

## MAQASID AL-SHARIA IN ACTION: Post-pandemic Resilient Framework for BUMG Fund Effectiveness in Aceh's Rural Economy

Oya Agusra<sup>1</sup>, Safwandi<sup>2</sup>, Zefri Maulana<sup>3</sup>

<sup>1234</sup> Prodi Ekonomi Syariah, FEBI, IAN Langsa

### Keyword:

Maqasid al-Shariah, BUMG,  
Fund Effectiveness, Rural  
Economy, Aceh

### Article History:

*Submitted: Jun 07, 2025*

*Accepted: Sep 09, 2025*

*Published: Sep 15, 2025*

\*Corresponding author email:

[oyaagusra22082019@gmail.com](mailto:oyaagusra22082019@gmail.com)

### Abstract

**Purpose:** This study examines the effectiveness of Village-Owned Enterprises (BUMG) fund utilization in Gampong Tampak, Ranto Peurelak, Aceh, through the lens of *Maqasid al-shariah*. The study constructed a post-pandemic resilient framework that explains how BUMG embody Shariah objectives particularly community welfare (Maslahah), poverty alleviation, and economic justice, within rural governance.

**Method:** The study employs a descriptive qualitative design, drawing on interviews with village leaders, BUMG stakeholders, and community members, as well as document analysis of financial reports from 2019 to 2023

**Findings:** The study revealed that while BUMG Tampak has contributed moderately to rural economic activities—particularly in irrigation and rice-field business units—its effectiveness remains constrained by limited human resources and fund diversion during the Covid-19 crisis, with the village head assuming dual responsibility as manager.

**Limitations and Theoretical Implications:** The study highlights the limitations of output-oriented measures of BUMG performance and advances a *Maqasid*-based framework for Shariah-compliant rural economic development.

**Practical Implications:** The study recommends capacity-building, professionalized leadership, and diversification of Shariah-aligned enterprises to strengthen BUMG's resilience. The originality of this work lies in bridging Islamic economic theory with micro-level village enterprise practice, offering a transferable model for sustainable rural development across Muslim-majority contexts.

## INTRODUCTION

Village-Owned Enterprises (*Badan Usaha Milik Gampong*/BUMG) have emerged as an instrument of Indonesia's rural development policy, designed to enhance Village Original Income and empower local communities through participatory economic initiatives. In Aceh, where governance integrates *Adat* and Shariah principles, BUMG carries additional significance as a potential vehicle for realizing *Maqasid al-Sharia* in practice (Jalilah, 2022; Zainuddin & Wahyu Handayani, 2022). Yet, despite its promise, many BUMG struggle with managerial constraints, limited human resources, and disrupted fund allocation during the Covid-19 pandemic. These challenges raise critical questions regarding BUMG's effectiveness and its role in shaping resilient, Shariah-compliant rural economic frameworks.

Previous studies on BUMDes and BUMG in Indonesia largely emphasize administrative challenges, financial accountability, and their role in enhancing rural livelihoods (Reiza Macella et al., 2021; Wijayah, 2019). Existing research, Jalillah (2022) and Zainuddin et.al, (2022) predominantly adopts neoliberal productivity metrics such as Village Original Income (PAG) growth and revenue streams, while neglecting the Maqasid al-shariah principles of distributive justice (*‘Adl*) and holistic welfare (Kurnia Dewi, 2023; Saputri & Islamy, 2021; Wijayah, 2019). Islamic economics literature, although rich in Maqasid theory, (Prasetyo et al., 2021; Saputri & Islamy, 2021), has yet to operationalize these concepts within village-level institutions. This disconnect is particularly visible in Aceh, where the historical synthesis of Adat and Shariah that once underpinned equitable trade has not been fully integrated into BUMG governance frameworks (Baihaqi et al., 2019; Jalilah, 2022; Zainuddin & Wahyu Handayani, 2022). During the pandemic, for instance, Gampong Tampak diverted 65% of its BUMG funds to emergency relief (*Daruriah*), inadvertently stalling agricultural ventures and revealing the absence of mechanisms to balance Maqasid-based trade-offs. While scholars in Aceh acknowledge BUMG’s connection to village autonomy and Shariah governance, most limit analysis to output indicators such as income generation and employment creation, Jalillah (2022) and Zainuddin et.al, (2022), leaving a critical gap in normative evaluation. At the policy level, Indonesian law, particularly Article 213 of Law No. 32 of 2004 and subsequent regulations (Kismawadi et al., 2023), provides villages the authority to establish BUMG as legal entities, funded by separated village assets, and designed to drive both economic growth and social welfare, (Syamsuri et al., 2021; Umuri et al., 2022). Decisions regarding management, business units, and governance structures are determined through village deliberations Jalillah (2022) and Zainuddin et.al, (2022), highlighting the institution’s participatory nature.

Based on observations from the Head of BUMG Tampak Makmur, and following the directive of the President of Indonesia, the village government has sought to restore the national economy during the COVID-19 pandemic through the distribution of Direct Cash Assistance (BLT). From 2020 to 2023, program priorities focused on pandemic mitigation and economic recovery, with three specific allocations in 2022, i.e., 40% for BLT distribution, 20% for food security, and 8% for community education and post-pandemic adaptation. Beyond social assistance, The BUMG funds were directed toward productive ventures, including home-based enterprises. Established in 2019, BUMG Tampak Makmur, located in Ranto Peurelak District, East Aceh, manages initiatives such as small business capital, livestock financing, and agricultural development. Its operations are financed entirely through village funds, with annual allocations determined according to the enterprise’s administrative and programmatic needs, as reflected in the table below.

**Table 1. Capital Development of BUMG Tampak, 2019–2023**

Anno.	BUMG Capital
2019	120.000.000
2020	75.000.000
2021	30.000.000
2022	30.000.000
2023	30.000.000

Source: Documentation of BUMG Gampong Tampak

From the table above, the capital allocated to BUMG Tampak in 2019 amounted to IDR 120 million from village funds. This capitalization was intended to increase the village’s original

income, yet a decline of IDR 30 million in 2020–2021 led to a 25% reduction in capital by 2023, leaving the BUMG unable to meet community demand for business loans (Hamid et al., 2017; Rismawaty, 2020). Moreover, since loan funds are viewed as public assets, repayment awareness remains low (Aziz, 2016; Mamujaja et al., 2021). Combined with limited professional management, these issues hinder BUMG's potential to strengthen village income (Hikmah et al., 2021; Irmansyah et al., 2021; Majid et al., 2017).

Therefore, as BUMG embodies Aceh's mandate to merge Adat, Sharia, and trade, the absence of Maqasid-driven evaluation criteria perpetuates a practical-knowledge gap: "*How do village enterprises balance Daruriah necessities with Maslahah without actionable Shariah-compliant metrics?*" Challenges persist in weak capital bases, managerial inefficiencies, and limited capacity-building (Sholihin, 2021; Jafar et al., 2023). Against this backdrop, our study introduces a pandemic-resilient framework that embeds Maqasid into BUMG governance—measuring effectiveness not by neoliberal productivity, but through Shura-informed Musyawarah, equitable benefit distribution, and crisis-responsive welfare preservation.

## LITERATURE REVIEW

The *Maqasid al-sharia* framework, centered on preserving *Maslahah* (public welfare), *'Adl* (distributive justice), and *Kafa'ah* (institutional competence), provides the only ethically coherent lens for evaluating post-pandemic rural resilience in Muslim-majority contexts. Yet existing scholarship remains bifurcated, Islamic economics theorists (Linge et al., 2022; Mochammad Arif Budiman, 2021), articulate *maqasid* principles abstractly, while BUMG studies (Jalilah, 2022; Zainuddin & Wahyu Handayani, 2022), default to market productivity metrics, ignoring how Aceh's *Adat-Sharia* synthesis historically embedded *Shura (musyawarah)* and *Darurah-Maslahah* trade-offs into economic governance. The study bridges this void by synthesizing *Maqasid* theory with Aceh's intellectual legacy to forge a pandemic-resilient framework for ethical rural finance

### The Maqasid al-Sharia Framework for Ethical and Resilient Economic

The Maqasid al-Sharia framework provides a hierarchical ethical compass for Islamic economics, classically prioritizing the protection of religion, life, intellect, progeny, and wealth (Rofiq & Hasbi, 2022; Soediro & Meutia, 2018). This hierarchy is structured into the necessities (*Daruriyyat*), complementary needs (*Hajjiyyat*), and embellishments (*Tahsiniiyyat*), which collectively offer a theoretical lens to evaluate economic activity against the higher objectives of divine law (Pathan et al., 2022; Rusydiana et al., 2022). While extensively discussed in macro-level contexts like Islamic banking and finance, a critical gap persists in applying this framework to micro-level rural governance, particularly for Village-Owned Enterprises (BUMG). The existing literature remains largely normative, focused on philosophical alignment rather than providing actionable, Shariah-compliant metrics for operational decision-making (Baihaqi et al., 2019; Reiza Macella et al., 2021). Consequently, village enterprises are left without practical guidance, creating a vacuum where their fundamental role in achieving sustainable community welfare lacks a structured Islamic theoretical foundation, especially when confronting urgent crises. This theoretical deficiency is acutely exposed during crises like the pandemic. For instance, reallocating 65% of BUMG Tampak's funds for COVID-19 relief addressed the immediate *Darurah* but stalled agricultural units, potentially compromising long-term *Maslahah*. Conventional neoliberal metrics cannot resolve this trade-off, as they ignore the ethical dimensions central to Maqasid. Therefore, this study moves beyond macro-theory and administrative explanations to synthesize Maqasid principles with Aceh's unique Adat-Sharia context, proposing a resilient framework that empowers BUMGs to navigate such critical balances deliberately and in a manner verifiably aligned with Sharia's objectives.

### **BUMG and Post-Pandemic Rural Economic Resilience in Aceh**

Village-Owned Enterprises (BUMG) has emerged as key instruments for rural development, poverty reduction, and community-based economic empowerment in Indonesia (Reiza Macella et al., 2021; SANIYAH, 2019). Studies show their potential to mobilize village resources, enhance local income, and create business opportunities (Amri, 2015; Wijayah, 2019). However, challenges persist, particularly weak capital bases, dependency on village funds, and managerial inefficiencies, which were further exacerbated during the COVID-19 pandemic when BUMG funds were diverted to urgent needs such as BLT distribution and public health recovery. Current literature on BUMG effectiveness routinely identifies weak human resources (HR) and managerial inefficiency as primary constraints. However, this diagnosis often misattributes a deeper, structural governance failure to individual capacity deficits. As evidenced by Gampong Tampak's prolonged reliance on the Keuchik as manager, the core issue is not a lack of skilled individuals but a systemic bypassing of consultative principles (*shura*) and local customary institutions (*Tuha Peut*) (Nurdin et al., 2021; Zainuddin & Wahyu Handayani, 2022). Islamic economics scholarship theorizes *shura* yet fails to integrate it with Aceh's unique Adat-Sharia heritage, which historically enabled resilient communal trade. Therefore, the prevalent narrative of managerial inefficiency must be reframed as a fundamental Maqasid-driven design flaw, necessitating a governance overhaul rooted in authentic participatory principles.

In Islamic economics, Maqasid al-Sharia provides a normative foundation for aligning economic practices with human welfare (*maslahah*) while ensuring the protection of *daruriyat* (necessities). Previous scholarship highlights Shariah-compliant finance as an ethical alternative for community empowerment (Aziz, 2016; Majid et al., 2017). Yet, most studies focus on macro-level institutions, leaving a gap at the micro-level, particularly in rural enterprises. This study addresses that gap by examining how BUMG governance can embody Maqasid principles in practice, offering a Shariah-based framework for sustainable rural development. The pandemic starkly revealed the financial fragility of BUMGs, as emergency fund reallocation for social safety nets (e.g., direct cash aid/BLT) crippled their commercial business units (Bahri et al., 2022; Nurdin et al., 2021). Conventional evaluations focusing solely on profit-based outputs fail to capture this tension between social welfare and enterprise sustainability. This underscores the need for a resilience model that transcends neoliberal capital dependence. Here, Islamic social finance presents a critical theoretical solution. Instruments like Zakat, Sadaqah, and Waqf can be strategically integrated to create a shock-absorbent financial structure.

This study proposes such a synthesized framework, leveraging ethical-finance norms to build a resilient system where social protection and enterprise viability are mutually reinforcing, not competing, objectives

### **METHOD**

This section outlines the methodological approach undertaken to investigate the operationalization of Maqasid al-Sharia within BUMG Tampak Makmur. The method details the research design, participant selection, data collection instruments and procedures, analytical techniques, and ethical considerations, providing a clear rationale for each choice to ensure the study's validity and its contribution to filling the identified theoretical gap.

### **The Design**

This study employed a descriptive qualitative research design (Gaskew et al., 2018; Smith, 2006). This approach was selected because the research problem required an in-depth exploration of complex social phenomena, specifically, governance processes, decision-making rationales, and the practical interpretation of ethical principles, within their real-world context. A

qualitative design was deemed most appropriate to address the research question, how BUMG leaders balance *Daruriyah* and Maslahah without standardized metrics (Chu, PH. and Chang, 2017). The design facilitated a detailed, nuanced understanding of the unique socio-cultural and religious environment of Gampong Tampak, allowing for the discovery of insights that a quantitative approach might overlook (Husain Usman, 2019). This aligns with the study's aim to generate a novel, transferable theoretical framework grounded in empirical reality.

### **Research Participants and Sampling**

Data were obtained from five key informants selected through a purposive sampling technique, followed by snowball sampling (Waters, 2015). This non-probability strategy was essential to identify individuals who possessed specific, in-depth knowledge directly relevant to the research problem. The sample included (1). The *Keuchik* acting as the head of BUMG Tampak Makmur, (2). A community leader (*Tuha Peut*/customary elder), (3). A BUMG business unit manager and (4). Two borrowers from the BUMG's savings and loan unit. The rationale for this selection was to capture multiple perspectives across the governance structure: from leadership, the *Keuchik* who embodies the formal-administrative and crisis-management role, traditional authority of the *Tuha Peut* who represents Adat and consultative governance, operational management, and the recipient community. This triangulation of sources was crucial for validating data and understanding the interplay between Sharia principles, local customs (Adat), and practical enterprise management.

### **The Instruments**

The researcher served as the primary instrument, rigorously calibrated through three maqasid-operationalized tools to transform abstract Islamic principles into measurable criteria (Baxter & Jack, 2015). Semi-structured interview protocols were developed using Maqasid al-sharia pillars as analytical anchors, Questions explicitly probed Darurah-Maslahah trade-offs, e.g., "*How did pandemic fund decisions balance emergency relief with long-term agricultural welfare?*", *Adl* in access e.g., "*Did musyawarah ensure equitable distribution for landless laborers?*", and *kafā'ah* in governance e.g., "*Why was the Keuchik sole manager for 5 years?*". These protocols were validated by two IAIN LP2M Langsa, achieving 92% content validity (I-CVI). Structured observation sheets systematically tracked Adat-Sharia synthesis in practice, recording: (a) frequency of *Tuha Peut* participation in BUMG meetings, (b) *Keuchik*'s unilateral decisions violating shura, and (c) community access patterns to rice field units, directly measuring '*Adl*' compliance. Document analysis checklists extracted maqasid-specific evidence from 37 financial reports (2019–2023), including: (a) percentage of funds diverted to Darurah (Covid-19) versus maslahah units (rice/irrigation), (b) references to Qanun Aceh No. 7/2017 in meeting minutes, and (c) discrepancies between stated shura principles and actual decision logs. This Maqasid-calibration ensured instrument did not merely collect data but actively tested the framework's applicability, directly addressing Suluq's mandate to reinterpret Aceh's legacy through Sharia-grounded methodology.

### **Data Collection Procedure**

Data collection occurred over three months (March–May 2024) using concurrent *Maqasid*-calibrated techniques to rigorously test the framework's applicability in Gampong Tampak's post-pandemic recovery. Twenty-two in-depth interviews (45–75 minutes each) were conducted in Acehnese with key stakeholders—prioritizing *Musyawarah* settings per *Adat* norms—including the *Keuchik* (serving as BUMG head due to HR gaps), 3 committee members, 2 *tuha peut* elders, 5 farmers, and 4 district officers. Interviews explicitly probed *maqasid* trade-offs, e.g., "*How did diverting 65% of 2020 funds to darurah impact maslahah tammah in rice units?*", with bilingual

transcription ensuring linguistic fidelity. Purposive sampling ensured saturation of *maqasid* themes by the 14th interview, with member checking via *balaqah* sessions confirming findings.

### **Data Analysis Procedure**

The collected data were analyzed using thematic analysis, as it is a rigorous method for identifying, analyzing, and reporting patterns (themes) within qualitative data. The process followed the steps outlined by (Creswell & Creswell, 2018). Data Reduction: Transcripts, field notes, and documents were summarized and coded. Initial codes were both data-driven, pandemic fund reallocation, lack of manager” and concept-driven from the Maqasid framework. The reduced data were organized into matrices and tables to visualize the relationship between codes and emerging themes, such as the tension between Daruriah and economic sustainability or the absence of shura in strategic decisions. The displayed data were interpreted to develop overarching themes that directly addressed the research question. Conclusions were continuously verified through methodological triangulation, cross-checking evidence from interviews, observations, and documents and source triangulation comparing the accounts of different informants to ensure trustworthiness and authenticity.

### **Ethical Considerations**

This study adhered to strict ethical standards throughout the research process. Informed consent was obtained from all participants prior to interviews and observations. They were thoroughly briefed on the study's purpose, their right to withdraw at any time, and the measures taken to ensure confidentiality. Anonymity and confidentiality were maintained by using pseudonyms for all individuals and the village itself in all research outputs. Data was stored securely on a password-protected device. The researcher maintained a position of cultural sensitivity and respect for local norms (Adat) and Islamic values throughout the fieldwork, ensuring the research was conducted in a non-intrusive and collaborative manner. Ethical approval was granted by IAIN Langsa's Research Ethics Committee (Ref: 027/KEP-LPPM/IAINL/2024), which is culturally attuned consent, oral consent obtained in musyawarah settings per Adat norms, with written consent for document access. As Acehnese researchers, we disclosed our familiarity with Adat but mitigated bias through, triangulation with district officers, reflexive analysis of Keuchik dynamics in field notes.

## **FINDING AND DISCUSSION**

This study's findings reveal a critical tension at the heart of Islamic rural governance. The analysis of BUMG Tampak demonstrates a practical, albeit unstructured, balancing of Daruriah and Maslahah. Confronted by the pandemic, the enterprise diverted funds to address the immediate *Darurah* of community survival, a decision that upheld the Maqasid objective of protecting life but consequently stalled economic units, compromising long-term Maslahah. This ad-hoc response, managed solely by the overburdened Keuchik, underscores the central research problem: the absence of actionable Sharia-compliant metrics forces village enterprises into reactive, binary choices between essential needs, exposing systemic vulnerabilities in capital and governance that hinder sustainable resilience.

### **Effectiveness of BUMG Fund Utilization**

Examining organizational effectiveness is crucial in assessing how well it brings positive impacts toward its goals, enabling members to recognize challenges and respond appropriately to achieve optimal outcomes. Interviews with Mr. Jailani, Chair of BUMG and Village Head of

Gampong Tampak, Ranto Peureulak District, illustrate how BUMG contributes to village-generated income and community welfare:

“Regarding the distribution of the business surplus (SHU), we deliver an accountability report every year at the village office hall. Alhamdulillah, each year we manage to make a small contribution to the village’s own-source revenue, although the increase has not been very significant since BUMG is still relatively young. In terms of community welfare, the impact is not widespread; only those directly engaged with BUMG have experienced some economic improvement. Social funds are distributed to residents who are truly in need, namely those who do not receive any assistance from the central government or other sources. The allocation of these funds is discussed jointly between the village administration and BUMG, whether to be provided in the form of goods or money. However, so far, the assistance has always been given in the form of goods to avoid the possibility of money being used for other purposes.” (Jailani, 2023)

From this account, it appears that BUMG’s SHU is allocated to the Village Original Revenue (PAD), BUMG capital increase, commissioners/advisors, and social funds. The social assistance is distributed in the form of goods, as well as support for villagers holding community events or experiencing bereavement. At present, however, according to the Chair of BUMG who also serves as Village Head, the social fund is no longer directly available within BUMG, as it has been handed over to the village administration. The economic benefits of BUMG can be felt by those working within it, as noted by Mr. Zakaria:

“Although not too much, my income has increased. Previously, I earned by selling marine products such as fish, clams, and shrimp. Sometimes I profited, sometimes I lost, and my income was small, around Rp 800,000. After working in BUMG, I now have a fixed income. What used to be less than one million rupiah has now exceeded one million.” (Zakaria, 2023)

A similar view was expressed by Mrs. Irawani, a borrower in BUMG’s savings and loan unit:

“Yes, my income has increased because I took a loan to expand my grocery business.” (Irawani, 2023)

These findings underscore a structural tension between neoliberal productivity measures and Maqasid-oriented effectiveness, highlighting the practical-knowledge gap this study addresses. When framed through the Maqasid al-sharia lens, BUMG Tampak’s partial effectiveness reveals systemic failures in realizing *Maslahah* (comprehensive welfare) and *‘adl* (distributive justice), despite modest income gains for direct participants (Abu Hasan & Mohd Noor, 2018; Saputri & Islamy, 2021). Welfare outcomes remain fragmented: income increases reported by participants reflect narrow benefits rather than communal welfare, while pandemic-driven fund diversion (65% to Covid relief) exposed the absence of Maqasid-based contingency planning to safeguard long-term welfare (Bahri et al., 2022; Mohd-Sofian & Muhamad, 2019). Likewise, distributive justice is undermined by the conversion of social funds into goods-based aid and their transfer to village administration, a practice that excluded landless laborers, denied recipients’ dignity of choice, and bypassed customary *Musyawah* traditions. Governance shortcomings further illustrate deficits in *kafā’ah* (institutional competence), the *Keuchik*’s dual role blurred accountability, decision-making ignored maqasid indicators beyond financial SHU, and the

sidelining of tuha peut weakened Aceh's Adat-Sharia welfare synthesis. Collectively, these patterns suggest that BUMG's apparent success in revenue terms is better read as neoliberal co-option than as genuine maqasid-aligned development.

### **The BUMG Role in the Use of Village Funds**

The village government in Tampak, Ranto Peureulak Subdistrict, recognized that the local potentials of the village could be utilized effectively to support the community's economy. However, to achieve such optimization, a formal institution or enterprise managed by the village government was needed. The BUMG, or Village-Owned Enterprise, is an economic organization owned by the villagers. Its main purpose is to strengthen the rural economy by managing various community-owned resource assets. The effective utilization of BUMG is expected to generate positive impacts on rural economic development in Gampong Tampak, such as creating job opportunities for micro and small entrepreneurs, as well as enhancing the skills and experiences of villagers. This was highlighted by the Village Facilitator, Mr. Jailani:

"The first goal of establishing BUMG is to open employment opportunities for the local community, while the second goal is to become a driver of the economy in accordance with the potential we have." (Jailani, 2023)

He further added about the importance of utilizing village potentials:

"Now we have strong potential and the BUMG is ready to make use of it. The question is how the community will take advantage of this and also contribute to safeguarding these potentials." (Jailani, 2023)

In a separate interview, the researcher also spoke with the Head of BUMG, Mr. Jailani, who explained:

"The efforts carried out by the BUMG in Gampong Tampak involve activating the business units that have been established. Although the immediate impact is not very significant, if these activities continue consistently, they will contribute to improving the village economy." (Jailani, 2023)

From these interviews, the establishment of BUMG by the village government was intended to help improve the community's livelihood by creating job opportunities and supporting the development of micro and small enterprises (Mohd-Sofian & Muhamad, 2019; Rusfi, 1996). Furthermore, it was observed that economic growth in Gampong Tampak is not only supported by BUMG's business activities but also by adequate infrastructure, such as accessible roads, clean water supply, and a favorable geographical location that allows BUMG members to interact easily with customers and external parties. This advantage has enabled BUMG to expand its market reach and access wider consumer groups. During the researcher's field observation, it was noted that the main road near the BUMG in Gampong Tampak had been paved, although several sections still showed potholes.

These findings highlighted a structural misalignment between BUMG Tampak's operational practices and the maqasid al-shariah framework, revealing how uncoupled Adat-Sharia governance perpetuates fragmented outcomes despite developmental rhetoric. Jailani's emphasis on "utilizing village potentials" illustrates how neoliberal logics co-opt the notion of maslahah,



prioritizing economic expansion over holistic welfare. While business units such as irrigation and rice fields generated modest income gains for participants, their benefits remained narrow, excluding landless laborers and marginalized households. This selective distribution of welfare contradicts *Maslahah* (comprehensive welfare) and weakens *hifz al-maslaha* (Alziyadat & Ahmed, 2019; Rusydiana et al., 2022). The symbolic case of the paved road with potholes further demonstrates how infrastructure investments provided temporary utility but failed to deliver sustained benefit due to limited *kafā'ah* (institutional competence) in maintenance. The pandemic amplified this fragility, with 65% of funds diverted to SARS-Covid19 relief absent *Maqasid*-based contingency planning, thereby sacrificing long-term welfare for short-term crisis response.

The pattern of exclusion also underscores a persistent deficit in *‘adl* (distributive justice) (Linge et al., 2022; Mohd-Sofian & Muhamad, 2019). The failure to maintain equitable road access effectively isolated remote hamlets from market opportunities, violating *hifz al-māl* (Dhea Rizqi Karisma & Lina Nugraha Rani, 2023; Mochammad Arif Budiman, 2021). Similarly, the absence of *Musyawah* with *Tuba Pent* and marginalized groups in key decisions reflects a participatory deficit that undermines consultative governance. Rather than redistributing resources equitably, BUMG's initiatives appear to privilege landowners through business-unit designs that deny laborers any equity stakes, reinforcing structural inequality. In this sense, the rhetoric of “safeguarding potentials” conceals elite capture and departs from *maqasid*'s commitment to intergenerational welfare (*hifz al-nasl*). At the governance level, these shortcomings reflect a deeper failure of *kafā'ah* in integrating Aceh's *Adat-Sharia* traditions. The *Keuchik*'s dual role as village head and BUMG manager centralized decision-making and excluded both technical experts and customary leaders, reducing accountability and weakening institutional capacity. Historically, Aceh's *Adat-Sharia* synthesis placed communal infrastructure under *Meunasah* councils, fostering collective ownership and responsibility; yet in BUMG Tampak, decisions followed bureaucratic channels that fragmented community engagement. The lack of *Maqasid*-based risk assessment during the pandemic further illustrates institutional vulnerability: fund diversion occurred without metrics to weigh long-term employment losses against emergency relief needs. Collectively, these dynamics reveal that BUMG's apparent success in revenue terms is less a realization of *Maqasid*-aligned development than a reflection of neoliberal co-option of Islamic economic discourse.

### **The Obstacles in the Use of BUMG Funds**

The establishment of the BUMG structure in Gampong Tampak, Ranto Peurelak Subdistrict demonstrates the commitment of the village government to building the community through the BUMG. Up to the present, its operation has run fairly well, yet in the earlier stages BUMG Tampak faced several obstacles in its management, including:

#### **1. Human Resources (HR)**

Human resources refer to the individual or collective capacities required for organizational development. Every organization needs qualified human resources to support growth. Competent HR is able to generate ideas, thoughts, and opportunities for building the organization and its enterprises. The BUMG in Gampong Tampak, however, faces challenges in this area. Based on an interview with the village head (*keuchik*), human resource limitations became evident:

“We, the village government, have already established a special management team for BUMG. However, the community does not yet fully understand the concept of BUMG,

and many are reluctant to serve as administrators. The chairperson, secretary, and treasurer often decline to take on higher leadership roles for the same reason.” (Jailani, 2023)

From this interview, it is clear that the shortage of capable HR has hindered the broader development of BUMG enterprises in Gampong Tampak. In fact, the village has strong potential—wide rice fields and sufficient human capital—to develop more business units, including sub-sectors. The village’s leading product, rice, could yield 1–2 harvests annually, and potentially be increased to 3–4 times with proper management.

## **2. Funding**

Financial capital is a crucial supporting factor in any enterprise. It provides equipment, facilities, and serves as investment capital for business development. With sufficient funding, a business can operate effectively. In Gampong Tampak, BUMG funding comes from village funds (Dana Desa/DD), partly allocated to support COVID-19 relief and community economic recovery, based on proposals submitted by the BUMG. According to data from BUMG Tampak, the annual allocation fluctuates depending on the proposals made. Each year, the BUMG submits a proposal to the village government for approval of its specific budget. In an interview, the chairperson of BUMG explained:

“BUMG does receive funding every year, but the amount varies. We submit a proposal after assessing who will start a particular enterprise. Currently, many development projects are ongoing in the village, so the budget cannot be focused on BUMG alone.” (Jailani, 2023)

This statement indicates that financial capital greatly affects the outcomes of BUMG’s enterprises. When the allocated budget is large, business results improve. Conversely, when the allocation is small, business outcomes decline. Therefore, the Gampong Tampak government needs to strengthen its commitment to BUMG by ensuring more stable financial support.

## **3. Limited Business Units**

BUMG Tampak, established in 2019, was expected to generate additional village income and improve community welfare. Since its establishment, BUMG has developed three units: micro-enterprise financing, livestock capital, and agricultural sector management. Although the potential for expansion exists, only these three units are currently in operation. During the interview, the BUMG chairperson, Mr. Jailani, explained the limitations:

“Most of the village funds were previously allocated for COVID-19 response, which is why our BUMG only manages a few units. If more funds were available, we could certainly develop more business units. We are also planning to create spaces for community involvement in the future. But, of course, this requires a process—especially since BUMG is still relatively new. Young institutions need time before all their business units can function properly.” (Jailani, 2023)

From his account, it is clear that the limited number of business units is largely due to restricted funding allocations, particularly during the COVID-19 period. The obstacles faced by BUMG Tampak—shortages of competent human resources, unstable funding, and limited business units—reveal not only technical challenges but a systemic breakdown in *maqāsid al-sharī‘ah* implementation. Jailani’s admission that “*the community does not yet fully understand BUMG*”

highlights more than a knowledge gap; it signals a rupture in the Adat–Shari‘ah synthesis that traditionally grounds Aceh’s governance. In this sense, structural deficits are transformed into maqāṣid failures, undermining the very ethos of institutional justice and communal welfare envisioned for village enterprises. First, the shortage of capable personnel illustrates a failure of kafa’ah (institutional competence). The refusal of villagers to serve as chairperson, secretary, or treasurer is not simply reluctance, but evidence of a collapsed shūrā process where tuha peut (customary elders) and meunasah councils were sidelined in the formation of BUMG. Without expertise in agri-business or transparent consultation, BUMG management risks violating ḥifẓ al-‘aql (preservation of intellect). This failure was compounded by the pandemic, which diverted 65% of funds to emergency relief, eliminating training budgets and demonstrating the absence of maqāṣid-based contingency planning. Second, the volatility of BUMG funding exposes an erosion of Maslahah. Village budgets, often reoriented toward visible infrastructure or emergency response, undermined ḥifẓ al-māl (wealth preservation) by reducing allocations for productive ventures such as rice-field optimization (Kismawadi, 2024). The pandemic further exposed the lack of fiqh al-nawāzil (crisis jurisprudence) to balance immediate ḍarūrah needs with long-term welfare. Consequently, only three business units operated despite broader potential, reflecting a governance model that prioritizes revenue streams over maqāṣid-aligned development. Finally, restricting BUMG to a narrow set of units represents a collapse of ‘adl (distributive justice). By privileging landowners over landless laborers, BUMG reproduces spatial exclusion and intergenerational poverty, violating ḥifẓ al-nasl (progeny preservation). The underutilization of vast rice fields—capable of three to four harvests annually—betrays the principle of amānah (trusteeship), as communal resources are treated as commodities rather than fay’ (shared wealth). In this light, BUMG Tampak risks drifting away from its maqāṣid mandate, transforming a potentially inclusive institution into one that inadvertently reproduces inequality.

## CONCLUSION

This study concludes that BUMG Tampak has been moderately effective in improving local welfare through its agricultural business units, thereby contributing to rural economic development. However, its potential is severely constrained by a fundamental tension between immediate communal necessities (*Daruriyah*) and long-term welfare (*Maslahah*), a balance disrupted by the ad-hoc diversion of capital to COVID-19 relief. This practice, coupled with a weak capital base and the centralization of management under the *Keuchik* due to a lack of specialized human resources, exposes a critical operational flaw. The absence of a formal Shariah-based governance framework means these trade-offs are managed reactively rather than through principled, strategic metrics. Therefore, the study's ultimate finding is that sustainable effectiveness necessitates a resilient governance model that formally integrates Maqasid al-Sharia principles—such as consultative governance (*shura*) and blended Islamic social finance tools—to systematically navigate crises without sacrificing long-term economic objectives. Future research should focus on developing and testing such a framework.

## REFERENCES

- Abu Hasan, N. N., & Mohd Noor, K. (2018). Maqasid al-Shariah Framework in Decision-Making. *1st International Conference on Sustainability, Technology and Business (ICSTB 2018)*.
- Alziyadat, N., & Ahmed, H. (2019). Ethical decision-making in Islamic financial institutions in light of Maqasid Al-Sharia: A conceptual framework. *Thunderbird International Business Review*, 61(5). <https://doi.org/10.1002/tie.22025>

- Amri, K. (2015). Evaluasi Program Badan Usaha Milik Desa (BUMDes). *Jurnal Ilmu Administrasi Negara*, 13(3).
- Bahri, E. H., Langsa, I., & Eni Haryani Bahr. (2022). Green Economy dalam Perspektif Maqashid Syariah. *Tansiq: Jurnal Manajemen Dan Bisnis Islam*, 5(2).
- Baihaqi, M., Syardiansah, S., & Mora, Z. (2019). PENGUATAN KAPASITAS BUMG BERSAMA MINAPOLITAN MEURASA SABAN KABUPATEN ACEH TIMUR MELALUI EDUTEKNOPRENEURSHIP. *Martabe: Jurnal Pengabdian Kepada Masyarakat*, 2(2). <https://doi.org/10.31604/jpm.v2i2.85-93>
- Baxter, P., & Jack, S. (2015). Qualitative Case Study Methodology: Study Design and Implementation for Novice Researchers. *The Qualitative Report*. <https://doi.org/10.46743/2160-3715/2008.1573>
- Chu, PH. and Chang, Y. (2017). John W, Creswell, Research Design: Qualitative, Quantitative, and Mixed Methods Approaches. *Journal of Social and Administrative Sciences*, 4(June).
- Creswell, J. W., & Creswell, J. D. (2018). Research Design: Qualitative, Quantitative, and Mixed Methods Approaches - John W. Creswell, J. David Creswell - Google Books. In *SAGE Publications, Inc.*
- Dhea Rizqi Karisma, & Lina Nugraha Rani. (2023). Comparison Analysis of Sustainable Banking Performance of Sharia Bank and Conventional Bank as Members of First Movers on Sustainable Banking in Indonesia Period 2017-2020. *Jurnal Ekonomi Syariah Teori Dan Terapan*, 10(5). <https://doi.org/10.20473/vol10iss20235pp511-524>
- Gaskew, A. N., Lee-Johnson, J., & Winkle-Wagner, R. (2018). Critical Theory and Qualitative Data Analysis in Education. In *Critical Theory and Qualitative Data Analysis in Education*. <https://doi.org/10.4324/9781315158860>
- Jalilah, J. (2022). GAMPONG OWNED BUSINESS AS A SHARIA ECONOMIC EMPOWERMENT IN ACEH. *PROCEEDINGS: Dirundeng International Conference on Islamic Studies*. <https://doi.org/10.47498/dicis.v1i1.1029>
- Kismawadi, E. R. (2024). Contribution of Islamic banks and macroeconomic variables to economic growth in developing countries: vector error correction model approach (VECM). *Journal of Islamic Accounting and Business Research*, 15(2). <https://doi.org/10.1108/JIABR-03-2022-0090>
- Kismawadi, E. R., Irfan, M., & Shah, S. M. A. R. (2023). *Revolutionizing Islamic Finance*. <https://doi.org/10.4018/979-8-3693-0082-4.ch011>
- Kurnia Dewi, R. L. (2023). Pengelolaan Badan Usaha Milik Desa (BUMDES) Dalam Meningkatkan Kesejahteraan Masyarakat Desa Berbasis Potensi Wilayah. *Jurnal JURISTIC*, 4(01). <https://doi.org/10.56444/jrs.v4i1.3911>
- Linge, A., Ahmad, U. S., & Setiawan, P. (2022). Maqashid Entrepreneurship Dalam Fiqh Muamalah dan Ekonomi. *Menara Ilmu*, 16(2). <https://doi.org/10.31869/mi.v16i2.3142>
- Mochammad Arif Budiman. (2021). Pendekatan Maqasid Syariah dan Peran Keuangan Syariah untuk Mitigasi Dampak Ekonomi Pandemi Covid-19. *Indonesian Journal of Applied Accounting and Finance*, 1(2). <https://doi.org/10.31961/ijaaf.v1i2.1447>
- Mohd-Sofian, F. N. R., & Muhamad, R. (2019). Corporate social responsibility practices in Islamic banks. In *Strategic Corporate Social Responsibility in Malaysia*. <https://doi.org/10.4324/9780429057182-8>
- Nurdin, A., Kasim, F. M., Rizwan, M., & Daud, M. (2021). The Implementation of Meunasah-Based Sharia in Aceh: A Social Capital and Islamic Law Perspective. *Samarah*, 5(2). <https://doi.org/10.22373/sjhk.v5i2.10710>
- Pathan, D. M. S., Ahmed, D. M., & Khoso, D. A. A. (2022). Islamic Banking Under Vision of Green Finance: The Case of Development, Ecosystem and Prospects. *International Research Journal of*

- Management and Social Sciences*, 3(1). [https://doi.org/10.53575/irjmss.v3.1\(22\)20.193-210](https://doi.org/10.53575/irjmss.v3.1(22)20.193-210)
- Prasetyo, I., Aliyyah, N., Rusdiyanto, Kalbuana, N., & Rochman, A. S. ur. (2021). Corporate Social Responsibility Practices In Islamic Studies In Indonesian. *Journal of Legal, Ethical and Regulatory Issues*, 24(Special Issue 1).
- Reiza Macella, A. D., Najamudin, N., Handayani, S. W., & Juraida, I. (2021). Inovasi Pemberdayaan Masyarakat Melalui Program Aceh Kreatif Untuk Mengurangi Kemiskinan di Aceh. *Jurnal Public Policy*, 7(1). <https://doi.org/10.35308/jpp.v7i1.3095>
- Rofiq, N., & Hasbi, M. Z. N. (2022). A New Paradigm In Economy About Maqashid Al-Sharia Theory: Reformulation Of Ibn-Asyur. *PAMALI: Pattimura Magister Law Review*, 2(1). <https://doi.org/10.47268/pamali.v2i1.817>
- Rusfi, M. (1996). Validitas Maslahat al-mursalah. *Al-'Adalah*, 12 (1).
- Rusydiana, A., Raditya Sukmana, Nisful Laila, & Sherrindra Avedta. (2022). Waqf, Maqasid al-Sharia, and SDG-5: A Model for Women's Empowerment. *AL-IHKAM: Jurnal Hukum & Pranata Sosial*, 17(2). <https://doi.org/10.19105/al-lhkam.v17i2.6572>
- SANIYAH. (2019). Peran Badan Usaha Milik Desa (Bumdes) Terhadap Kesejahteraan Masyarakat. *Repository.Ummul.Ac.Id*, 6(4).
- Saputri, A. A. I., & Islamy, A. (2021). Nilai-Nilai Maqasid Syariah dalam Fungsi Keluarga di Tengah Pandemi Covid-19. *Al-Qisthu: Jurnal Kajian Ilmu-Ilmu Hukum*, 19(1). <https://doi.org/10.32694/qst.v19i1.899>
- Smith, H. M. (2006). Interpreting Qualitative Data: Methods for Analyzing Talk, Text and Interaction 3rd Edition. *Sociological Research Online*, 11(4). <https://doi.org/10.1177/136078040601100403>
- Soediro, A., & Meutia, I. (2018). Maqasid Sharia As A Performance Framework for Islamic Financial. *Jurnal Akuntansi Multiparadigma*, 9(1).
- Syamsuri, Fadillah, N. H., Kusuma, A. R., & Jamal. (2021). Analisis Qanun (Lembaga Keuangan syariah) Dalam Penerapan Ekonomi Islam Melalui Perbankan Syariah di Aceh. *Jurnal Ilmiah Ekonomi Islam*, 7(03).
- Umuri, K., Farma, J., & Nurlina, E. (2022). Halal Tourism in Aceh: Opportunities and Challenges. *Al Mashaadir: Jurnal Ilmu Syariah*, 3(1). <https://doi.org/10.52029/jis.v3i1.84>
- Waters, J. (2015). Snowball sampling: a cautionary tale involving a study of older drug users. *International Journal of Social Research Methodology*, 18(4). <https://doi.org/10.1080/13645579.2014.953316>
- Wijayah. (2019). Kepemimpinan Badan Usaha Milik Desa (BUMDes). *Jurnal Sains Komunikasi Dan Pengembangan Masyarakat*, 7(7).
- Zainuddin, Z., & Wahyu Handayani, S. (2022). Peranan Badan Usaha Milik Desa (BUMDes) dalam Pemberdayaan Masyarakat Gunong Kleng Kecamatan Meureubo Kabupaten Aceh Barat. *Jurnal Indonesia Sosial Sains*, 3(2). <https://doi.org/10.36418/jiss.v3i2.519>