The Role of Village-Owned Enterprises (BUMDES) in Community Empowerment-Based Village Development in Subur Village, Air Joman District, Asahan Regency

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ABSTRACT

The existence of BUMDES aims to promote self-reliant village development and enable rural communities to compete in the external market. The purpose of this study is to investigate the development of BUMDES, its role in Subur Village’s development and rural community empowerment, as well as the supporting and hindering factors of BUMDES’ existence in Subur Makmur Village. The research method used a descriptive qualitative approach. The informants were the BUMDES Subur Makmur Management, BUMDES Manager, Village Head, Village Finance Officer, and Village Community. Data collection techniques included observation, interviews, literature review, and documentation. The research findings indicate that BUMDES Subur Makmur was established in 2015 and currently operates several business units such as clean water distribution and online services. BUMDES’ role in physical development has a significant impact, as evidenced by the development of village wells managed by BUMDES to meet the clean water needs of the rural community. PADES funds are also allocated for the maintenance of physical facilities in the village. However, BUMDES’ role in community empowerment activities has not yet been effective. This is due to the limited involvement of the community in BUMDES’ business activities.

Keywords: BUMDES, Village Development, Empowerment

1. Introduction

The village is the smallest legal community unit that exists and grows along with the history of Indonesian society and becomes an inseparable part of the life order of the Indonesian nation. It is also stated in the Village Law (Law Number 6 of 2014) "Village is a legal community unit that has territorial boundaries, which is authorized to regulate and manage government affairs, the interests of local communities based on community..."
initiatives, rights of origin, and/or traditional rights that are recognized and respected in the government system of the Unitary State of the Republic of Indonesia (NKRI).

Village independence is one of the goals of the existence of development. Villagers have begun to make efforts to manage their natural resources, which aim to improve the economy and community welfare. Also explained by Wardoyo in Arie (2017) A condition of developed villages that have the ability to meet their own needs and are not dependent on assistance from the government, even though the village still receives assistance from the government. However, its properties are only as a stimulant or stimulant. Meanwhile, in managing it, village communities are assisted, accompanied and facilitated to analyze the problems faced, in order to find solutions to these problems by using the resources they have, creating activities with their own abilities.

Village-Owned Enterprises (BUMDES) were formed as one of the tools to make changes for the better in every village in Indonesia. In this case, the central government urges villages to form BUMDES. Therefore, BUMDES can be used as an instrument and optimized its role as an economic institution of the community in the village to improve community welfare and increase the village's original income. The existence of BUMDES not only focuses on improving the village economy, but also developing community independence and welfare by increasing knowledge, skills, behavior, abilities, and awareness, through the establishment of policies, programs, activities, and assistance that are in accordance with the essence of the problem and the priority needs of the village community. BUMDES in this case participates in accelerating the empowerment process, by opening space for villagers to learn to manage village potential into economic benefits (Suryanto, 2018).

Subur Village, Air Joman District, Asahan Regency is one of the villages that has formed BUMDES in its village as a form of strengthening government recommendations. The BUMDES in Subur Village is called BUMDES Subur Makmur. Based on temporary observations made by researchers, BUMDES Subur Makmur was formed in 2015. Since the establishment of BUMDES Subur Makmur until now it has had several business units such as the online Service Sector in collaboration with BRI / BNI-Link, Management of Organic Fertilizers, Bottled Drinking Water (AMDK), and the distribution of Clean Water to residents' homes.

The existence of BUMDES Subur Makmur as one of its efforts to carry out community empowerment programs by involving the community in managing its business. In addition, it is also to trigger the movement of the economic wheels in the village independently. This BUMDES has also provided Village Original Income (PADes) every year. From this PADes, it also increases village income which is channeled to carry out several activities that are used for the benefit of the Fertile Village community, such as village road maintenance and activities that involve the community exploring the potential of the environment and the village community.

2. Method

This research was conducted with qualitative research descriptive approach that emphasizes more on aspects of in-depth understanding of a problem and obtaining valid data. The location of the study was conducted in Subur Village, Air Joman District, Asahan Regency. This research focuses on seeing the role of BUMDES in community empowerment-based development in Subur Village. Data types and sources are primary and secondary data. Research informants are Village Heads, Head of Village Financial Affairs, 4 BUMDES Managers, LPM Chairmen, and fertile village communities. Data collection techniques carried out by researchers are interviews, observation and documentation. The research instrument used is the researcher himself, the Interview Guide. The data analysis method used in this study was carried out by data reduction, data presentation, and conclusion drawing / verification. To test the credibility of the data / the level of trust of the data, researchers use the Triangulation Technique, which is by checking the validity of data that utilizes something else.

3. Literature Study

3.1 Building

Development is essentially a change that leads progressively on an ongoing basis to maintain the interests of individuals and communities through development, intensification and adjustment to resource utilization (Chozin in Law, 2019). Meanwhile, Siagian in Henry (2014) also argues that development "is an effort or
interweaving of growth and change efforts that are planned and carried out consciously by a nation, state and government, towards modernity in the context of nation building”.

In the development process there are three goals carried out, namely, (1) **live sustainability**, fulfilled basic human needs in the form of clothing, food, shelter, health, and protection from threats, (2) **self esteem**, being able to be yourself, (3) **freedom for survitute**, each individual is able to choose freely. Development is an orientation and endless business activity. The process of development is actually a socio-cultural change. Development that becomes a process can move forward on its own strength (**self-sustaining process**) depending on humans and their social structure.

3.2 Village Development

Village development is an effort to improve the quality of life and life for the welfare of rural communities (Permendes, PDTT No.3 of 2015). Village development has an important role in national development projects. This is because village development has a very broad scope because it is the basis of development. According to Raharjo (2018), the implementation of village development should refer to the achievement of the goals of development, namely realizing the life of an independent, advanced, prosperous and just rural community. Because village development is a big plan to accompany the implementation of Law Number 6 of 2014.

Village development is carried out by the village government together with the village community with the spirit of gotong-royong and utilizing local wisdom and village resources (Indriana, 2018). Based on Imam's opinion in Solehatun (2018), in general, village development includes two main aspects, namely:

1. Village development in the physical aspect, namely development whose main object is in the physical aspect (facilities, infrastructure, and humans) in the countryside such as village roads, house buildings, settlements, bridges, dams, irrigation, worship facilities, education, and so on. Development in this physical aspect is hereinafter referred to as Village Development.

2. Village Development in the aspect of human (social) empowerment, namely development whose main object is the aspect of increasing the ability, skills and empowerment of people in rural areas as citizens, such as education and training, coaching, economic enterprises, health, spirituality, and so on. Development in this aspect of human empowerment is hereinafter referred to as Village Community Empowerment.

3.3 Community Empowerment

According to Subejo and Narimo, (Totok and Poerwoko: Kurniawan, 2015) The community empowerment process is a deliberate effort to facilitate local communities in planning, deciding and managing their local resources through collective action and networking so that in the end they have the ability and independence economically, ecologically, and socially.

It is also detailed in Village Law No. 6 of 2014 concerning Villages Article 1 Paragraph 12 states that Village Community Empowerment is an effort to develop community independence and welfare by increasing knowledge, attitudes, skills, behavior, abilities, awareness, and utilizing resources through the establishment of policies, programs, activities, and assistance in accordance with the essence of the problem and priority needs of the village community.

3.4 Village-Owned Enterprises (BUMDES)

Law Number 6 of 2014 concerning Villages contains "Village-Owned Enterprises are business entities whose entire or majority of capital is owned by the village through direct participation derived from separated village wealth to manage assets, services, and other businesses. As much as possible for the welfare of the village community". The objectives of the BUMDES founder (Suryanto, 2018), are: 1). Improving services to the community (minimum service standards) in order to develop village community businesses; 2). Empowering villages as autonomous regions with regard to productive efforts to alleviate poverty, unemployment, and increase PADes, and; 3). Increase the independence and capacity of villages and communities in strengthening the economy in the village.

4. Result and Discussion
4.1. The role of BUMDES in village development

The existence of Village-Owned Enterprises (BUMDES) as community economic institutions has an important role in driving the economy of rural communities. As is known, BUMDES was formed with the aim of improving services to the community, reducing unemployment, increasing village original income and increasing village independence in strengthening the village economy (Suryanto, 2018). In its implementation, if studied from the previous concept, it can be said that BUMDES Subur Makmur has not done optimally in its business as an institution that is able to drive the economy of rural communities, impacting community welfare. This is related to the number of business units run and also the activities of BUMDES activities that cannot be said to improve the welfare of rural communities.

These two business units still do not provide new job opportunities for the community and also the scope of people who receive the impact of the existence of BUMDES. In one of the BUMDES business units, the distribution of clean water is still relatively small, because BUMDES still meets the water needs of 78 households in Subur Village. This is an important note for village governments and BUMDES managers to be able to improve performance in utilizing BUMDES as a village business forum that can have an impact on the welfare of rural communities. Although it can be seen in terms of service, BUMDES Subur Makmur has done its business services to the community to help meet the needs of clean water and also facilitate the community in conducting financial transactions.

The implementation of BUMDES in village development in Subur Village can be seen through its achievements in:

Table 4.1

<table>
<thead>
<tr>
<th>No</th>
<th>Shape</th>
<th>Achievements</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Improvement of village economy</td>
<td>The existence of BUMDES Subur Makmur moves the wheels of the economy in the village which has an impact on improving the village economy in Subur Village.</td>
</tr>
<tr>
<td>2</td>
<td>Increase in the village's original income</td>
<td>The management of the Subur Makmur BUMDES business unit has been able to increase the village's original income through the operating profit generated.</td>
</tr>
<tr>
<td>3</td>
<td>Utilization of local potential into business units</td>
<td>The clean water distribution business unit is one of the business units that is run based on local potential that can be utilized as a business.</td>
</tr>
<tr>
<td>4</td>
<td>Improved services to rural communities</td>
<td>Online service business unit is a business unit that provides services to the public related to financial transactions. The existence of this business unit the community feels helped and facilitated.</td>
</tr>
</tbody>
</table>

Source: Primary data researcher, 2020

4.1.1 The Role of BUMDES in Physical Development

Physical development is an effort carried out by a nation, state, and government with the intention of carrying out activities in a better direction and these changes can be seen concretely, tangibly and their changes (Karnita, 2017). One of the business units run by BUMDES in Subur Village is engaged in clean water management,
the construction of village wells helps the community in fulfilling clean water that can be utilized by the village community. The existence of this business unit departs from the utilization of problems into potential. The use of PADes is allocated by the village government to carry out physical development, namely the maintenance of village facilities such as: real maintenance and village road maintenance. To see the forms of physical development that have been carried out since the existence of BUMDES in Subur Village can be seen in the table below:

Table 4.2

<table>
<thead>
<tr>
<th>No</th>
<th>Forms of Development in the Village</th>
<th>Origin of Funds</th>
<th>Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Reol Cleaning</td>
<td>PADes BUMDES</td>
<td>2016</td>
</tr>
<tr>
<td>2</td>
<td>Village Well I in Hamlet IV</td>
<td>Dana Usaha BUMDES</td>
<td>2017</td>
</tr>
<tr>
<td>3</td>
<td>Village Road Maintenance</td>
<td>PADes BUMDES</td>
<td>2018</td>
</tr>
<tr>
<td>5</td>
<td>Village Well II in Hamlet V</td>
<td>APBD Asahan</td>
<td>2020</td>
</tr>
</tbody>
</table>

Source: Primary data researcher, 2020

4.1.2 The Role of BUMDES in Social Development

Social development is defined as a planned process of change designed to improve the welfare of the population as a whole by combining it with a dynamic process of economic development (Midgley, in Puspitasari, 2016). Talking about the role of BUMDES as social development, it is closely related to the value of empowerment carried out by BUMDES to rural communities. In this case, the community has the ability and participates actively and creatively to meet the needs and is able to utilize the potentials that exist in the village and its own.

The existence of BUMDES Subur Makmur is the result of community initiatives through village deliberations that discuss AD/ART used, management, and also business unit management. The existence of BUMDES in Subur Village is useful for the community to learn and train their skills in BUMDes management, namely by inviting the community to establish BUMDes and their placement in the management of BUMDes. In addition, the community must process and utilize existing BUMDes. As a learning process, rural communities have been able to create new businesses and have more income so that they can improve their welfare (Darwita, 2018).

From the results of the study, it shows that BUMDES Subur Makmur in carrying out its role as a community empowerment institution for BUMDES managers has been realized, namely, creating an atmosphere that allows the community's potential to develop. Then it can also be seen from BUMDES that employ village communities in the management of BUMDES and in the business units that are run, through BUMDES administrators and also workers in business units said they have been given facilities in the form of training in various activities aimed at increasing understanding in managing BUMDES in accordance with applicable regulations. Although the number of workers is still small-scale, this is also related to the business units managed, which until now are still two business units that are running normally, so it is felt that they do not need a large number of workers.

However, the role of BUMDES is still not optimal when only seen from its impact on the empowerment of rural communities. In other words, BUMDES has not become a place to empower the community, which means enabling and independent rural communities. One of the reasons is because BUMDES managers are still focusing on improving economic results, have not touched on BUMDES as a community empowerment institution that can increase community capacity. The existence of a business unit that is able to involve the village community is expected to increase family income which affects the improvement of the welfare of the village community.

4.1.3 The Role of BUMDES in Public Services

The results of research and also observations of BUMDES Subur Makmur researchers starting from the beginning of its establishment until now provide public services in several types of businesses, such as: first, clean water distribution business units seen from the type of business this unit is included in the social enterprise unit, where BUMDES Subur Makmur is engaged in providing clean water in the village, with the vision of solving problems in the village, namely the need for clean village water at a cost that is cheaper than the cost PDAM subscription. This business unit emphasizes helping the community in a social aspect but also still running the economic aspect to make a profit.
The two business units engaged in financial business ventures, BUMDES Subur Makmur opened a village bank which provides services in the form of convenience for the community in conducting interbank transactions and in making electricity payments. To provide services that make it easier for the community. In accordance with the needs of the village community. To develop the business run by BUMDES Subur Makmur.

4.1.4 Supporting Factors of BUMDES Subur Makmur
Supporting factors are something related to the aspects that are the cause of the development of a business being run. This is also inseparable from the existence of BUMDES. Usually, to develop BUMDES business units, there must be support from various parties, such as internal (inside) parties of the village and also external parties (outside) the village.
From the beginning of its establishment until now it has been running for five years, to be able to survive BUMDES Subur Makmur is also supported by supporting factors. The supporting factors for the development of BUMDES Subur Makmur, namely:

4.1.5 Able to See Business Opportunities
In running BUMDES, managers are expected to be able to determine the business units that are run based on the needs of the community and the availability of potential that can be managed into business units. From the results of the study, it shows that through the business unit run by BUMDES Subur Makmur, it has been seen that BUMDES managers are able to see the business opportunities that are run. As the clean water distribution business unit is run based on clean water problems that are sometimes difficult to obtain, BUMDES is engaged in fulfilling this clean water. This shows that not always problems become obstacles to business development, from the problems that exist in Subur Village, BUMDES managers and the village government make it a business unit that has business value but does not forget its social activities to help meet the needs of the community.

4.1.6 Availability of Natural Resource Potential
In Subur Village there are several local potentials that the village has such as, the Asahan River that flows in Subur Village and fertile land. In addition, competent BUMDES managers are also one of the supporting factors for the running of BUMDES Subur Makmur. This can be seen from Mr. Bajuri who is the chairman of BUMDES Subur Makmur was also elected as chairman of the Se-Asahan BUMDES Association. To see the natural potential that exists in Subur Village, BUMDES managers along with the village government and the community conduct village deliberations. One of the efforts developed is to look at the problems that occur. One of the problems is the difficulty of clean water. Here BUMDES managers take the initiative to drive clean water distribution efforts.

BUMDES are developed in accordance with the needs and local potential of villages in supporting economic development. Strategy efforts in the economic development of a region must rely on local resources or potential (Elisa and Santoso, 2017). Meanwhile, BUMDES Subur Makmur sees that the problems that occur in the village are developed by the manager into a business unit as an effort to meet the needs of the community.

4.1.7 Good cooperation with the village government
The main key in running a good BUMDES is the existence of good cooperation between the central government, regional governments, and village governments with BUMDES managers. From the research and also observations made by researchers see that the cooperation between the village government and BUMDES managers is going well. This is shown through good communication between both parties. BUMDES managers always involve village governments in management and carry out accountability according to time and transparently.
The cooperation between the village government and BUMDES managers can be seen from the involvement of the village government in supervising, controlling and evaluating the BUMDES program that is run. BUMDES managers always involve village governments, especially those included in the BUMDES management structure. Open communication between BUMDES and also the village government so that good cooperation occurs.

4.1.8 Community Participation in Using Business Units Run by BUMDES
In running the BUMDES business unit to run in accordance with its function, it must also be supported by the local community. This shows that the business is carried out in accordance with the needs of the community.
One of the business units that are needed by the people of Subur Village is the distribution of clean water. The existence of this unit is important because water is one of the basic human needs, to meet daily needs. Therefore, BUMDES managers are moved to run a business in this field.

In addition to running business units engaged in the basic needs of rural communities, BUMDES managers also provide online service business unit services to facilitate the community to carry out financial transactions. The existence of this online service unit also received a good response from the people who use it. The community feels helped and facilitated because they no longer have to make bank transactions out of their village.

4.1.9 Support from Local Governments
The existence of BUMDES Subur Makmur is inseparable from the support of the local government, namely the former Governor of Asahan, Mr. Typhoon Gama Simatupang and his wife who were quite helpful. The assistance provided is in the form of material and also support to run business units. This can be seen when the initial manager of the existence of the clean water distribution unit of the Subur village government and BUMDES managers received full support to run this business unit. Furthermore, in the bottled water unit, the former governor also helped BUMDES managers when experiencing funding difficulties when taking care of permits.

4.2 Inhibiting Factors of BUMDES Subur Makmur
Until now, the management of BUMDES in Indonesia has not achieved maximum results. One of them is due to the obstacles faced by BUMDES managers and village governments in running their business units. As in research conducted by Rahmadanik (2018) explained that BUMDES in Cokrokembang Village are still running in one business field, namely the savings and loans business, which is an obstacle for business actors still do not understand the benefits of being a member of BUMDES so they choose to market their business independently.

The inhibiting factors for the development of BUMDES Subur Makmur in Subur Village:

4.2.1 Lack of Business Capita
From interviews conducted with BUMDES managers, it is stated that the BUMDES program run by BUMDES Subur Makmur until now only runs two business units, namely clean water distribution and also online service business units. While at the beginning of its establishment, BUMDES Subur Makmur was able to run four business units. However, the four business units could not run until now. Some business units must be stopped first because they do not have an operational license.

To take care of the operational license, BUMDES managers must register with related bureaucracies such as BPOM, SNI and also MUI. To apply for a management permit requires a lot of funds, BUMDES managers must spend a considerable amount of money, this cost is also one of the obstacles. BUMDES managers in addition to having to develop their business must also be hampered by business licensing costs, not only take a long time but also spend a lot of money. Therefore, the BUMDES manager agreed to temporarily suspend business units that require large costs such as organic fertilizer manufacturing business units. In addition, the manager wants to complete licensing matters at the AMDK business unit. The hope is that after the AMDK business unit runs normally, the manager will reactivate the organic fertilizer business unit.

4.2.2 Lack of Competent Human Resources in BUMDES
To establish BUMDES, human resources are needed who have the ability and also good competence in the business field. This is to support the running of BUMDES optimally. Therefore, there is a determination related to the criteria for BUMDES managers that must be considered, such as having entrepreneurial spirit and experience and having leadership and managerial abilities.

Meanwhile, currently BUMDES Subur Makmur has developed its business units such as clean water distribution and online services that increase cooperation with Bank Mandiri. To run this business unit, BUMDES managers feel that the human resources currently owned are still lacking. Therefore, the lack of human resources is one of the obstacles faced by BUMDES managers internally. The researcher also saw firsthand that the head of BUMDES became the person who took care of all the licensing processes needed in the AMDK business unit, the difficulty of managing this permit was that the head of BUMDES felt overwhelmed to take care of the permit. For this reason, the head of BUMDES feels that human resources,
especially in BUMDES managers, are still said to be lacking. Therefore, village governments and BUMDES managers try to get resources from villages that are able and understand in managing BUMDES management.

4.2.3 Lack of Administrative Support from Related Institutions

To run a business unit that is production in nature, it is usually required that the business unit has a business license. This is related to the documents that support the business to be carried out on the legality provided by the relevant institution, however, it is not uncommon for BUMDES managers to experience obstacles in their management. Such as constraints in document management, cost constraints, and relatively long management time constraints.

Over the past two years, the village government and BUMDES managers have experienced obstacles in licensing AMDK business units. In addition, during an interview with the chairman of BUMDES Subur Makmur that in 2020, the operational license of the AMDK business unit has experienced development, namely it has received permits from BPOM and SNI. The BUMDES manager is currently taking care of the last stage of licensing to the MUI.

This administrative matter can be resolved if handled seriously by various related parties such as BUMDES managers, village governments, and also local governments. As for BUMDES that have completed their operational permits such as at BUMDES Bina Usaha Desa Grejeg which has received a license for the bottled water business unit. The running of this business unit has produced 5000 cartons with an income of Rp. 30,000,000,-/month (baweantoday.com.2020).

This shows that the existence of bottled drinking water business units contributes to supporting the production of PADes and improving the welfare of rural communities.

4.2.4 Lack of Elaboration of Social Networks between BUMDES and External Parties

In social capital, several social resources are known including trust, networks and social institutions. Badaruddin, et al. (2016) mentioned that strong social capital is manifested in the form of community associations, norms, beliefs and networks at various levels. One that is still not visible from the development of BUMDES Subur Makmur, the manager does not have a good social network One example of a network is having a network with the PE institution. As this network serves to provide easy access to various scarce resources such as information and power.

To form social networks between individuals, groups and institutions, cooperation is needed. With the establishment of cooperation, a positive social network will be created. Unfortunately, BUMDES Subur Makmur has been formed for several years until now still has not established good cooperation with business licensing institutions. This is also one of the causes of managers having difficulties in managing business licenses. Plus, managerially, BUMDES managers have not found competent workers.

One that is closely related is the network. Networks function as a lubricant and glue between social relationships that provide easy access to scarce resources such as information and power. This is also what is still not owned by the management of BUMDES Subur Makmur to form a network that can provide easy access in managing the business operational license of BUMDES Subur Makmur. This can be seen from the difficulty of the management to complete the license letter and also requires large costs and a long time to get a business unit license.

4.2.5 People Underuse BUMDES as Third Parties in Economic Development

Based on the observations of researchers, the daily life of the people in Subur Village tends not to see any economic activities that support survival. This is because community activities in the village, especially housewives, are mostly absent from efforts to improve the household economy. Everyday, housewives in this village only chat with their neighbors. This shows that the mothers there do not see business opportunities that can be developed by collaborating with BUMDES Subur Makmur. From the results of interviews conducted with informants of Subur Village residents, only one family, namely Mrs. Sumiyatun, collaborated with BUMDES as a partner in providing clean water to her water depot. Through this collaboration, he reduced business expenses and had an impact on increasing business profits.

5. Conclusion

Based on the description that has been put forward by peeliti and the results of interpretations and interviews with informants, it can be concluded that the existence of BUMDES in Subur Village has several roles in village development such as the role in physical development, the role in social development and the role in
improving services. However, throughout its journey, BUMDES Subur Makmur has not been able to have a considerable impact on rural communities. Especially on the role of BUMDES in social development. Therefore, policies or regulations are still needed that can later increase the role of BUMDES in the community.

Supporting factors in the development of BUMDES are BUMDES managers and village governments are able to see business opportunities to be run, the potential of natural resources to be developed into business units, positive responses from communities who are consumers of services provided by BUMDES, and support from local governments. However, in its journey, BUMDES Subur Makmur also experienced obstacles such as lack of BUMDES business capital, lack of competent personnel in the managerial field in managing BUMDES, low support from related agencies in supporting the business being run, lastly the lack of elaboration of social networks between BUMDES managers and external parties that can support the development of BUMDES.

References
