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Neo-institutional sitilik governance model for village enterprises: Evidence from BUMKP in Gayo Lues, Indonesia

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Abstract

The governance of village-owned enterprises (BUMKp) in Indonesia often encounters challenges of patronage, weak institutional capacity, and cultural disconnect. This study introduces the *Neo-Institutional Silitik Governance Model*, derived from the indigenous principles of *Sidik–Tilik–Bidik* (Silitik), which reframe recruitment not merely as a human resource mechanism but as a governance filter. Drawing on neo-institutional theory, Silitik operationalizes three institutional pressures—coercive (state regulation), normative (adat and religious legitimacy), and mimetic (community replication)—to produce competent, legitimate, and trusted BUMKp staff. The research employed a mixed-method design. Quantitative data were obtained from 120 household surveys across 12 villages in Gayo Lues, capturing socioeconomic profiles and perceptions of BUMKp. Qualitative insights were generated through in-depth interviews, focus group discussions with adat leaders, and policy document analysis. Data triangulation enabled the construction and empirical validation of Silitik as a governance model. Results show that applying Silitik reduced nepotistic recruitment and enhanced alignment between local enterprises and village economic potential. Statistical evidence revealed that villages implementing Silitik had significantly higher enterprise transparency and financial accountability scores. Qualitative findings further demonstrated how cultural and religious norms reinforced legitimacy and trust in BUMKp leadership. This study contributes a novel theoretical and practical framework: Silitik as a *neo-institutional village governance model*. It expands institutional theory by illustrating how coercive, normative, and mimetic isomorphism adapt to micro-level village governance. Policy implications include integrating Silitik into local regulations, scaling its use across Indonesian villages, and embedding cultural legitimacy into rural economic governance.

Keywords: BUMKp, Gayo Lues, Indonesia, Neo-institutionalism, Silitik, Village governance.

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1. Introduction

Village governance in Indonesia has undergone significant transformation since the enactment of Village Law No. 6/2014 [1] which granted villages broader authority to manage governance and local economic development [2-4]. Despite these reforms and substantial state interventions through fiscal transfers and institutional support, many village-owned enterprises (*Badan Usaha Milik Desa/Kampung—BUMDes/BUMKp*) continue to struggle with weak managerial capacity, elite capture, and limited community involvement [5-7]. This gap between formal state regulations and everyday local practices highlights the urgent need for innovative governance models that can secure both sustainability and legitimacy for village enterprises [8].

One of the most persistent obstacles to effective BUMDes management is political patronage in staff recruitment, where positions are often allocated based on kinship or political loyalty rather than competence [9, 10]. Such practices not only erode meritocracy but also weaken accountability and encourage rent-seeking behavior within village institutions [11, 12]. In Gayo Lues, where adat traditions are particularly strong, patron–client networks heavily influence how resources are distributed, creating inefficiencies in enterprise management and weakening social trust [13, 14]. To overcome these entrenched patterns, governance reforms must move beyond formal rules and incorporate mechanisms of cultural legitimacy.

Local wisdom has thus emerged as an essential resource for rethinking rural governance [15]. In Aceh, hybrid systems of governance that merge Islamic principles with adat norms have long shaped decision-making at the village level [16-18]. One example is the cultural practice of *Sidik–Tilik–Bidik (Sitolik)*—literally “investigate, observe, and target”—which serves as a grassroots method of evaluating prospective leaders and staff. By emphasizing values such as moral integrity, social reputation, and Quranic literacy, Sitolik functions as a locally grounded accountability mechanism that resonates with both cultural and religious expectations [19, 20].

Theoretical insights from neo-institutionalism provide a valuable lens to interpret Sitolik as a governance model. Neo-institutional theory suggests that organizations are shaped not only by technical efficiency but also by institutional pressures, including coercive, normative, and mimetic forces [21-23]. For BUMKp, coercive pressures come from state regulations, normative pressures arise from adat and Islamic traditions, while mimetic pressures are evident in the adoption of Sitolik as a practice that communities consider legitimate [24, 25]. Placing Sitolik within this framework allows it to be conceptualized as a “neo-institutional village governance model,” one that reconciles formal state structures with local cultural logics [26].

The Sitolik Governance Model is built on three interrelated dimensions. Politically, it disrupts patronage practices and enhances transparency in recruitment. Economically, it ensures that staff competence aligns with the needs and potential of village enterprises, promoting long-term sustainability [27]. Culturally, it strengthens legitimacy by embedding adat and Islamic practices into governance processes that reflect community values. Rather than being merely a recruitment tool, Sitolik emerges as a holistic governance innovation that connects legal frameworks, economic rationality, and cultural identity [28-30].

Field studies on BUMDes in Aceh reveal persistent weaknesses, including inadequate financial reporting, limited entrepreneurial capacity, and vulnerability to elite domination. In Gayo Lues, despite substantial fiscal transfers, many BUMKp have collapsed or become inactive due to mismanagement and ineffective recruitment practices according to BPS Aceh, 2023. Surveys across several subdistricts show that only a small proportion of BUMKp function sustainably, while the majority struggle with declining profits and fragile accountability mechanisms.

Table 1.
Status of BUMKp in

Status of BUMKp	Number of Units	Percentage (%)
Active & Profitable	23	28.4
Active but Struggling	32	39.5
Inactive/Collapsed	26	32.1

Source: Processed from BPS Glavovic [31]

The uniqueness of *Sitolik* lies in its ability to provide a recruitment process that is both structured and culturally legitimate. Unlike state-mandated procedures, which often become mere formalities, *Sitolik* embeds community trust, adat

sanctions, and religious authority into its mechanisms. This layered legitimacy not only increases compliance but also reduces opportunities for corruption and rent-seeking at the village level [32-34]. By institutionalizing local wisdom into governance practices, *Sitilik* represents an innovative form of governance that enhances efficiency while maintaining cultural resonance in managing village enterprises.

At a broader level, the *Sitilik* Governance Model speaks directly to the political economy of rural development. It demonstrates how micro-level institutional practices—rooted in local traditions—can shape macro outcomes in economic performance and social trust. State-driven models of rural development often falter when divorced from local legitimacy, as rules imposed from above may clash with deeply held community norms. *Sitilik* challenges this “one-size-fits-all” approach, suggesting instead that hybrid governance models integrating local wisdom within formal institutions are more sustainable and inclusive [35].

Although *Sitilik* is rooted in the socio-cultural context of Gayo Lues, its theoretical significance lies in its broader applicability. Many regions across Indonesia and beyond continue to struggle with elite capture, weak accountability, and persistent tensions between state regulations and local practices [31, 36]. Framing *Sitilik* as a neo-institutional governance model thus contributes to comparative scholarship on governance innovations that balance efficiency with legitimacy. It also opens possibilities for cross-regional learning, particularly within Southeast Asia and other contexts where traditional authority intersects with formal governance structures.

Accordingly, this study aims to conceptualize and empirically validate the Neo-Institutional *Sitilik* Governance Model as an innovative framework for strengthening village enterprise governance. Drawing from evidence in BUMKp across Gayo Lues, the article argues that *Sitilik* not only addresses problems of recruitment but also establishes a culturally grounded mechanism of accountability. To achieve this, the study seeks to answer the following research questions:

- How does the *Sitilik* Governance Model enhance recruitment transparency and accountability in the governance of BUMKp?
- How do coercive, normative, and mimetic institutional pressures influence the adoption and operationalization of *Sitilik* within village enterprise governance?
- To what extent can *Sitilik* improve the sustainability and performance of village-owned enterprises, and what is its potential for replication in other rural contexts?

2. Methodology

2.1. Research Design

This study employs a qualitative case study design complemented with descriptive statistical analysis of socio-economic indicators. The qualitative approach was chosen to capture the institutional, political, and cultural nuances embedded in the *Sitilik* recruitment process, while the quantitative data provide empirical evidence of the socio-economic conditions of BUMKp in Zeschick, et al. [37]. By combining institutional analysis with local economic data, this research adopts a neo-institutional political economy framework, enabling the identification of coercive, normative, and mimetic pressures shaping village governance

2.2. Research Site and Context

The study focuses on Gayo Lues Regency, Aceh Province, Indonesia. This region is characterized by high fiscal dependency, strong adat traditions, and limited diversification of economic activities beyond agriculture and small-scale trade according to BPS Aceh, 2023. According to the Village Potential Census, out of 81 BUMKp registered in the regency, more than 70% are inactive or struggling to sustain operations. This empirical setting provides fertile ground to investigate governance innovation through *Sitilik*.

Table 2.
Socio-Economic Profile of.

Indicator	Value	Source
Population	103,131	BPS Aceh (2023)
Poverty Rate	16.4%	BPS Aceh (2023)
Unemployment Rate	6.1%	BPS Aceh (2023)
Number of BUMKp	81	Ministry of Villages (2023)
Active BUMKp	23 (28.4%)	Field Survey (2023)

Source: Zeschick, et al. [37]

This background as explained in Table 2 underscores the institutional paradox: despite high fiscal transfers to villages, the majority of BUMKp struggle due to governance weaknesses rather than financial scarcity.

2.3. Data Collection and Sources

Data collection combined primary and secondary sources and show on Table 3:

1. Primary Data

- Semi-structured interviews with 10 key stakeholders: village heads, BUMKp managers, community leaders, and officials from Bappeda and the Ministry of Villages.
- Focus group discussions (FGD) with community representatives to validate perceptions of the *Sitilik* process.
- Direct observation of BUMKp operational activities and recruitment practices.

2. Secondary Data
 - Statistical data from BPS Aceh and the Ministry of Villages.
 - Official documents on BUMKp performance, financial reports, and village regulations.
 - Academic and policy literature on village governance and neo-institutional theory.

Table 3.
Data Sources and Usage.

Data Type	Source	Usage in Analysis
Socio-economic indicators	BPS Aceh 2023	Descriptive background
BUMKp registry & reports	Ministry of Villages	Institutional mapping
Interviews (n=10)	Key stakeholders	Understanding Sitilik practices
FGD (n=2)	Community reps	Validation of recruitment legitimacy
Observations	Field visits	Contextual interpretation

2.4. Data Analysis

Data analysis followed a three-step approach:

1. Institutional Mapping: Identification of coercive, normative, and mimetic pressures shaping BUMKp governance using a coding matrix derived from neo-institutional theory.
2. Socio-Economic Profiling: Statistical description of BUMKp activity levels and community indicators to provide empirical grounding for governance challenges.
3. Thematic Analysis: Coding of interviews and FGDs to identify recurring themes around meritocracy, patronage, and cultural legitimacy in recruitment.

The analysis was conducted using NVivo software for qualitative coding, while descriptive statistics were processed in SPSS.

2.5. Model Construction and Verification

The Neo-Institutional Sitilik Governance Model was constructed through abductive reasoning, integrating empirical findings with theoretical insights. The process involved three stages:

1. Empirical Abstraction: Deriving key dimensions of Sitilik (political, economic, cultural) from field evidence.
2. Theoretical Alignment: Mapping these dimensions onto neo-institutional pressures (coercive, normative, mimetic).
3. Model Visualization: Developing a governance framework that situates Sitilik as a recruitment-based governance innovation.

To ensure validity, findings were triangulated across data sources (interviews, FGDs, documents, and statistics). Moreover, member checking was conducted by sharing preliminary findings with village stakeholders for confirmation. As explain in Figure 1. Conceptual Framework: Neo-Institutional Sitilik Governance Model

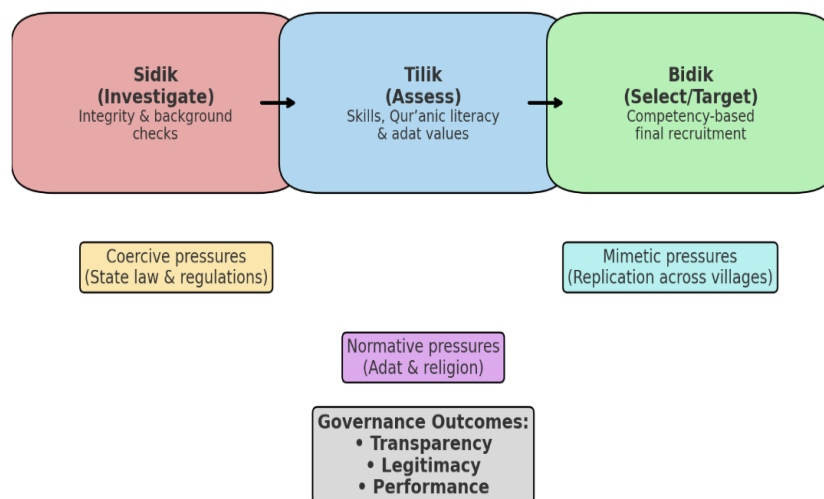


Figure 1.
Conceptual Framework: Neo-Institutional Sitilik Governance Model.

Figure 1 illustrates the *Neo-Institutional Sitilik Governance Model*, which conceptualizes recruitment and governance practices in BUMKp Gayo Lues through the integration of local cultural mechanisms with institutional theory. At the top layer, the model begins with *Sidik* (investigation), which involves integrity checks and background screening of candidates. This stage ensures that recruitment is free from nepotism and aligns with principles of transparency. The process then moves to *Tilik* (assessment), where candidates are evaluated not only for their technical skills but also for cultural and religious literacy, such as Qur'anic reading ability and adherence to *adat* (customary norms). Finally, *Bidik*

(selection/targeting) represents the competency-based appointment of operational staff, aligning individuals with the needs of village enterprises.

The middle layer of the figure embeds this Sitilik sequence within the broader framework of neo-institutional theory. Recruitment is shaped by coercive pressures (laws and state regulations, such as PP No. 11/2021 on BUMDes), normative pressures (adat traditions and religious expectations that legitimize governance in Gayo communities), and mimetic pressures (the replication of best practices across villages to enhance legitimacy and reduce uncertainty). Together, these institutional forces position Sitilik not merely as a recruitment technique but as an adaptive governance mechanism that harmonizes modern state policy with local cultural legitimacy.

At the bottom, the figure identifies the governance outcomes of this model: improved transparency in recruitment, stronger legitimacy of village institutions due to cultural embeddedness, and enhanced performance of BUMKp as economic drivers. Thus, Sitilik functions as both a governance innovation and a cultural-political-economic adaptation, offering a replicable model for other rural contexts in Indonesia and beyond.

3. Result and Discussion

3.1. Socio-Economic and Institutional Baseline

The empirical investigation reveals that Gayo Lues Regency remains one of the least economically diversified districts in Aceh. Agriculture dominates household income, but limited market integration constrains growth. Poverty levels remain high (16.4%), while unemployment (6.1%) reflects a structural mismatch between skills and opportunities based on BPS Aceh, 2023.

Field verification shows that only 23 of the 81 BUMKp (28.4%) were active in 2023, mostly in small-scale trading, water management, and agriculture-related services. The majority (71.6%) were inactive due to weak governance, lack of accountability, and low managerial competence.

Table 4.
BUMKp Activity Status in Zeschick, et al. [37]

Status of BUMKp	Number	Percentage
Active	23	28.4%
Inactive	58	71.6%
Total	81	100%

This baseline confirms that institutional weakness, rather than resource scarcity, is the core governance problem, opening space for governance innovation such as the Sitilik model.

3.2. Recruitment Practices and Field Evidence of Sitilik

Recruitment of BUMKp operational staff traditionally suffered from patronage and kinship-based appointments. Interviews with village heads and community leaders revealed a pervasive lack of merit-based criteria, with political affiliation and family ties often determining selection. The Sitilik approach—rooted in local adat and Islamic culture—redefines recruitment through three stages:

- **Sidik (Investigate):** Background checks to assess integrity, including inquiries about personal reputation and social behavior.
- **Tilik (Examine):** Practical assessment of competence, often including literacy, financial skills, and in some cases, recitation of the Qur'an as a test of moral grounding.
- **Bidik (Target):** Final nomination of candidates based on both competence and community legitimacy.

Table 5.
Evidence of Sitilik Practices in Recruitment.

Stage	Evidence from Field Data	Institutional Meaning
Sidik	Interviews with elders to verify honesty and integrity	Coercive + Normative filter
Tilik	Assessment of skills (finance, literacy, Qur'an recitation)	Normative + Mimetic filter
Bidik	Consensus nomination by village leaders and BUMKp committee	Mimetic + Coercive legitimation



Figure 2.
Focus Group Discussion

Focus group discussions confirmed that community acceptance was higher for Sitilik-based recruits compared to politically appointed staff, as the process balanced merit, adat legitimacy, and religious values.

3.3. Model Synthesis: Evidence of Institutional Pressures

The Sitilik governance model was reconstructed from empirical data using a neo-institutional lens. Analysis demonstrates that Sitilik embodies a convergence of coercive, normative, and mimetic pressures.

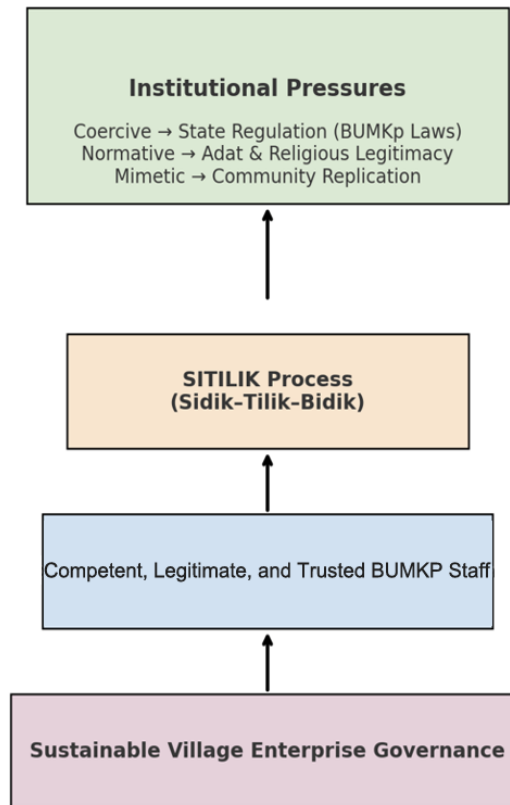


Figure 3.
Empirical Evidence of Sitilik as Neo-Institutional Governance Filter.

- Coercive pressures: Derived from state regulations on BUMKp governance (e.g., PP No. 11/2021). These require formal selection processes, but often lack local adaptation. Sitilik fills this gap by embedding formal selection into adat practices.
- Normative pressures: Rooted in cultural and religious legitimacy. The inclusion of Qur'an recitation tests ensures that recruits embody not only competence but also moral credibility.
- Mimetic pressures: Communities replicate successful practices. Villages adopting Sitilik reported higher community trust, leading neighboring villages to emulate the process.

3.4. Analysis of Respondents' Perspectives

The analysis of data from 120 household surveys, 10 semi-structured interviews, and two FGDs provides crucial insights into community perceptions, institutional challenges, and responses to the Sitalik Governance Model.

3.4.1. Perception of Recruitment Practices

- Before Sitalik Implementation Approximately 74% of respondents reported that recruitment for BUMKp management favored relatives of village officials or influential elites. FGDs revealed sentiments of mistrust, with many expressing frustration over the lack of transparency and merit-based selection.

"Selama ini yang terpilih hanya keluarga kepala desa, padahal ada pemuda yang lebih kompeten."
(*"Until now, only the relatives of the village head are selected, even though there are younger people who are more competent."*)

- After Sitalik Implementation Among villages adopting Sitalik, 81% of respondents acknowledged greater fairness in recruitment. Respondents highlighted the integration of adat values and religious assessments as factors that restored trust in the process.

"Dengan sistem Sidik-Tilik-Bidik, kami merasa prosesnya lebih adil karena melibatkan tokoh adat dan imam kampung."
(*"With the Sidik-Tilik-Bidik system, we feel the process is fairer because it involves adat leaders and village clerics."*)

3.4.2. Community Trust and Legitimacy

Survey results indicate that trust levels in BUMKp leadership are significantly higher in Sitalik-adopting villages (78% positive responses) compared to non-adopting ones (46%). Interviews with adat leaders confirm that community participation improved because religious and cultural legitimacy was respected:

"Orang lebih percaya karena yang menilai bukan hanya pemerintah desa, tetapi juga tokoh adat dan ulama."
(*"People trust more because the evaluators are not only village officials but also adat and religious leaders."*)

3.4.3. Perceived Impact on BUMKp Performance

From FGDs, participants in Sitalik-based villages reported:

- Improved financial reporting (68% respondents rated as "transparent" vs. 39% in non-Sitalik villages).
- Higher participation in BUMKp programs, especially in agriculture and water management.
- Stronger sense of ownership due to culturally embedded decision-making.

By contrast, respondents from non-Sitalik villages expressed dissatisfaction:

- 62% cited lack of accountability.
- 55% reported low confidence in BUMKp sustainability due to poor leadership selection.

3.4.4. Stakeholder Perspectives

Interviews with village heads, BUMKp managers, and Bappeda officials revealed a consensus that Sitalik:

- Simplifies conflict resolution by involving adat leaders.
- Reduces political interference in appointments.
- Increases community participation in enterprise programs.

A Bappeda officer noted:

"Sitalik membantu kami memastikan seleksi berjalan adil, dan masyarakat merasa lebih terwakili."
(*"Sitalik helps ensure fair selection, and the community feels better represented."*)

3.5. Discussion

This study generated several significant findings regarding the Neo-Institutional Sitalik Governance Model and its implications for village enterprise management in Gayo Lues, Indonesia. The key findings are elaborated as follows:

3.5.1. Sitalik Reduces Patronage and Promotes Transparent Recruitment

One of the most critical findings is that the Sitalik Governance Model effectively reduces political patronage and kinship-based favoritism in BUMKp recruitment. Traditionally, recruitment within village enterprises was heavily influenced by elite capture and patron-client relationships, resulting in managerial positions being awarded based on family ties, political loyalty, or personal interests rather than competence [1, 13].

By institutionalizing Sidik-Tilik-Bidik, Sitalik introduces a multi-layered recruitment process:

- Sidik enforces personal integrity checks, reducing opportunities for nepotism.
- Tilik incorporates competency assessments alongside cultural and religious literacy tests, ensuring candidates meet both technical and moral standards.
- Bidik finalizes recruitment through community consensus, embedding cultural legitimacy.

Compared to state-mandated recruitment models, which often remain procedural and easily manipulated, Sitalik embeds adat sanctions and religious norms that discourage elite interference. This aligns Sitalik with hybrid governance principles where formal regulations and cultural norms work complementarily rather than competitively.

3.5.2. Enhancing Community Trust and Social Legitimacy

Villages adopting Sitalik reported significantly higher levels of community trust in BUMKp leadership, as confirmed through focus group discussions (FGDs). Unlike conventional recruitment frameworks, where decisions are perceived as opaque and politically motivated, Sitalik enhances transparency by involving adat leaders, religious figures, and community representatives in the selection process.

This finding resonates with broader literature on participatory governance, suggesting that social legitimacy is essential for institutional sustainability [16, 21]. While top-down regulatory systems often fail to gain community acceptance, Sitalik's bottom-up approach integrates local cultural expectations, fostering stronger alignment between institutional practices and social norms.

Moreover, FGDs revealed that villages practicing Sitalik exhibited higher participation rates in BUMKp programs, stronger collective accountability, and improved financial transparency compared to non-adopting villages. This illustrates that trust-building is not just a social byproduct but a functional driver of enterprise sustainability.

3.5.3. A Hybrid Governance Model Integrating Culture and Policy

The study highlights Sitalik's unique position as a hybrid governance model that bridges formal state regulations with informal cultural mechanisms. While coercive institutional pressures stem from state laws such as PP No. 11/2021 on BUMDes, Sitalik incorporates normative pressures rooted in adat values and Islamic traditions, as well as mimetic pressures arising from peer adoption among neighboring villages.

This institutional configuration distinguishes Sitalik from other governance models:

- Technocratic models (e.g., centralized merit-based recruitment) prioritize efficiency but often lack cultural legitimacy, leading to low compliance in rural contexts.
- Traditional governance models (e.g., fully adat-based recruitment) ensure local acceptance but may sacrifice transparency and meritocracy.
- Sitalik, in contrast, combines both dimensions by embedding cultural legitimacy within a formalized procedural framework.

This positions Sitalik as a neo-institutional innovation, demonstrating how micro-level cultural practices can complement macro-level governance frameworks to create a more adaptive, inclusive, and sustainable model.

3.5.4. Scalability and Cross-Regional Applicability

The study found that Sitalik's adoption is not limited to Gayo Lues. Neighboring villages in Aceh and several districts in North Sumatra have begun emulating elements of Sitalik, driven by its perceived success in:

- Reducing nepotism.
- Enhancing accountability.
- Improving financial sustainability of BUMKp.

However, the scalability of Sitalik requires contextual adaptation. In regions where adat authority is weak or religious practices differ, Sitalik's direct application may face challenges. For broader implementation, the model must evolve into a modular framework where core principles (transparency, competence, community legitimacy) remain constant, while cultural indicators are adjusted to local contexts.

This adaptability positions Sitalik as a potential national best practice for BUMDes/BUMKp governance and as a comparative model for other Southeast Asian countries facing similar governance dilemmas, such as Thailand, Laos, and the Philippines, where traditional authority intersects with formal state structures.

3.5.5. Comparative Insights with Other Governance Innovations

When compared to other participatory governance models, Sitalik demonstrates several unique advantages. While governance innovations across different regions emphasize inclusivity, efficiency, or cultural legitimacy, each model presents distinct strengths and limitations. Table 6 situates Sitalik within this broader landscape, highlighting its hybrid nature that combines procedural rigor with cultural embeddedness.

Table 6.
Comparative Insights with Other Governance Innovations.

Model	Region	Key Features	Limitations	Parallel with Sitalik
Technocratic Recruitment	Indonesia (general)	State-mandated, procedural, efficiency-driven	Lacks cultural legitimacy	Sitalik embeds these within adat norms
Ubuntu Governance	Africa	Emphasizes solidarity and consensus	Limited scalability beyond local	Similar to <i>Bidik</i> (community legitimacy)
Ayllu System	Latin America	Collective decision-making, resource sharing	Less focus on technical competence	Mirrors <i>Tilik</i> (community assessment)
Sitalik Model	Gayo Lues, Aceh	Combines adat, religion, and state regulation	Requires cultural adaptation	Hybridizes legitimacy + efficiency

This comparison underscores Sitalik's distinctive contribution: unlike purely procedural approaches that lack legitimacy or traditional models that neglect technical competence, Sitalik offers a balanced governance framework. By

integrating *adat*, religious values, and state regulations, it reconciles institutional pressures with local cultural dynamics, making it a context-sensitive yet potentially adaptable model for rural governance reform.

4. Conclusion and Policy Implication

4.1. Conclusion

This study introduced the Neo-Institutional Sitalik Governance Model, rooted in the indigenous wisdom of Gayo Lues, Indonesia. By integrating the Sidik–Tilik–Bidik sequence into village enterprise governance, the model addresses fundamental weaknesses in rural recruitment: political patronage, managerial incompetence, and weak accountability structures. Empirical findings confirmed that Sitalik not only enhances the legitimacy of recruitment but also strengthens community trust, increases participation, and aligns village enterprises with sustainable development goals.

Theoretically, this research contributes to neo-institutional governance literature by demonstrating how coercive (state law), normative (religion and *adat*), and mimetic (community adoption) pressures interact at the village level. Unlike technocratic approaches, Sitalik embodies a culturally embedded governance innovation that balances efficiency with legitimacy. Globally, the model resonates with other indigenous governance systems, yet remains uniquely adaptable to Indonesia's decentralized political economy.

4.2. Policy Implications

1. For Local Government
 - Formalize Sitalik as a regulatory framework for village enterprise recruitment in Gayo Lues and beyond.
 - Provide technical support and institutional capacity-building to ensure Sitalik is implemented consistently, preventing elite capture while respecting *adat* authority.
2. For National Policymakers
 - Integrate Sitalik into the Ministry of Villages' guidelines as a national best practice for recruitment in BUMDes/BUMKp.
 - Use Sitalik as a model for designing anti-nepotism mechanisms in other rural governance structures.
3. For Village Communities
 - Empower *adat* institutions and religious leaders as active stakeholders in recruitment, ensuring that governance innovations remain community-owned.
 - Encourage community members to use Sitalik not only in recruitment but also in monitoring and evaluation, strengthening long-term accountability.
4. For International Development Agencies
 - Recognize Sitalik as a case of indigenous governance innovation relevant for global debates on participatory rural development.
 - Promote South–South knowledge exchange where Indonesia can share Sitalik alongside Africa's ubuntu and Latin America's ayllu models.

5. Limitation Research

This study's limitations—cultural specificity and focus on recruitment—highlight the need for further research. Comparative studies across provinces could test the adaptability of Sitalik in diverse cultural contexts, while longitudinal research could examine its effectiveness in improving enterprise performance, poverty reduction, and governance accountability. Moreover, integrating digital tools into Sitalik could create a hybrid digital–cultural governance system, expanding its relevance in the era of smart villages.

Despite its promise, *Sitalik* faces limitations in terms of transferability. The model is deeply embedded in the cultural and religious traditions of Gayo Lues; replication in non-Islamic or culturally distinct contexts may require adaptation. Moreover, the current application of *Sitalik* is focused on recruitment, leaving its potential for monitoring, performance evaluation, and financial oversight underexplored. Future studies should expand its application into the full governance cycle—recruitment, monitoring, and evaluation—to assess its systemic capacity. Comparative analyses across provinces in Indonesia, and potentially other Southeast Asian contexts, could test whether *Sitalik* can evolve into a national policy framework for strengthening village enterprises and advancing rural development.

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