authority of the institution (*ultra vires*) and the legality of the legal actions taken by BUMDes. Therefore, the integration of the *Food Estate* program into the provisions of the AD/ART is an important step in providing a clear institutional basis.

In addition, as a legal entity that carries out business activities, BUMDes is also required to have structured and measurable business planning. This planning includes not only production or land management activities, but also financial projections, business risk analysis, and production distribution mechanisms²⁰. In the context of developing the *Food Estate* program, a clear work plan is an important instrument to ensure that the program is implemented sustainably and not merely as a short-term policy implementation. Without adequate business planning, the implementation of the program has the potential to face various problems, such as business failure, financial losses, and legal liability issues for BUMDes as the business activity implementer.

Thus, the existence of AD/ART, a clear organizational structure, and an integrated work plan are operational prerequisites for BUMDes in carrying out business activities, including the *Food Estate* program. These governance tools not only ensure the effectiveness of village business management, but also form the basis for accountability and legal certainty in their implementation. In the legal construction of the position of BUMDes, this internal institutional aspect is an important element to ensure that every business activity remains within the corridor of good governance principles as mandated by laws and regulations.

From a legal perspective, the position of BUMDes as a legal entity as stipulated in Article 1 paragraph 1 of Government Regulation Number 11 of

²⁰ Ariani Nur Hamdiah, Maharani Citra Tjahjana, and Afrian Bekt Aliansyah, "Political Economy Analysis: A Case Study of the Food Estate Project Towards Food Security in Indonesia," *Journal of Political Voice* 2, no. 2 (2023): 1–7, <https://doi.org/10.31869/jsp.v2i2.4921>.

2021 has legal consequences in the form of separation of assets between BUMDes and the village government. This principle is also reflected in Article 7 paragraph (1) of Government Regulation No. 11 of 2021, which states that BUMDes has assets that are separate from village assets. This separation of assets is a fundamental principle in the implementation of BUMDes business activities, including in the implementation of the *Food Estate* program. Through this mechanism, any village capital contribution is no longer treated as part of the village's assets but becomes an asset of the BUMDes legal entity, managed independently with its own institutional responsibilities. This is important to ensure certainty in financial management and the allocation of legal responsibility in the event of losses or disputes arising from business activities.

In the implementation of BUMDes business activities, the aspect of capital is also an important element that determines the sustainability of village businesses. Regulations regarding the sources of BUMDes capital are reflected in Article 50 of Government Regulation Number 11 of 2021, which states that BUMDes capital can come from village capital participation or other legitimate sources in accordance with the provisions of laws and regulations. Such village capital contributions can take the form of funds, village property, or other assets that are separated from village assets. In the context of implementing the *Food Estate* program, this capital contribution can be realized through the allocation of Village Funds prioritized to support food security. However, the use of these capital sources must still be managed as separate BUMDes assets and implemented based on the principles of accountability and transparency as stipulated in Article 4 of Government Regulation No. 11 of 2021.

In addition to capital aspects, the development of BUMDes business activities is also related to the establishment of business units that are in line with the needs and economic potential of the village. This is reflected in Article 54 of Government Regulation Number 11 of 2021, which provides space for BUMDes to establish business units in accordance with the

characteristics and business opportunities of the village. In the context of implementing the *Food Estate* program, these business units can be directed towards economic activities in the food sector, such as agricultural cultivation, food processing, and the distribution and marketing of agricultural products. In order to have clear institutional legitimacy, the establishment of these business units needs to be integrated into the Articles of Association and Bylaws (AD/ART) and determined through a valid internal mechanism.

In addition, the implementation of BUMDes business activities also opens up opportunities for cooperation with other parties to strengthen the capacity of village businesses. This is reflected in Article 57 of Government Regulation Number 11 of 2021, which allows BUMDes to establish business cooperation with other parties based on a valid agreement. In the implementation of the *Food Estate* program, such cooperation may involve farmers as production partners or third parties that provide market access, technology, or additional capital. However, every form of cooperation must still pay attention to the main objective of establishing BUMDes as stipulated in Article 3 of Government Regulation No. 11 of 2021, namely to provide the greatest possible benefits for the welfare of the village community.

Furthermore, the management of BUMDes business activities is also related to financial reporting and accountability obligations as part of the internal control mechanism. This provision is reflected in Article 59 of Government Regulation Number 11 of 2021, which requires operational implementers to submit accountability reports to advisors and to the village deliberation forum. In the context of the *Food Estate* program, this reporting mechanism is an important instrument to ensure that village capital participation and business results are managed transparently, accountably, and in accordance with the objectives of BUMDes business activities.

Based on the provisions of Articles 7, 50, 54, 57, and 59 of Government Regulation No. 11 of 2021, the capital structure and establishment of business units in the implementation of the *Food Estate* program by BUMDes is not only a technical economic issue, but also part of the legal construct that regulates the separation of assets, business legitimacy, cooperation, and accountability mechanisms. Uncertainty in the aspects of capital and the formation of business units has the potential to cause legal problems, both in the form of civil disputes, administrative findings, and uncertainty regarding the legal responsibility of BUMDes.

In practice, the implementation of the *Food Estate* program at the village level cannot be separated from the involvement of the village community, especially farmers as the main actors in food production²¹. Therefore, the relationship between BUMDes and farmers needs to be placed within a framework of cooperation that has a clear legal basis. The provisions regarding BUMDes business cooperation with other parties as stipulated in Article 57 of Government Regulation Number 11 of 2021 provide a basis for BUMDes to establish business partnerships with various parties involved in food production and distribution activities. In this context, the relationship between BUMDes and farmers in the implementation of the *Food Estate* program is essentially a legal relationship that needs to be formalized in a valid agreement to provide legal certainty for the parties involved.

From a civil law perspective, cooperation between BUMDes and farmers is subject to the principles of valid agreements as stipulated in Article 1320 of the Civil Code, namely the existence of an agreement between the parties, the capacity to enter into an agreement, a specific object, and a lawful cause. Therefore, partnership agreements in the

²¹ Arjena Risdianto, Felix Marshal Jotham, and Nurdin, "Analysis of the Implementation of the 'Food Estate' Policy in Efforts to Protect the Sustainability of Agricultural Land and Food Security in Central Kalimantan Province," *Journal of Agrarian Studies and Food Sovereignty (JKAKP)* 3, no. 1 (2024): 50–59, <https://doi.org/10.32734/jkakp.v3i1.14748>.

implementation of the *Food Estate* program need to clearly stipulate the scope of cooperation, the contributions of the parties, the distribution of business risks, and the mechanism for sharing production yields. The clarity of these provisions is important to provide legal certainty and prevent potential disputes, especially in conditions related to crop failure, business losses, or differences in interpretation of the rights and obligations of the parties.

In implementing business cooperation between BUMDes and farmers, the profit-sharing mechanism is an important aspect that must be formulated fairly and proportionally. This is in line with the objectives of establishing BUMDes as stipulated in Article 3 of Government Regulation Number 11 of 2021, which places the welfare of the village community as the main orientation of business activities. Thus, profit sharing should not be solely directed at accumulating profits for BUMDes, but must also consider the interests of farmers as production partners. If profit sharing is not carried out proportionally, this condition has the potential to conflict with the principles of participation and sustainability in the management of BUMDes as reflected in Article 4 of Government Regulation Number 11 of 2021.

In practice, the *Food Estate* program also allows for cooperation between BUMDes and third parties, such as investors, financing institutions, and parties acting as *offtakers* in the marketing of production results²². Such cooperation is possible within the legal framework of BUMDes as stipulated in Article 57 of Government Regulation Number 11 of 2021, which provides space for BUMDes to establish business relationships with other parties through legal agreements. However, the structure of such cooperation must still take into account the purpose of establishing BUMDes as a village economic institution with a social function. Therefore, agreements with external parties must not eliminate

²² Tri and Setyaningrum, "BUMDES After the Enforcement of Government Regulation No. 11."

the role of the village community, especially farmers, or create dominance by certain parties that could potentially harm the interests of the village.

Regulations regarding the distribution of business profits are also related to reporting and accountability mechanisms in the management of BUMDes business activities. The provisions regarding reporting obligations as stipulated in Article 59 of Government Regulation Number 11 of 2021 indicate that all BUMDes business profits must be recorded and reported transparently to advisors and village deliberative forums. In the context of the *Food Estate* business management of the Ministry of Agriculture, this transparency is important not only to ensure financial accountability but also to maintain the trust of the village community in the business management carried out by BUMDes.

Thus, the cooperative relationship between BUMDes and farmers in the implementation of the *Food Estate* program is essentially a civil law relationship that must be established through a valid, fair, and transparent agreement. The mechanism for sharing business profits needs to be formulated proportionally so that it remains in line with the social objectives of establishing BUMDes. Without clear regulations on cooperation and profit sharing, the implementation of this program has the potential to cause conflicts of interest, unfairness in the distribution of economic benefits, and legal problems at the village level.

On the other hand, the authority of BUMDes to establish business partnerships and distribute profits as reflected in Article 57 of Government Regulation No. 11 of 2021 is closely related to its status as an independent legal entity. This legal entity status confirms that BUMDes is a legal subject with separate assets and is responsible for every legal action it takes. However, in practice, there are still BUMDes that have not obtained legal entity status as required in Article 10 of Government Regulation No. 11 of 2021. This situation raises issues when BUMDes that do not yet have legal entity status continue to carry out business activities, including in the

implementation of the *Food Estate* program, establishing cooperation with farmers, and sharing business profits.

From a legal perspective, legal entity status is an important factor in determining the position of BUMDes as a legal entity. If BUMDes has not been approved as a legal entity as required in Article 10 of Government Regulation Number 11 of 2021, then legally its position as an entity with separate assets and independent liability has not been fully established. This condition has implications for the *legal standing* of BUMDes in carrying out business activities, including in the implementation of the *Food Estate* program, which involves various legal relationships with other parties.

This situation can cause uncertainty in the contractual relationship between BUMDes and farmers or third parties. Without a clear legal entity status, questions arise as to who is legally a party to the cooperation agreement. Although the agreement is still possible as long as it meets the requirements for a valid agreement as stipulated in Article 1320 of the Civil Code, problems may arise in terms of legal subjects and liability in the event of default, business losses, or disputes in the future.

Another issue relates to the principle of separating the assets of BUMDes and the village government. Article 7 of Government Regulation No. 11 of 2021 stipulates that BUMDes has assets that are separate from the village's assets. However, if BUMDes has not yet been approved as a legal entity, this separation does not yet have strong legal legitimacy. In the implementation of the *Food Estate* program, which involves village capital participation or the use of Village Funds, this condition has the potential to cause risks of mixing assets between the village and BUMDes. If the business activity suffers losses, legal liability may become unclear and may even be imposed on the village government or BUMDes management personally²³.

²³ Abdul Karim, *Enhancing Village Economy Through Village-Owned Enterprises (BUMDes)*, n.d.

In addition, the distribution of business profits by BUMDes that are not yet legal entities also has the potential to raise questions regarding the legality of such mechanisms. Without a clear legal basis, the validity of profit distribution may be questioned, especially if it is not supported by clear regulations within the business unit or in the BUMDes Articles of Association and Bylaws (AD/ART). This situation could open up the potential for internal disputes between BUMDes administrators, village governments, and farmers as business partners.

In business cooperation with third parties, legal issues can become more complex if BUMDes does not yet have legal entity status. This situation can cause uncertainty for external parties, such as investors or *offtakers*, regarding the legal certainty of contractual relationships with BUMDes. Without a clear legal position as an independent legal entity as required in Article 10 of Government Regulation Number 11 of 2021, such cooperation has the potential to cause uncertainty regarding the party responsible for the agreement. In the event of a dispute, third parties may file a lawsuit against the village government or even against the management personally, because BUMDes does not yet fully have legal capacity as an independent legal entity. This situation not only has an impact on civil aspects, but can also have administrative implications and other legal issues related to village financial management.

The issue of implementing the *Food Estate* program by BUMDes that are not yet legal entities is also related to the basic concept in legal entity theory. In legal doctrine, a legal entity is understood as a legal subject that has rights and obligations separate from its founders and managers. Several theories regarding legal entities, such as the *fiction* theory and the *organ* theory, explain that legal entities are recognized by law as *juridical persons* that can act through their representative organs. Thus, every legal action taken by a legal entity is, in principle, regarded as an action of the legal entity itself, not as a personal action of its administrators or the parties running it.

Within this framework, Government Regulation No. 11 of 2021 explicitly establishes BUMDes as a legal entity. As a result, BUMDes has assets that are separate from those of the village and is independently responsible for any agreements it enters into. From an organ theory perspective, BUMDes operational executives are viewed as organs that represent legal entities in carrying out business activities. Therefore, legal responsibility for agreements made in business activities, including in the implementation of the *Food Estate* program, in principle rests with BUMDes entities as legal entities as long as such actions are carried out within the limits of their legal authority and in accordance with the provisions of laws and regulations.

Legal issues arise when BUMDes has not yet been approved as a legal entity, but has entered into various legal agreements in the implementation of the *Food Estate* program²⁴. From a legal entity perspective, this condition indicates that the entity does not yet fully possess *legal personality* that is separate from the parties that formed or manage it. As a result, the principle of separation of assets and liabilities that should be inherent in a legal entity becomes unclear in its application. Theoretically, if an entity that does not yet have legal entity status performs a legal action, then responsibility for that action can be transferred to the party acting on behalf of the entity. In the context of BUMDes, this condition opens up the possibility that legal responsibility does not only attach to the institution running the business, but can also have implications for the village government or even the BUMDes management personally.

From the perspective of *liability theory*, there is a fundamental difference between the liability attached to a legal entity and personal liability. In a legally established legal entity, the principle of *limited liability* applies, whereby liability is limited to the assets of the legal entity itself.

²⁴ Tri and Setyaningrum, "Village-Owned Enterprises (BUMDes) After the Implementation of Government Regulation No. 11."

Under this principle, those who manage a legal entity are not personally liable as long as their actions are within the limits of their legal authority. However, if an entity has not yet obtained full legal entity status, then this limited liability protection cannot be fully applied. In such circumstances, *personal liability* may arise for managers who carry out business activities, and even *vicarious liability* for the village government if the activities of the BUMDes are considered part of the village's administrative actions.

In the implementation of the *Food Estate* program, the issue of responsibility becomes increasingly relevant because business activities involve various legal relationships, both with farmers as production partners and with third parties in terms of capital and marketing. In the event of business losses, such as crop failure, breach of contract, or contractual disputes with external parties, the question arises as to which party should bear the losses. If the BUMDes does not yet have legal entity status as required by Government Regulation Number 11 of 2021, claims for compensation may potentially be directed at the party that actually controls the business activities or that signed the cooperation agreement, including the village head or BUMDes management. This situation creates legal uncertainty and has the potential to conflict with the objectives of the regulation in Government Regulation No. 11 of 2021, which separates the responsibilities of the village government from the BUMDes business entity as an independent legal entity.

In addition, in relation to the management of Village Funds, legal liability issues can also arise more broadly if business activities carried out through BUMDes do not have a clear institutional basis²⁵. The use of Village Funds for economic activities such as the *Food Estate* program remains within the framework of village financial administration supervision. In the event of irregularities, liability does not stop at civil aspects, but can also develop into administrative or even criminal liability if it relates to the

²⁵ Shahrira et al., "3 1,2,3."

misuse of village finances. In the case of BUMDes that do not yet have legal entity status, the accountability mechanism becomes unclear because the boundaries between village assets and business activities are not completely separate. This has the potential to create broader legal risks for village officials involved in program management.

Therefore, from the perspective of legal entity theory and liability theory, legal entity status cannot be viewed merely as an administrative requirement, but rather as a legal protection mechanism for villages, BUMDes administrators, and parties that have business relationships with BUMDes. Based on these considerations, the implementation of business cooperation and profit sharing by BUMDes that do not yet have legal entity status has the potential to shift responsibility from the business entity to individual administrators or the village government²⁶. This condition shows a discrepancy between the legal provisions that require legal entity status for BUMDes and the practices that still occur in the field. Therefore, fulfilling *the legal personality* of BUMDes as stipulated in Government Regulation Number 11 of 2021 becomes an essential prerequisite to ensure the application of the principle of limited liability, the creation of legal certainty in contractual relationships, and the existence of legal protection for all parties involved in the implementation of the *Food Estate* program at the village level²⁷.

2. The role of BUMDes in realizing local food security and protecting farmers

²⁶ Indani, Tarsisius, and Mulyati, "STATUS OF BUMDES LEGAL ENTITIES AS INDIVIDUAL COMPANIES IN LIGHT OF LAW NUMBER 11 OF 2020 CONCERNING JOB CREATION."

²⁷ Isis Ikhwanisyah, Pupung Faisal, and Purnama Trisnamansyah, "Optimizing Village-Owned Enterprises as Legal Entities in Efforts to Enhance Cooperation and Asset Management," *Jurnal Bina Mulia Hukum* 8, no. 2 (2024): 307–25, <https://doi.org/10.23920/jbmh.v8i2.1384>.

The position of BUMDes as a village legal entity that has the authority to carry out business activities, establish partnerships, and manage business units provides space for BUMDes to play a role in strategic village programs, including strengthening food security through village-scale Food Estate schemes. However, fulfilling legal and institutional governance aspects is a prerequisite. The success of village food security programs is not only determined by the legitimacy of the activity implementers, but also by the extent to which the program is able to provide tangible benefits to the village community, especially farmers as the main actors in food production²⁸.

Based on this framework, this section analyzes the role of BUMDes in realizing local food security and legal protection for farmers in the implementation of the village-scale Food Estate program²⁹. The analysis is conducted by linking the mandate of BUMDes in Government Regulation No. 11 of 2021, the mandate of food security in the Food Law, and the priority policy for the use of Village Funds which places food security as the focus of village development. Furthermore, the discussion assesses the implementation of the role of BUMDes in practice, its level of optimization, and the factors that influence its effectiveness. In the final section, strategies for strengthening the role of BUMDes are formulated through a substantive, structural, and legal cultural approach, while also outlining the form of legal protection for farmers in partnership relationships so that the village-scale Food Estate program becomes an instrument for empowering and improving the welfare of rural communities.

Strengthening food security is a strategic agenda in national development that is not only the responsibility of the central and regional governments, but also involves the active role of village administrations as the government units closest to the community. In this context, villages play

²⁸ Ramadhan et al., "Strategies for Developing Village-Owned Enterprises as an Implementation of the Sustainable Development Goals (SDGs) in Candi Village, Bandung District, Semarang Regency."

²⁹ Shalhira et al., "3 1,2,3."

an important role in supporting the national food system through the management of local resource potential, particularly in the agricultural sector, which is the main source of livelihood for rural communities. Therefore, efforts to strengthen food security at the village level should not only focus on increasing food production, but also on managing the local economic system in a way that ensures food availability, accessibility, and stability for rural communities.

The role of villages in supporting food security can be realized through the strengthening of village economic institutions, one of which is through Village-Owned Enterprises (BUMDes). Legally, the position of BUMDes is regulated in Government Regulation Number 11 of 2021 concerning Village-Owned Enterprises, which emphasizes that BUMDes is a legal entity established by the village to manage businesses, utilize village assets, develop investment and productivity, provide services, and contribute to the welfare of the village community. This provision shows that BUMDes not only functions as a village business institution, but also as an instrument of village economic development aimed at improving the collective welfare of the community.

Article 3 of Government Regulation Number 11 of 2021 emphasizes that the objectives of establishing BUMDes include improving the village economy, optimizing village assets, and providing benefits for the welfare of the village community. This formulation provides a normative basis that BUMDes business activities must be directed at the optimal utilization of the village's economic potential. In villages with agrarian characteristics, the agriculture and food sectors are the main potentials that can be developed through BUMDes business activities. Therefore, the involvement of BUMDes in the management of businesses related to food production and distribution is part of the implementation of its establishment objectives.

In addition to institutional objectives, the principles of BUMDes management also provide a normative framework for the implementation

of village business activities. Article 4 of Government Regulation Number 11 of 2021 emphasizes that BUMDes management must be based on the principles of professionalism, transparency, accountability, participation, and sustainability. These principles form the basis for the management of village economic activities, including businesses related to food security. Professionalism requires careful business planning and systematic management, while transparency and accountability require open financial management that is accountable to the community through village deliberation mechanisms. The principle of participation emphasizes the importance of involving the village community, especially farmers as the main actors in food production, in the decision-making process related to village enterprise management.

Furthermore, Article 5 of Government Regulation Number 11 of 2021 states that BUMDes functions to manage the economic potential of villages while providing social benefits to village communities. With thus, BUMDes business activities are not solely oriented towards economic profit, but must also provide social benefits. In the context of village food security, this function can be realized through businesses that support food production, agricultural processing, and the strengthening of food distribution systems at the village level.

This normative framework is in line with the provisions of Law No. 18 of 2012 on Food, which emphasizes that food security is the condition of sufficient food availability for the country and its citizens, reflected in the availability of food that is sufficient, safe, of high quality, nutritious, evenly distributed, and affordable. Food security is not only related to the ability to produce food, but also to the ability of the economic and distribution systems to ensure sustainable access to food. In this context, strengthening local economic institutions is an important factor in maintaining the stability of the food system at the community level.

At the village level, economic institutional strengthening can be achieved through the role of BUMDes in managing business activities related to the food sector. Through organized business management, BUMDes can integrate various economic activities of the village community, from production and processing to the distribution of agricultural products. Thus, BUMDes acts as a link between farmers' production activities and a more stable and structured business management system³⁰.

In addition, the policy of prioritizing the use of Village Funds that places food security as one of the focuses of village development planning further strengthens the role of BUMDes in the food sector. This policy provides space for villages to allocate resources for activities that support increased food production, agricultural business development, and strengthening the distribution of agricultural products. Within this framework, BUMDes can act as implementers of village business activities that utilize village funding support in a more targeted and organized manner.

Thus, the institutional arrangement of BUMDes, national policies on food security, and village development policies are interrelated and complementary. BUMDes has obtained institutional legitimacy to manage the economic potential of villages, food security has become a strategic development goal, while the Village Fund serves as a policy instrument to encourage the implementation of these activities at the village level. This normative framework provides the basis for understanding the role of BUMDes in village-scale Food Estate programs as part of efforts to strengthen local food security.

This normative basis also opens up opportunities for BUMDes to engage in various business activities in the food sector. In the context of

³⁰ Trinanda Ultari and Khoirunurrofik Khoirunurrofik, "The Role of Village-Owned Enterprises (BUMDes) in Village Development: Empirical Evidence from Villages in Indonesia," *Journal of Development Planning: The Indonesian Journal of Development Planning* 8, no. 2 (2024): 256–80, <https://doi.org/10.36574/jpp.v8i2.559>.

strengthening local food security, the role of BUMDes is not only limited to the management of village business units in general, but can also be directed towards strengthening the food value chain, which includes production, processing, and distribution of agricultural products. Through more organized management of village economic activities, BUMDes can play a role as a driving force in integrating the economic activities of village communities.

In the implementation of village-scale Food Estate programs, BUMDes can act as institutions that coordinate food production activities carried out by village communities, especially farmers. Agricultural production activities, which have traditionally been individual in nature, often face limitations in terms of access to production facilities, agricultural technology, and financial support. Through BUMDes institutions, production activities can be managed in a more structured manner by utilizing local resource potential. In this case, BUMDes can facilitate the provision of production facilities, coordinate cultivation activities, and help farmers access the necessary technological and financial support.

In addition to the production stage, BUMDes can also play a role in strengthening post-harvest activities and agricultural product processing. Limited storage and processing facilities often result in crops being sold in raw form with relatively low economic value. Through village enterprise management, BUMDes can provide post-harvest facilities such as storage, drying, and processing of agricultural products into value-added food products. Thus, BUMDes business activities not only improve the efficiency of agricultural product management, but also open up opportunities for increased economic benefits for rural communities.

The role of BUMDes is also evident in strengthening the distribution and marketing systems for village agricultural products. Limited market access often causes farmers to depend on middlemen, resulting in their relatively weak bargaining position in determining prices. Through village

enterprise management, BUMDes can act as an institution that collects farmers' produce and distributes it to a wider market. This mechanism can help increase price stability while strengthening farmers' bargaining position in the agricultural product marketing system.

Within the framework of the village-scale Food Estate program, the role of BUMDes in strengthening the food value chain also includes a stabilizing function in the local food system. Fluctuations in agricultural prices often affect farmers' welfare, especially during the harvest season when prices tend to decline due to increased supply. In such conditions, BUMDes can act as an institution that absorbs farmers' production for storage or gradual marketing in accordance with market conditions. This mechanism can help reduce the risk of losses for farmers while maintaining food supply stability at the village level.

Thus, the role of BUMDes in village-scale Food Estate programs is not only related to the management of village enterprises in general, but also includes strengthening the entire local food value chain. Through production coordination, strengthening post-harvest activities, developing agricultural product processing, and managing distribution and marketing, BUMDes can encourage the formation of a more organized village food system. This role shows that the existence of BUMDes can contribute to supporting local food security while improving the welfare of rural communities, especially farmers as the main actors in food production.

However, even though BUMDes has legal legitimacy to play a role in strengthening local food security, its implementation in practice has not always been optimal. Various policies that encourage the strengthening of the village economy through BUMDes, including in the food sector, often face various obstacles in their implementation. This condition shows that the existence of legislation as a legal basis does not automatically guarantee the effectiveness of its implementation. Therefore, an evaluation of the implementation of the role of BUMDes in village-scale Food Estate

programs is important to identify the factors that influence success and obstacles in practice.

From the perspective of Lawrence M. Friedman's legal system theory, the effectiveness of a legal policy is influenced by three main elements, namely legal substance, legal structure, and legal culture. These three elements are interrelated in determining the extent to which a rule can be effectively implemented in society. This approach can be used to analyze the implementation of the role of BUMDes in the Ministry of Village, Development of Disadvantaged Regions and Transmigration in supporting local food security through the village-scale Food Estate program.

From a legal perspective, various laws and regulations have provided a strong foundation for BUMDes to play a role in strengthening village food security. Government Regulation No. 11 of 2021 regulates the objectives, principles, and functions of BUMDes as village economic institutions that can manage the economic potential of villages. In addition, Law No. 18 of 2012 on Food emphasizes that the implementation of food security is a shared responsibility between the government, local governments, and the community. In the context of villages, this can be realized through the management of agricultural and food potential by village economic institutions such as BUMDes. Policies that prioritize food security in the use of Village Funds also demonstrate policy support for the development of food businesses at the village level.

However, from a legal perspective, there are still several challenges that affect the effectiveness of BUMDes' role in village-scale Food Estate programs. One of these challenges is the lack of uniform operational regulations at the village level that provide more detailed provisions on the mechanisms for implementing food business activities through BUMDes. In some villages, village regulations related to the management of BUMDes and businesses in the food sector do not yet provide clear operational

guidelines, which can affect the consistency of food business activities carried out by BUMDes.

In addition to legal substance, legal structure also influences the implementation of BUMDes' role in supporting local food security. Legal structure in this context includes institutions involved in policy implementation at the central, regional, and village levels. In the implementation of village-scale Food Estate programs, various parties have interrelated roles, such as the central government as the policy maker, the regional government as the supervisor and overseer, the village government as the administrator of village administration, and BUMDes as the implementer of village business activities. In addition, farmer groups, agricultural extension workers, and the private sector can also be involved in agricultural production and marketing activities.

The involvement of various parties shows that the successful implementation of village food security programs is highly dependent on coordination and synergy between the institutions involved. If coordination is not effective, program implementation can encounter various obstacles. In some cases, the limited institutional capacity of BUMDes and the lack of technical assistance from local governments also affect the ability of BUMDes to optimally manage businesses in the food sector.

In addition, the legal culture of the community also influences policy implementation. In Lawrence M. Friedman's legal system theory, legal culture relates to the attitudes, values, and behavior patterns of the community towards the applicable law. In the context of village enterprises in the food sector, the legal culture of the community can influence the acceptance and implementation of programs run by BUMDes. For example, the long-established practice of farmers selling their crops to middlemen often influences the success of BUMDes in collectively collecting and marketing their produce. In addition, the level of community trust in

BUMDes management also affects the level of community participation in village business activities.

Thus, the implementation of the role of BUMDes in village-scale Food Estate programs is not only influenced by the existence of legal regulations that provide the basis for BUMDes' authority, but also by institutional and social factors that develop within the village community's legal culture ³¹ . An approach based on legal system theory shows that the success of village food security strengthening programs requires harmony between adequate legal substance, effective institutional structures, and a legal culture that supports the implementation of these policies. Evaluation of these three aspects is important for formulating strategic steps to strengthen the role of BUMDes so that it can make a more optimal contribution to realizing local food security and improving the welfare of rural communities.

An evaluation of the implementation of the role of BUMDes in supporting local food security shows that the success of village-scale Food Estate programs depends not only on the existence of regulations that provide a basis for BUMDes' authority, but also on how effectively the legal system works in practice. Within the framework of legal system theory proposed by Lawrence M. Friedman, strengthening the role of BUMDes in supporting village food security can be done by strengthening the aspects of legal substance, legal structure, and legal culture. These three aspects are important interrelated factors in determining the effectiveness of policy implementation related to strengthening food security at the village level³²

From a legal perspective, strengthening the role of BUMDes can be done through the development of legal instruments at the village level that more specifically regulate the implementation of business activities related

³¹ Risdianto, Felix Marshal Jotham, and Nurdin, "Analysis of the Implementation of the 'Food Estate' Policy in Efforts to Protect the Sustainability of Agricultural Land and Food Security in Central Kalimantan Province."

³² Karim, *Enhancing Village Economy Through Village-Owned Enterprises (BUMDes)*.

to the food sector³³. Government Regulation Number 11 of 2021 has provided a basic framework regarding the position and function of BUMDes as a village economic institution, but in practice, more operational regulations are needed at the village level through village regulations. These village regulations can regulate in more detail the form of BUMDes business activities in the food sector, the mechanism for cooperation with farmer groups, the management of production results, and a fair profit-sharing system for the parties involved. With clearer regulations at the village level, business activities carried out by BUMDes in the food sector can have legal certainty and more focused operational guidelines³⁴.

In addition, strengthening the legal substance can also be done through the development of business cooperation standards between BUMDes and farmers or other parties involved in food business activities. Such cooperation is a legal relationship based on an agreement as regulated in civil law. Therefore, the cooperation agreement needs to contain clear provisions regarding the rights and obligations of the parties, the mechanism for sharing business profits, and arrangements regarding business risks that may arise in food production activities. These arrangements are important to provide legal certainty and protect the interests of parties involved in BUMDes business activities³⁵.

From a legal structure perspective, strengthening the role of BUMDes in the Food Estate program also requires institutional support from various parties involved in food sector management. The central government plays a role in formulating national policies and programs related to food security, while local governments provide guidance and supervision for the implementation of BUMDes activities. Meanwhile, village governments are

³³ Ruliyanto Syahrain, Musdar Muhammad, and Rinto Syahdan, "Utilization of Village Funds for Food Security Through the Role of BUMDes in Rioribati Village, South Jailolo District," *Jurnal Masyarakat Mengabdi Nusantara* 2, no. 4 (2023): 01–08, <https://doi.org/10.58374/jmmn.v2i4.200>.

³⁴ Secretariat General and Ministry of Agriculture, "FOOD SECURITY IN 2021," n.d.

³⁵ Ministry of Agriculture, "FOOD SECURITY IN 2021," n.d.

responsible for ensuring that BUMDes management runs in accordance with its founding objectives and provides benefits to the village community³⁶.

In this context, BUMDes cannot work independently in managing businesses in the food sector³⁷. The involvement of various parties, such as farmer groups, agricultural extension workers, financial institutions, and other business actors, is important to support the success of these activities. Through good coordination between parties, business activities carried out by BUMDes can be more effective and provide greater benefits to rural communities.³⁸

In addition to substantive and legal structural aspects, strengthening the role of BUMDes also needs to consider aspects of community legal culture. Legal culture relates to the attitudes, values, and behavior patterns of the community toward the management of village economic activities. The success of businesses run by BUMDes is greatly influenced by the level of participation and trust of the village community in the management of these institutions. Therefore, BUMDes management needs to be carried out in a transparent and accountable manner in order to build community trust³⁹.

In the context of strengthening village food security, legal culture development can also be carried out by encouraging the utilization of local food potential and strengthening cooperation between farmers and BUMDes in agricultural production and marketing activities. Through the

³⁶ Food Security Concepts and Measurements Dan, "Food Security: Concepts, Measurements, and Strategies" 20, no. 1 (2002): 12–24.

³⁷ Rasji and Vera Tua Tobing, "Problematic Analysis of the Legal Policy of the Food Estate Program (Government Era 2020-2024)."

³⁸ Ikhwansyah, Faisal, and Trisnamansyah, "Optimizing Village-Owned Enterprises as Legal Entities in Efforts to Enhance Cooperation and Asset Management."

³⁹ Rasji and Vera Tua Tobing, "Problematic Analysis of the Legal Policy of the Food Estate Program (Government Era 2020-2024)."

active participation of the village community, a village economic system based on local potential can develop more sustainably.

Thus, the strategy to strengthen the role of BUMDes in supporting local food security requires an approach that focuses not only on regulatory aspects, but also on institutional strengthening and community participation. Through the strengthening of legal substance, legal structure, and legal culture, BUMDes is expected to be able to carry out its role more optimally in village-scale Food Estate programs and make a real contribution to local food security and improving the welfare of rural communities.

The implementation of village-scale Food Estate programs involving BUMDes cannot be separated from the role of farmers as the main actors in food production. In practice, the relationship between BUMDes and farmers is often realized through business cooperation that covers production activities, harvest management, and agricultural product marketing⁴⁰. This cooperation shows that the success of the Food Estate program does not only depend on BUMDes as village business managers, but also on farmers as the implementers of production activities. Therefore, the arrangement of the cooperative relationship between BUMDes and farmers needs to take into account the aspect of legal protection for farmers so that business activities can take place fairly and sustainably⁴¹.

From a legal perspective, the cooperative relationship between BUMDes and farmers is a legal relationship based on an agreement. In Indonesian civil law, provisions regarding agreements are regulated in the Civil Code, specifically Article 1320, which regulates the validity of agreements. This article states that an agreement is considered valid if it meets four requirements, namely the agreement of the parties, the capacity

⁴⁰ Trinanda Ultari and Khoirunurrofik, "The Role of Village-Owned Enterprises (BUMDes) in Village Development: Empirical Evidence from Villages in Indonesia."

⁴¹ Shahrira et al., "3 1,2,3."

to enter into a contract, the existence of a specific object, and the existence of a lawful cause. If these requirements are met, then the agreement made between BUMDes and farmers has legal binding force for the parties.

In addition, Article 1338 of the Civil Code stipulates that every agreement made legally is binding on the parties who made it. This provision indicates that the cooperative relationship between BUMDes and farmers must be carried out in good faith and with respect for the rights and obligations of each party as agreed in the agreement. In the context of the Food Estate program, the existence of a cooperation agreement is important to provide legal certainty regarding the mechanisms for implementing the business, the distribution of profits, and the responsibilities of the parties in the production and marketing of agricultural products.

However, in practice, agricultural cooperation often involves an imbalance between parties with greater economic and institutional capacity and farmers as producers. This situation has the potential to cause losses for farmers if the cooperative relationship is not regulated in a fair and transparent manner. Therefore, legal protection for farmers is important to ensure that cooperation in the Food Estate program not only benefits one party, but also provides fair benefits for farmers as the main actors in food production.

Legal protection for farmers in cooperative relationships with BUMDes can be analyzed through legal protection theory, which distinguishes between preventive and repressive legal protection. Preventive legal protection aims to prevent rights violations through clear regulations regarding the rights and obligations of the parties in the cooperation agreement. In this context, agreements between BUMDes and farmers need to include clear provisions regarding production mechanisms, distribution of business profits, determination of agricultural product prices, and sharing of risks that may arise in food production activities.

Meanwhile, repressive legal protection relates to dispute resolution mechanisms in the event of a breach of the agreed agreement. In the cooperative relationship between BUMDes and farmers, dispute resolution can be pursued through deliberation as a form of amicable settlement in accordance with the values of the village community. If deliberation does not reach an agreement, the parties can pursue dispute resolution through legal mechanisms in accordance with the provisions of the applicable laws and regulations.

In addition to contractual arrangements, legal protection for farmers can also be achieved by strengthening the role of village governments in supervising the activities of BUMDes. Village governments have a responsibility to ensure that the business activities carried out by BUMDes remain in line with their founding objectives, namely to improve the welfare of the village community. Through effective supervision, village governments can prevent practices that are detrimental to the village community, especially farmers as the main actors in food production.

Thus, legal protection for farmers in village-scale Food Estate programs is an important aspect to ensure that the program is implemented fairly and sustainably. Through clear cooperation agreements, the application of good faith principles in implementation, and oversight support from the village government, the cooperative relationship between BUMDes and farmers can be balanced and beneficial to all parties. Adequate legal protection for farmers is also an important factor in supporting the success of the village-scale Food Estate program as part of efforts to achieve local food security and improve the welfare of rural communities⁴².

⁴² Keragaman Sumber et al., "The National Strategic Project Called Food Estate: A Threat to Farmer Autonomy and" 6, no. 436 (2024).

IV. Conclusion

Based on the discussion, it can be concluded that BUMDes has a strong legal basis to play a role in supporting the strengthening of local food security through the implementation of village-scale Food Estate programs. The position of BUMDes as a village legal entity as regulated in Government Regulation Number 11 of 2021 provides legitimacy for BUMDes to manage the economic potential of villages, including the food sector, which is one of the main potentials in many villages in Indonesia. In addition, the provisions on food security in Law No. 18 of 2012 on Food and the policy of prioritizing the use of Village Funds that places food security as the focus of village development further strengthens the position of BUMDes as the implementer of village economic activities related to the food sector. In practice, the role of BUMDes in the Food Estate program can be realized through the strengthening of the village food value chain, starting from the coordination of production activities, post-harvest management, processing of agricultural products, to the strengthening of distribution and marketing of agricultural products.

However, the implementation of BUMDes' role in supporting local food security has not always been optimal. Based on analysis using Lawrence M. Friedman's legal system theory, the effectiveness of the Food Estate program at the village level is influenced by three main elements, namely legal substance, legal structure, and legal culture. From the aspect of legal substance, there is still a need to strengthen operational regulations at the village level that can provide clearer guidelines for the implementation of food business activities by BUMDes. From the aspect of legal structure, the success of the program is greatly influenced by coordination between the central government, local government, village government, and other parties involved in the production and marketing of agricultural products. Meanwhile, from the legal culture aspect, the level of community participation and trust in BUMDes management is also a determining factor in the success of the program.

In addition, the implementation of village-scale Food Estate programs involving cooperation between BUMDes and farmers also requires adequate legal protection for farmers as the main actors in food production. This cooperative relationship is essentially a legal relationship based on an agreement as stipulated in the Civil Code, particularly in Article 1320 concerning the validity of agreements and Article 1338 concerning the binding force of agreements. In this context, legal protection for farmers needs to be realized through the drafting of clear and fair cooperation agreements and through dispute resolution mechanisms that can guarantee legal certainty for all parties. With clear regulations and adequate legal protection, the cooperation between BUMDes and farmers in the Food Estate program is expected to run sustainably and provide tangible benefits

in realizing local food security and improving the welfare of rural communities.

Furthermore, the implementation of village-scale Food Estate programs through the role of BUMDes is also relevant to the commitment to sustainable development as reflected in **the Sustainable Development Goals (SDGs)**, particularly **Goal 2, Zero Hunger**. This goal emphasizes efforts to end hunger, improve food security, improve community nutrition, and promote sustainable agricultural systems. In this context, strengthening village economic institutions through BUMDes that are capable of integrating food production, processing, and distribution activities is one of the strategic steps to support the creation of a more independent and sustainable food system at the village level. Therefore, the successful management of the Food Estate program by BUMDes not only contributes to strengthening local food security but also forms part of Indonesia's efforts to support the achievement **of SDG Goal 2 (Zero Hunger)** through the empowerment of rural communities and the improvement of farmers' welfare.

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