

ANALYSIS OF THE ROLE OF VILLAGE-OWNED ENTERPRISES (BUMDES) IN IMPROVING THE ECONOMY OF THE BONGKI LENGKESE VILLAGE COMMUNITY

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Abstrack

This research focuses on the role of Village Owned Enterprises (BUMDes) in empowering the economy of the people of Bongki Lengkes Village. This research method uses a qualitative approach with the type of library research study. The data source comes from existing documents. The data analysis technique used is the interactive model analysis of Miles and Huberman, namely reducing data, presenting data, and drawing conclusions.

The results of the study indicate that the role of BUMDes in empowering the economy of the people of Bongki Lengkes Village, namely, the role of BUMDes related to the service aspect of empowering the village community's economy, increasing village original income, the role of BUMDes related to aspects of increasing living standards has implications for growth and distribution of the rural economy.

Keywords: BUMDes; Village Community Economic

INTRODUCTION

Bongki Lengkes Village is directly adjacent to several villages in other sub-districts of Sinjai Regency. The majority of the people of Bongki Lengkes Village work as farmers. The cultivated agricultural crops are rice, corn, peanuts and chilies. Law of the Republic of Indonesia Number 39 of 2014 concerning plantations "That plantations play an important role and have great potential in the development of the National economy in the framework of realizing the prosperity and welfare of the people in an equitable manner". Bongki Lengkes Village has experienced an increase in its economy in recent years from the cultivation of chilies (Rikasari & Rikasari, 2022).

The harvest area which is quite large is supported by the simultaneous planting of chilies in one village, supporting an increase in production yields up to 40 tons per year. The problems that occur in the development of chili plantations are caused by production results that are quite competitive in quality and quite superior in quantity with an average production of 40 tons/year since 2017 until now. It even reached 120 tons in 2018 with the simultaneous planting of chilies by the community in Bongki Lengkes Village, East Sinjai District, Sinjai Regency. However, the abundant production is not supported by a fixed marketing medium so that prices are relatively unstable.

Empowerment is an effort that is followed by continuing to strengthen the potential or resources possessed by each community, community empowerment can only occur if the community itself also participates in it (Destiny & Jusniaty, 2019). The existence of BUMDes acts as a community media for community empowerment, the establishment of Village-Owned Enterprises (BUMDes) based on Law Number 23 of 2014 concerning Regional Government Article 87 paragraph (1) states that Villages can establish Village-Owned Enterprises according to the needs and potential of the village and listed in Government Regulation Number 43 of 2014. BUMDes was established, among others, in order to increase the village's original income. The existence of BUMDes as an economic institution capable of bringing about change and improving welfare.

The existence of BUMDes has great potential and is expected to become a driver of the community's economy in order to improve the welfare of rural communities. Article 1 of Law Number 6 of 2014 concerning Villages states that Village-Owned Enterprises, namely BUMDes, are business entities whose capital is wholly or substantially owned by the village through direct participation originating from village wealth which is separated from managing assets and other businesses for the welfare of the village community. From the Village Law it can be concluded that Village Owned Enterprises (BUMDes) can currently play an important role in community empowerment (Thomassawa, 2022). BUMDes is a financial institution whose main purpose is to provide credit loans to people who need to run their business. In addition, BUMDes can also establish businesses to improve the community's economy and increase village original income (PADes). Institutionally BUMDes are village business institutions managed by the community and village government in an effort to strengthen the village economy on the basis of village needs and potential. As one of the economic institutions operating in rural areas, BUMDes must have differences from economic institutions in general. This is intended so that the existence and performance of BUMDes is able to make a significant contribution to improving the welfare of the community.

The existence of BUMDes is expected to be able to assist the government in managing village potential creatively and innovatively, so that it can open new jobs to be able to absorb workers in the countryside. Through offering local resources that aim to seek profit and social institutions through the contribution of providing social services that are in favor of the interests of the community and BUMDes have made a positive contribution to strengthening the economy in rural areas in developing the community's economy (Nurdiyanti R, n.d.).

LITERATURE REVIEW

Overview of Roles

Roles in the Big Indonesian Dictionary are a number of behaviors that are expected to be owned by people who are in society and must be carried out (KBBI Play Store Application: 2019). The Role Theory of Role Theory is a theory that is a combination of various theories, orientations, and

disciplines knowledge. The term "role" is taken from the world of theater. In theater, an actor must play as a certain character and in his position as that character is expected to behave in a certain way (Marzuki, 2019).

Role is a process in activities, in which the community participates in an activity, so that they take on their respective roles which are beneficial for the activities carried out and obtain the predetermined achievements. Role can be defined as a character that is attached to the actor in a drama stage, which in the social context is a role as a function that is carried out by someone when holding a position in the social structure (Fitrawati & Takdir, 2022). This interaction contains the roles and expectations of individuals for their performance in a position, there are expectations regarding role behavior, individual role behavior is influenced by an organizational environment (Congge et al., 2023). Thus the role is, an activity carried out by individuals, or groups, within the organization in order to be able to carry it out together with their respective roles, so that organizational goals can be achieved, as what has been determined by the organization (Mulianingsih, 2022).

Overview of BUMDes (Village Owned Enterprises)

According to the Regulation of the Minister of Home Affairs Number 39 of 2010, BUMDes are village businesses formed/founded by the village government where capital ownership and management are carried out by the village government and the community. The purpose of establishing BUMDES is the government's effort to increase the financial capacity of village governments in administering government and increasing people's income through various economic business activities in rural communities. The existence of BUMDes is also strengthened by Law Number 6 of 2014 articles 87-90 which states, among other things, that the establishment of BUMDes is agreed through village meetings and is managed in a spirit of kinship and mutual cooperation (Susilowati, 2020). According to Maryunani, BUMDes is a village business institution managed by the community and village administration in an effort to strengthen the village economy and build community social cohesion which is formed based on village needs and potential. So BUMDes is a business institution which means it has the function of doing business in order to get an outcome such as profit or profit (Nurdiyanti R, n.d.).

Furthermore, Maryunani explained that the main characteristics that distinguish BUMDes from commercial economic institutions are as follows: 1) Business capital comes from the village (51%) and from the community (49%) through capital participation (shares or shares); 2) This business entity is owned by the village and jointly managed; 3) Executed based on the principles of kinship and mutual cooperation and rooted in values that develop and live in society (local wisdom); 4) The business fields that are carried out are based on the development of village potential in general and the results of market information that support the economic life of the community; 5) The workforce empowered in BUMDes is a potential workforce in the village; 6) The profits obtained are

intended to improve the welfare of the village community and or capital partners; 7) Decision making and problem solving are carried out through village meetings; 8) BUMDes regulations are implemented as village policies; 9) facilitated by the Government, Pemprov, Pemkab, and Pemdes; and 10) The implementation of BUMDes activities is jointly supervised (Mursak & Takdir, 2019).

On the other hand, the purpose of establishing a Village Owned Enterprise (BUMDes) is as follows: 1) Growing village economy; 2) Increasing Village Original Income Sources; 3) Carrying out public benefits in the form of providing services for the allotment of the livelihoods of village communities; 4) As a pioneer for business activities in the village; 5) The purpose of establishing a Village Owned Enterprise is explained as follows; 6) Increasing the role of village communities in managing other legitimate sources of income; 7) Developing village community economic activities, in village business units; 8) Growing informal sector businesses to be able to absorb community workers in the village; 9) Increasing the creativity of village entrepreneurs with low-income villages.

Furthermore, on the basis of the above objectives, BUMDes will have a strategic role in developing the village economy. Seyadi, described the role of BUMDes to improve the village economy as follows: 1) Build and develop the economic potential and capabilities of the Village community, in general to improve their economic and social welfare; 2) Playing an active role in efforts to enhance the quality of human life and society; 3) Strengthening the people's economy as the basis for the strength and resilience of the national economy with BUMDes as the foundation; 4) Trying to realize and develop the economy of rural communities; 5) Helping the community to increase their income so as to increase the income and prosperity of the community (Nurdiyanti R, n.d.).

BUMDes management that follows the principles of good governance and is supported by the leadership of the village head, socio-cultural aspects, and aspects of the local physical environment are determining factors for the success of BUMDes in providing benefits to the community and village. Thus, it is hoped that the presence of BUMDes can improve the welfare of village communities.

Review of Community Economic Empowerment

According to Badrudin, economic growth is the process of increasing the production of goods and services in people's economic activities. Meanwhile Jhingan, states that economic growth is an increase in real income per capita in the long term regardless of whether the increase in real income per capita is greater or less than the rate of population growth, or whether there are various changes that will increase productive resources which will ultimately increase real per capita income. Based on this understanding, it can be concluded that economic growth is the process of increasing national income or Gross Domestic Product (GDP), or Gross National Product (GNP) regardless of whether changes in economic structure occur or not. Rahardja, provide the characteristics of economic growth are as follows, 1). There is an increase in Gross Domestic Product (GDP) and Gross National Product

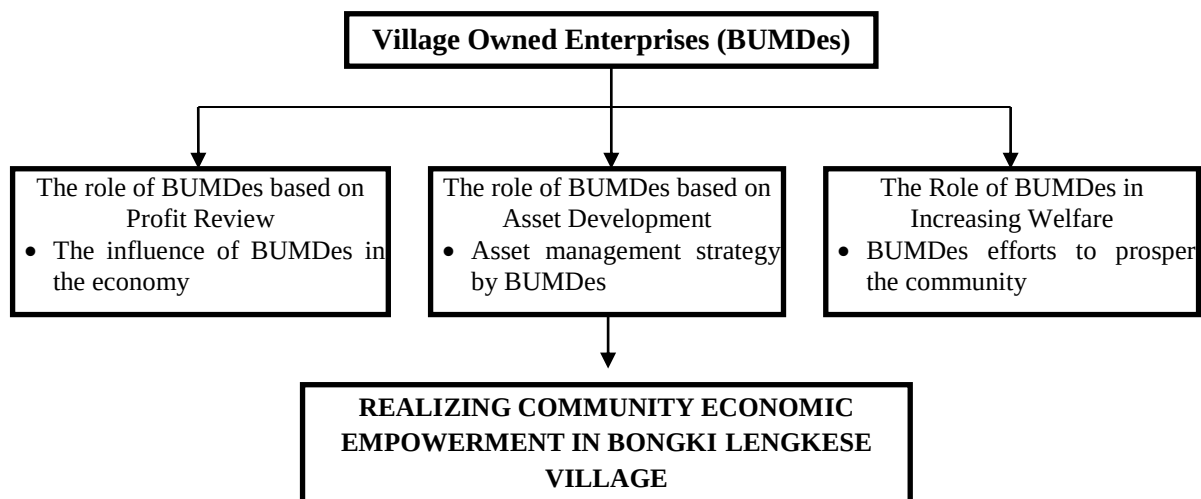
(GNP) from year to year (short term), 2). Increase in the number of goods and services, 3). The discovery of productive resources that can be utilized (Nurdiyanti R, n.d.).

Empowerment comes from the word power which means strength or ability. Empowerment is an effort to increase the ability and potential possessed by a community so that they can actualize their identity, desire and dignity to the fullest in order to survive and develop themselves independently.

In an effort to empower the community can be seen from three sides, namely:

1. Creating an atmosphere or climate that allows the community's potential to develop (enabling). Here the starting point is the recognition that every human being, every society, has potential that can be developed. That is, there is no society that is completely powerless, because if so it would already be extinct. Empowerment is an effort to build power by encouraging, motivating, and raising awareness of its potential and trying to develop it (Wance et al., 2023).
2. Strengthening the potential or power possessed by the community (empowering). In this framework, more positive steps are taken, apart from just creating a climate and atmosphere. This strengthening includes concrete steps. And it concerns the provision of sharing inputs, as well as accounting for access to various opportunities that will make society different.
3. Empowering also means protecting. In the process of empowerment, the weak must be prevented from getting weaker, because of their shortcomings in dealing with the strong. Therefore, protection and favoring the weak is very basic in the concept of community empowerment (Susilowati, 2020).

Conceptual Framework



RESEARCH METHOD

The type of research used is descriptive qualitative which aims to describe, summarize various conditions, various situations, or various phenomena of social reality that exist in society. (Muhammad Zainul Majdi, 2020). A qualitative approach is a process of research and understanding based on a methodology that investigates a social and human problem. In this approach, researchers are

emphasized to be realistic and create social relationships between researchers and the subjects studied (Noor, 2017).

According to Kirk and Miller, qualitative research is a particular tradition in the social sciences that is fundamentally dependent on observing humans both in its field and in terms of it. Qualitative research subjects are human beings both conceptually and in a context. Davod Williams put forward the definition of qualitative research as collecting data in a natural setting, using natural methods, and carried out by naturally interested researchers. David Williams on qualitative research lies in its natural character, both in data collection techniques, methods, and research processes conducted by researchers (Widiawati, 2020).

The technique of taking samples of data sources with certain considerations, these certain considerations, for example the person who is considered to know best about what we expect, or maybe he is the ruler so that it will make it easier for researchers to explore the object/social situation under study. Main informants used purposive sampling, while additional informants used Snowball Sampling, by means of observation, interviews and documentation. Data validity is an important concept that is renewed from the concepts of validity and reliability according to the positivism version and adapted to the guidance of knowledge of the criteria and paradigm itself. (Takdir, 2023) There are several steps used to prove the data obtained is valid, namely: increasing persistence, peer discussion, and triangulation. In this research, The triangulation used is technical triangulation, method triangulation and source triangulation. The data analysis techniques used in this research are data collection activities, data reduction, data display, and conclusion drawing or conclusion/verification. (Muhammad Zainul Majdi, 2020)

RESULTS AND DISCUSSION

The Role of BUMDes Based on a Profit Review

Economic growth in rural areas is often considered slower than in urban areas. To overcome this, one of the steps that can be taken is to encourage economic activity in the village through village entrepreneurship. In this context, village entrepreneurship is an important strategy in developing and improving the welfare of rural communities (Ansari, 2016). Village Owned Enterprises (BUMDes) are a forum for developing village entrepreneurship, which can be established either by the government or by village communities (Marzuki, 2019). BUMDes is a business institution engaged in the management of village economic assets and resources within the framework of village community empowerment. BUMDes arrangements are regulated in Article 213 paragraph (1) of Law no. 32 of 2004, that villages can establish village-owned enterprises according to the needs and potential of the village. Apart from that, it is also regulated in Government Regulation Number 72 of 2005 concerning Villages, which regulates BUMDes, namely in Articles 78 – 81, Part Five concerning Village-Owned Enterprises, and finally in Minister of Home Affairs Regulation Number 39 of 2010 concerning Business Entities. Village Owned.

The purpose of Village-Owned Enterprises (BUMDes) is to optimize the management of existing village assets, encourage village economic development, and improve the welfare of village communities. BUMDes has a profit-oriented nature in running its business. BUMDes business management is based on the principles of openness, honesty, participation and fairness. BUMDes functions include being a driving force for the village economy, as a business institution that contributes to Village Original Income (PADes), as well as a means to accelerate the improvement of village community welfare (Sri & Dewi, 2014).

The existence of Village Owned Enterprises (BUMDes) is a factor to be considered in conveying village community initiatives, developing village potential, and managing and utilizing village natural resources. BUMDes also plays a role in optimizing the use of human resources from

villagers in its operations. In addition, the existence of capital participation from the village government in the form of financing and handing over of village assets to be managed as part of BUMDes is also another important aspect (Kelara and Suwarni, 2020). The existence of Village-Owned Enterprises (BUMDes) has a significant impact on the economic and social sectors, which results in changes in interactions between residents and contributes to an increase in Village Original Income (PAD) (Anggaraeni, 2016).

The Role of BUMDes Based on the Development of Village Assets

According to Hayyuna, et al (2014), the strategy undertaken to increase village assets is through: First, observing the environment, the results of which can determine what potential business activities are suitable to be implemented in BUMDes. The strategies used by BUMDes include product development strategies, pricing, and financial strategies. Second, the preparation of the strategy includes 1) Product Development, 2) Pricing, 3) Financial Strategy. Third, Strategy Implementation, carried out by BUMDes can contribute to increasing village income. Fourth, Evaluation (Control), which is carried out by the Village Head because the Village Head is authorized by the Regional Government to supervise and be responsible for BUMDes in the village.(Anggraeni, 2016)

The asset management strategy (increasing accountability) carried out by BUMDes has contributed while increasing village income. From the increased BUMDes accountability carried out, village assets can be saved. All assistance programs from the government that are dispensed with can be accounted for and their existence can be maintained. BUMDes acts as a forum for other programs, so it is hoped that all village assets obtained can be recorded, accounted for, and developed to maintain the continuity of the BUMDes itself.

The Role of BUMDes in Improving Village Economic Welfare

Indonesia as a developing country continues to be committed to carrying out development in order to improve the welfare of its people. Community welfare is an indicator of the results of development efforts that include efforts to achieve a better life, including (Hukom, 2014):

1. Increase capacity and reduce disparities in the distribution of basic needs such as food, housing, health and protection.
2. Improve living standards, income levels, better access to education, and increase attention to culture and human values.
3. Expanding the economy and increasing the variety of social choices available to individuals.

The role of BUMDes profits, it was found that BUMDes profits or income were also influenced by income received from other BUMDes businesses such as real businesses managed by BUMDes. BUMDes businesses can be formed according to the potential that exists in the Village, so as to maximize excellence and profit. The development of this BUMDes real business has an impact on the surrounding community and can be a source of income for several people who manage

BUMDes businesses (Ansari et al., 2013). Improvement of services, benefits and sustainability of BUMDes has an influence on increasing economic empowerment in the village. The services provided by BUMDes can increase the productivity of its customers because getting a loan does not take a long time and is a convoluted process. In the end, production can be carried out immediately after the materials have been purchased using borrowed money from BUMDes.

Community welfare is a condition that reflects the condition of people's lives based on the standard of living they have. Through the existence of BUMDes Sumber Sejahtera, the community's economy can be developed and provide optimal service to the community. This also contributes to an increase in Village Original Income (PAD), which has an impact on accelerating village development and increasing community resources. As a result, people's standard of living becomes more prosperous (Lazuardiah et al., 2020).

CONCLUSION

BUMDes have a role in supporting economic empowerment in the village. The role of BUMDes related to service aspects has implications for village economic independence, the role of BUMDes related to aspects of accountability has implications for increasing Village income, the role of BUMDes related to aspects of increasing living standards has implications for growth and economic equity in the Village, and the role of BUMDes regarding aspects of compliance with laws and regulations has implications for ability to manage village potential.

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