

ANALYSIS OF THE ROLE OF BUMDES AS AN EFFORTS TO EMPOWER VILLAGE COMMUNITIES

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ABSTRACT

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This research aims to investigate the role of Village-Owned Enterprises (Bumdes) in empowering the community on Kedungung Island, using a qualitative approach. Kedungung Island, representing a rural area, possesses substantial natural resources potential, yet often faces developmental challenges and limited access to resources. The research employs a qualitative approach through in-depth interviews, participatory observation, and document analysis. Bumdes is the primary subject, while the rural community of Kedungung Island serves as the research object. The qualitative approach allows researchers to gain a deeper understanding of the dynamics of interaction between Bumdes and the local community. The findings reveal that Bumdes plays a significant role in enhancing the well-being of the rural community on Kedungung Island. Through the qualitative approach, this research illustrates various contextual aspects such as local cultural values, government policies, and socio-economic dynamics that influence the role of Bumdes in community empowerment. Bumdes on Kedungung Island has proven successful in managing various local economic potentials, including agriculture, fisheries, and tourism, taking into account the needs and aspirations of the community. Collective business development initiatives by Bumdes not only increase community income but also strengthen a sense of ownership and responsibility towards village development.

1. INTRODUCTION

Village-Owned Enterprises which hereinafter referred to as BUMDes is a legal entity/village economic institution formed and owned by the Village Government, managed economically independent and professional with capital that is wholly or mostly separated village wealth (Sri & Dewi, 2014).

BUMDes functions as a driving force for the village economy and welfare of village communities. The hope with the existence of BUMDes is the formation of new businesses rooted in existing resources and the optimization of the economic activities of village communities that have been established. There is. On the other hand, there will be increased business opportunities in order to strengthen village autonomy and reduce unemployment

BUMDes is a business institution that operates in the field of managing village economic assets and resources within the framework of empowering village communities. The regulation of BUMDes is regulated in Article 213 paragraph (1) of Law no. 32 of 2004, that Villages can establish Village-Owned Enterprises in accordance with 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 most recently in Minister of Home Affairs Regulation

Number 39 of 2010 concerning Business Entities Village Owned.

Another reason why BUMDes were formed is not in other words because the village is the smallest political unit of government, the village has a strategic position as a pillar of national development. Villages have a lot of potential not only in terms of population, but also the availability of abundant natural resources. If these two potentials can be managed optimally, they will provide prosperity for the village population. However, it is realized that so far development at the village level still has many weaknesses (Ratna Aziz Prasetyo, 2016).

So it can be said that BUMDes has two main functions, namely as a social institution and a village commercial institution. BUMDes as a social institution has a contribution as a provider of social services, while its function as a commercial institution means that BUMDes aims to seek profits through offering local resources (goods and services) to the market (Pathilaiya et al., 2022).

The types of businesses managed by BUMDes have been regulated in ministerial regulations including services, distribution of nine basic commodities, trade in agricultural products, and/or small and household industries and can be developed according to the potential needs of the village. It is hoped that the various efforts carried out by BUMDes will later be used for business development, village development, empowering village communities, and providing assistance to poor communities through grants, social assistance, and

revolving fund activities stipulated in the Village Revenue and Expenditure Budget. Until the issuance of Law Number 6 of 2014,

The implementation of BUMDes has not been fully implemented by all villages in Indonesia. Even in its implementation in several areas, the existence of BUMDes is still not able to run effectively and be able to contribute to the development and empowerment of communities in the village (Ratna Aziz Prasetyo, 2016) .

With the presence of BUMDes, it is hoped that villages will become more independent and their communities will become more prosperous. However, considering that BUMDes is still something new in its existence, it is inevitable that in practice, several obstacles arise precisely related to the process of its formation.

First, there is no legal basis that covers the existence of BUMDes in villages. Although in fact, the enthusiasm for institutionalizing BUMDes has been implicitly mandated and covered by the issuance of Law Number 8 of 2005 concerning amendments to Law Number 32 of 2004 concerning Regional Government, as mandated in Chapter VII, part five, which states that Village Governments can establish Business Entities. Village property is in accordance with the needs and potential of the village with the hope of increasing community and village income.

As a follow-up to the implementation of the establishment of BUMDes, based on article 78 of PP 72 of 2005 concerning Villages, it is explained that the Regency/City Government needs to establish Regional Regulations (PERDA) concerning Procedures for the Establishment and Management of Village-Owned Enterprises (BUMDes).

However, in reality, the implementation of the BUMDes establishment policy has not been fully implemented, as in several cases.

Literature Review

1. BUMDes

According to the Minister of Home Affairs Regulation No. 39 of 2004 BUMDes is a village business formed/established by the village government whose capital ownership and management are carried out by the village government and the community.

Village-Owned Enterprises (BUMDes) are village business institutions managed by the community and village government in an effort to strengthen the village economy and are formed based on village needs and potential.

And BUMDes according to law no. 32 of 2004 concerning Regional Government, established among other things in order to increase 58 Village Original Income (Padesa). If the village's original income can be obtained from BUMDes, then this condition will encourage every village government to establish this business entity. As one of the economic institutions operating in rural areas, BUMDes must be different from other economic institutions. This is intended so that the existence and performance of BUMDes can make a significant contribution to improving the welfare of village residents. Apart from that, there is no need to develop a capitalist business system in rural areas which could be disruptive community life values.

So it can be concluded that BUMDes is a business entity managed by a group of people appointed and trusted by the

village government to explore village potential and advance the village economy in a structured and managed manner.

2. Community empowerment

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

In an effort to empower This society can be seen from three sides, that is:

- a. create an atmosphere or a climate that allows the potential of society to develop (*enabling*). Here the starting point is the recognition that every human being, every society, has potential that can be developed. This means that there is no society that is completely without power, because if that were the case it would already be extinct. Empowerment is an effort to build power by encouraging, motivating, and raising awareness of one's potential and making efforts to develop it.
- b. strengthening the potential or power of the community (*empowering*). In this context, more positive steps are taken, apart from just creating a climate atmosphere. This strengthening includes concrete steps. And it concerns the provision of input sharing, as well as recording access to various opportunities *that* will make society different.

Empowering also means protecting. In the empowerment process, the weak must be prevented from becoming weaker, because of their shortcomings in facing the strong. Therefore, protection and Taking sides with the weak is very fundamental in the concept of community empowerment.

2.1 Principles of Community Empowerment

A principle is a statement of policy that is used as a guide in making decisions and carrying out activities consistently. In this way, the principle can be used as the basis for correct diapering, as the implementation of the activities to be carried out

So empowerment has principles principles as follows:

- a. *Doing*, meaning, empowerment activities must involve the community as much as possible to do or implement something.
- b. *Consequences*, Meaning that empowerment activities must provide good or useful consequences or influences,
- c. *Association* it means every empowerment activity must be linked to other activities, because everyone tends to hook connecting its activities with other activities or events.

2.2 Empowerment Indicators

UNICEF proposes 5 dimensions as a benchmark for the success of community empowerment, consisting of welfare, access, critical awareness, participation and control. These five dimensions are categories of analysis that are dynamic in nature, related to each other synergistically, mutually reinforcing and complementary. The following is a more detailed description of each dimension.

a. Well-being. This dimension is level of social welfare which is measured by the fulfillment of basic needs such as clothing, shelter, food, income, education and health.

b. Access. This dimension concerns equality in access to resources and the benefits generated by the presence of resources. Lack of access is a barrier to improving welfare. The gap in this dimension is caused by the lack of equal access to resources by those in the higher class compared to those from the lower class, who are powerful and controlled, center and periphery. Resources can be time, energy, land, credit, information, skills, and so on.

c. Critical awareness. The gap what happens in people's lives is not a natural order that has been going on like that since any time or is simply God's will, but is structural as a result of discrimination that occurs institutionalized. Community empowerment at this level means community awareness that this gap is a social formation that can and must be changed

d. Participation. Empowerment in levels This means that the community is involved in the various institutions within it. This means that the community takes part in the decision-making process and in this way their interests are not neglected.

e. Control. Empowerment in this context means that all levels of society take control of existing resources. This means that with existing resources, all levels of society can fulfill their rights, not just a few powerful people who enjoy resources, but all levels of society as a whole. Can control and manage the resources owned.

3.1 Public Policy

The introduction includes the background to a problem as well as the urgency and rationalization of activities (research or service). Activity objectives and problem-solving plans are presented in this section. A review of relevant literature and hypothesis development are included in this section. [Times New Roman, 12, normal] page percentage between 10-15% of total words, 1 spaced.

2. ETHODS

Types of research

The type of research used in this research is qualitative with a descriptive approach. Qualitative research aims to understand the phenomena experienced by the research object by describing it through statements using various scientific methods.

Research sites

This research was carried out in the village .

Data collection technique

To collect the necessary data, the author used the following data collection techniques:

1. interview by interacting with respondents to know the results of the research
2. documentation

Data analysis technique

Data analysis is carried out when data from informants or other sources has been obtained. In discussing data analysis, Huberman and Miles. proposed a data analysis model which he called an interactive model. This model consists of three main things, namely

- (1) data reduction
- (2) data presentation; And drawing conclusions/verification

The method explains how the research is conducted, including research design, data collection, research instrument and analytic methods. This part should be narated.

3. ESULTS AND DISCUSSION

The development of BUMDes in Kedundung Island Village that has been able to survive until now when several villages experienced *collapse* is due to community participation. The programs that have been created by BUMDes are sometimes not socialized by the local village community. Based on the results of interview data that has been conducted, there are still many people who are indifferent to the existence of BUMDes and have never even participated in the implementation of this BUMDes program.

Apart from political issues, the small number of people who receive assistance from BUMDes is due to the low level of public knowledge regarding how to access assistance from BUMDes. Several village communities who have been interviewed have stated that not only do they not know how to access the BUMDes assistance program but they also don't know. that in this BUMDes there is also an aid program being realized.

Kedundung Island Village government that the existence of BUMDes in Kedundung Island Village still needs to continue to be socialized not only regarding its existence but also how to access and transparency in the use of BUMDes funds. This is none other than to capture more community aspirations and participation so that the BUMDes program has a lot of support and continues to develop.

The pattern of utilization of BUMDes funds in Kedundung Island Village has so far been driven by equipment rental services. Using BUMDes funds for rental activities is considered more productive in accumulating capital compared to using savings and loans, because according to experience, savings and loan services tend to be difficult to collect back in some communities. The results of this

equipment rental service were then used by the Kedundung Island Village government to finance development and provide several assistance programs to the community in Kedundung Island Village.

The existence of the BUMDes program has not been able to reach the majority of the community, however the existence of BUMDes to be able to help the community is still very much needed.

In village development, what you need to know is to understand and pay attention to the various specialties or uniqueness that exist in the village community. Without knowing this, it is possible that the development program being implemented will not run as expected. Likewise, village development carried out through the BUMDes program should also be in accordance with existing local potential. As is the pattern of utilizing BUMDes funds that has been carried out by Kedundung Island Village by taking into account needs

Local people, the majority of whom work as farmers, of course hope that the managed business can meet the needs in this sector. In practice, the management of BUMDes funds in Kedundung Island Village is mostly used for equipment rental services. These various businesses are indeed able to provide income, but can this contribute not only in terms of physical development but also aspects of community empowerment?

1. Community Participation in BUMDes Sustainability

The positive development of BUMDes in Kedundung Island Village that has persisted to date can be attributed to the active participation of the community. The sustainability of BUMDes depends on direct support and involvement from the community. However, interview results show that BUMDes programs are often not well socialized, so that most of the community is not involved in implementing the program. Increasing community awareness and involvement needs to be the main focus.

2. Political Challenges and Low Public Understanding

Political challenges and low public understanding are significant obstacles to acceptance and participation in the BUMDes program. There is a scarcity of information about how to access assistance, and some respondents are not even aware of the existence of assistance programs implemented by BUMDes. The Kedundung Island Village Government needs to increase outreach efforts to ensure transparency, understand how to access the program, and overcome political obstacles that may arise.

3. Pattern of Utilization of BUMDes Funds

The focus of using BUMDes funds on equipment rental services in Pulau Kedundung Village is considered a productive strategy for accumulating capital. This selection is preferred over savings and loan schemes which are considered difficult to repay. The proceeds from equipment rental services become a source of financing for development and assistance programs for the community. This shows the flexibility of BUMDes in adjusting fund use patterns according to local needs.

4. Challenges Reach All Levels of Society

Even though BUMDes makes a positive contribution, the program has not been able to reach the majority of the community. Therefore, it is necessary to carry out an evaluation to find solutions so that the BUMDes program can reach and provide benefits to all levels of society, including those who are not yet involved.

5. Program Suitability to Local Needs:

The success of the BUMDes program in Kedundung Island Village shows the importance of conformity with local needs. Understanding the uniqueness and specificity of village communities helps manage BUMDes funds in accordance with local potential and needs, as explained through the focus on equipment rental services which are relevant to the majority of jobs as farmers.

6. Contribution of BUMDes to Physical Development and Empowerment

Management of BUMDes funds in Kedundung Island Village makes a significant contribution to physical development and community empowerment. Even though it is successful in providing income, it is important to remember that the contribution of BUMDes is not only seen in terms of physical development but also the aspect of community empowerment, so that the impact can be more holistic.

An in-depth understanding of the challenges and potential described in this research can help the Kedundung Island Village government to optimize the role of BUMDes and overcome obstacles that arise, so that the BUMDes program can become more inclusive and sustainable.

4. CONCLUSION

The development of Village-Owned Enterprises (BUMDes) in Kedundung Island Village which remained viable and successful amidst challenges, especially at a time when several villages experienced failure, can be attributed to the high level of community participation. However, several obstacles have emerged, including a lack of outreach regarding BUMDes programs, as well as a lack of public awareness regarding how to access assistance provided by BUMDes. Apart from political problems, the low level of public knowledge is the main obstacle in getting benefits from BUMDes. This signal is a warning for the Kedundung Island Village Government to increase outreach efforts, not only regarding the existence of BUMDes, but also procedures for accessing assistance and transparency in the use of BUMDes funds. This step is necessary in order to increase community participation and support for the BUMDes program.

The pattern of utilizing BUMDes funds which is focused on equipment rental services is considered a productive strategy for accumulating capital, especially when compared to savings and loan schemes which are difficult to collect. The funds from this equipment rental are then used by the Kedundung Island Village Government to finance development and aid programs for the community. Even though it is successful, it is important to remember that this success does not yet cover the majority of society

Suggestion:

1. Intensive Socialization: The Kedundung Island Village Government needs to increase outreach efforts to ensure that BUMDes programs are known to the entire community, including how to access them and transparency in the use of BUMDes funds.

2. Increasing Community Literacy: Carrying out literacy programs to increase community knowledge regarding the potential and benefits that can be obtained from BUMDes, so that they can be more active and involved in the programs provided.

3. Adapting programs to local potential: ensuring that BUMDes programs are in line with the local needs and

potential of the community, so that they can make a real contribution, both in terms of physical development and community empowerment aspects.

4. Evaluation and Monitoring: Conduct regular evaluation and monitoring of the implementation of the BUMDes program, including its effectiveness in providing a positive impact on local communities. This can help adjust the program to make it more effective and sustainable.

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contribution in explaining the dynamics of village community empowerment.

Not to forget, thank you to all parties who have provided support and guidance during this research process. With collaboration and contributions from various parties, we hope that this journal can provide useful insights and become a valuable reference in efforts to increase the role of Bumdes in empowering village communities, especially on Kedundung Island.

We hope that this journal can make a positive contribution to the development of community empowerment policies and practices at the local level. Thank you for all the cooperation and support that has been provided.

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