

The Role of Village-Owned Enterprises (BUMDes) in Community Economic Empowerment in Sampiran Village, Talun District, Cirebon Regency

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Abstract

Villages are the center of the country's economic activities. Thus, empowerment starts from the lower level, namely the village. The government is now starting to prioritize village development by providing sufficient capital to villages to produce community welfare. This has been stated in the law which specifically regulates village development. Villages have excellent potential for the welfare of the country so they must be mobilized so that the entire community can experience this potential. The presence of BUMDes is an enforcement of numerical law. Regulation Number 6 of 2014 concerning Villages aims to increase community income by mobilizing village potential which is formed directly by community initiative. Related to the problems above, the problem to be solved in this research is how the process of community economic empowerment through BUMDes occurs in Sampiran Village, Talun District, Cirebon Regency. The aim of this research is to understand how the process of community economic empowerment through BUMDes in Sampiran Village, Talun District, Cirebon Province has gone through many stages, namely the sensitive stage, capacity/skills development stage, and business stage. Capital building. Stages, production, marketing and marketing support stages.

Keywords: BUMDes, Empowerment, and Community Economy.

Introduction

The concept of empowerment began to become the beginning of development discussions, when people began to question the meaning of development. The discourse of empowerment emerged when industrialization created a society where production factors were controlled and a society where workers were controlled. In developing countries, discussions of empowerment arise when development creates social disintegration, economic inequality, degradation of natural resources, and social alienation from government production factors (Iin Sarinah, 2019).

National development is an effort to improve all aspects of social, national and state life. The goal of development is to build independence, including rural development. Most Indonesian products come from rural areas. Therefore, the focus of development is in rural areas. According to Widjaya (2003:3), a village is a legal community unit whose root components are based on special root rights.

The development of economic businesses in rural areas has long been carried out effectively by the State and achieved relatively satisfactory results as expected, but the level of success has not been achieved to the maximum. One of the factors that most often occurs is excessive government intervention, which actually hinders the creativity and innovation of rural communities in managing and operating the rural economic machine. The economic system and institutions in rural areas are running inefficiently, causing dependence on government assistance, thus killing the spirit of independence. According to Summpeno, village development strategy is an action carried out by all arrangements, including programs aimed at achieving the vision, mission and goals that have been set (Wahjudin, 2011: 8)

Community economic empowerment itself has brought many benefits to society. Where the economic system is created by society, from society and for society itself. Apart from that, this is done to help people become independent, creative and have a high

entrepreneurial spirit, not just depend on the capital provided. Because the aim of self-empowerment is to build and increase the capacity, independence and strength of the community to be able to live a better, more prosperous life in accordance with the needs, potential and cultural needs of the community. Empowerment is a form of human-centered development. Community empowerment is also a form of planned development, based on the potential, problems and needs of the community (Anwas, 2013:48). In addition to business independence resulting from empowerment exercises, increased income can be utilized as fully as possible to meet daily, secondary and tertiary needs (Qodriyati) and Fakhrudin, 2016:60).

After the existence of Law Number 6 of 2014 concerning Villages, it is stated that villages have the right to establish village-owned institutional business entities whose function is to move the wheels of the village economy so that the village government together with the community can develop the village economy according to its potential. BUMDES is currently one of the community economic empowerment programs which is believed to be able to help communities increase their independence in business and create opportunities. The logic for establishing BUMDES as a locomotive for local economic development is based on the needs, potential and capacity of villages, to improve the economic welfare of the community in the village. The known village potential can be developed easily, one of which is marketing superior products or services through BUMDES.

Gunawan in Agunggunanto et al. (2016:67) explains that the formation of BUMDES aims to accept activities that develop according to customs, activities based on Government programs and all other activities that support efforts to increase community income. According to the Center for Development System Dynamics Studies (2007:4), 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. Ollanrewaju & Chukwudi in Darwita & Redana (2018:57) state that BUMDES is not only concerned with the results to be achieved but also to improve the capabilities of its human resources as well as "community development, human resources development, technology transfer and self-reliance, economic development and behavioral changes".

The way BUMDes works is by accommodating community economic activities in the form of an institution or business entity that is managed professionally, but still relies on the village's original potential. This can make community businesses more productive and effective. In the future, BUMDes will function as a pillar of national independence as well as being an institution that accommodates community economic activities that develop according to village characteristics in order to improve the welfare of village communities (Herry, 2016).

Regarding the aim of empowerment, what is to be achieved in community empowerment is to shape individuals and communities to become independent. This independence includes independence in thinking, acting and controlling what they do. Community independence is a condition experienced by the community characterized by the ability to think, decide and do something that is deemed appropriate in order to achieve solutions to the problems faced by using one's own power or abilities (Sulistiyani, 2004). Research conducted by Edy Yusuf stated that the main goal of BUMDes, namely improving the village economy, has not been achieved. This is caused by the limited types of businesses being run, limited human resources in managing BUMDes and low community participation due to their low level of knowledge (Yusuf, 2016).

These products will not be easy to market without going through BUMDes, this is where the role of BUMDes is very important because Bumdes provides sales facilities or services, with these markets and with contacts from outsiders who want to accommodate the craft and food products produced in the market. produced by BUMDes members so that the members no longer worry about selling their products, then tofu production also becomes one of the superior products of BUMDes because it is the only factory in the village that fulfills the need for tofu in the village market. Moreover, now BUMDes Sukoharum has natural tourism even though it is still in the development stage. So that processed village products can be marketed there so that many people know about them.

From the explanations of several BUMDes members who are active in membership, the perceived economic progress has increased quite significantly, because they do not need to borrow capital from the bank to be able to set up a business, apart from that they are also given training and improving their business skills so that their success is quite high which results in their economy improves.

Method

The method used is descriptive method. This type of research is descriptive qualitative, namely providing an overview of community empowerment in the economic field. In this research, primary data was obtained directly from the village government through observation and interviews. The data sources used by researchers to complete the data are informants with the number of informants in this study being 10 people, with details; 1 Village Head, 1 Village Secretary, 3 village officials and 5 community representatives. Data collection techniques in this research are literature study and field study (observation and interviews). The steps for data analysis are data collection, data reduction, data display and conclusion drawing.

Result and Discussion

BUMDes is a pillar of economic activity in the village which functions as a social institution and commercial institution. The principles of efficiency and effectiveness must always be emphasized in running a business. In this way, it is hoped that the existence of BUMDes will be able to encourage the dynamism of economic life in rural areas. According to PKDSP (2007), what is meant by "village business" is a type of business that includes village economic services such as: 1) financial services businesses, land and water transportation services, village electricity, and other similar businesses; 2) distribution of nine basic village economic commodities; 3) Trade in agricultural products including food crops, plantations, livestock, fisheries and agribusiness; 4) Folk industry and crafts.

In general, BUMDes services have been implemented professionally and flexibly. This condition can increase the productivity of village communities and develop real businesses in BUMDes so that they can absorb a larger workforce and increase income. Apart from service income from loan businesses, real businesses can also trigger the growth of other informal sectors and can encourage the creativity of people's entrepreneurial spirit in their work. The profits from real businesses formed by BUMDes are in accordance with the potential that exists in the village, so that they can maximize the advantages and profits that will have an impact on the surrounding community so that they can be used as a source of income for the people who manage BUMDes businesses.

Village-Owned Enterprises (BUMDes) are pillars of economic activity in villages that function as social institutions and commercial institutions. BUMDes as a social institution supports the interests of the community through its contribution in providing social services. Meanwhile, as a commercial institution, its aim is to seek profits by offering local resources (goods and services) to the market. 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.

BUMDes Sampiran Village was established in 2018 and only has a market that has the potential to empower the community. From year to year, this market continues to grow, after which BUMDes also established additional stalls and other business units. From the explanation that has been explained by Mr. Kadisa, the question arises about what is the aim of establishing BUMDes in Sampiran Village? Following is your answer:

"In Sampiran Village, it is clear that the majority of the population is focused on the trade sector, because this area is close to the market. "So, indirectly, for people who have little capital, it is hoped that BUMDes can support those whose capital is still minimal."

From his answer, it shows that BUMDes aims to empower disadvantaged communities, therefore Sampiran Village BUMDes will look for the potential of the community, as well as people who wish to become entrepreneurs.

After that the question arises of who does BUMDes membership consist of? Mr. Kadisa, "BUMDes membership consists of the BUMDes supervisory body, including elements of government, community leaders, BPD and LPMD. "BUMDes members from the Village government are two Village Heads and Village Secretaries."

Researchers are of the opinion that the existence of BUMDes really helps empower the community so that the community's economy becomes a more independent economy. Then the question arises about the role of BUMDes in community welfare and community economic empowerment.

Tourism is an inseparable part of human life, especially regarding social and economic activities (Wuri et al, 2015: 143). The growth of tourism in Indonesia continues to grow as time goes by. The tourism sector is one of the contributors to profits for Indonesia in attracting foreign tourists to come to Indonesia. BUMDES is one of the institutions whose function is to oversee the village economic sector based on village potential, including Tourism Villages.

Damanik in Andriyani (2017:2) explains that the development of rural tourism is driven by three factors. First, rural areas have relatively more authentic natural and cultural potential than urban areas, rural communities still carry out cultural and topographical traditions and rituals that are quite harmonious. Second, rural areas have a physical environment that is relatively pristine or less polluted by various types of pollution compared to urban areas. Third, to a certain extent rural areas face relatively slow economic development, so that optimal utilization of the economic, social and cultural potential of local communities is a rational reason for developing rural tourism. Soekadijo in Sidiq (2017:322) stated that tourism is everything related to the implementation and business of tourism which includes tourist objects and attractions, tourism facility businesses, tourism service businesses, and other businesses.

In carrying out economic empowerment through BUMDES, the most important thing in an empowerment program is the series of processes where the empowerment process requires careful planning and analysis so that the goals can be achieved. For this reason, an empowerment process generally includes 3 aspects, namely planning, implementation and

evaluation. The goal of empowerment is aimed at improving real performance in accordance with existing skills so as to obtain improvements in the productivity and income of community self-help groups.

Harahap (2012:79) explains that community empowerment can be interpreted as an effort to restore or increase the empowerment of a community so that they are able to act in accordance with their dignity and dignity in carrying out their rights and responsibilities as a human community and citizens. Empowerment is directed at improving the community's economy in a productive manner so that it is able to produce high added value and greater income. Efforts to increase the ability to produce added value must at least improve access to four things, namely access to resources, access to technology, access to markets and access to demand. Suryana et al (2014:243) explain that with the existence of Bumdes, products produced by women's groups will definitely be sold at standard prices. This will raise the group's motivation to produce and compete healthily in terms of product sustainability and product quality.

In terms of the role of BUMDes services, it is known that there are differences in services between BUMDes and other microfinance institutions in the village. BUMDes services focus more on convenience with the principles of kinship and trust for its customers. Meanwhile, in other microfinance institutions, the loan process must be carried out properly and according to procedures, without any exceptions. Apart from that, it was found that the services at BUMDes were carried out professionally and flexibly, the procedures used were more concise so they did not burden customers, the loan requirements were easy and the interest rates were relatively low.

In terms of 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 the BUMDes. BUMDes businesses can also be formed according to the potential in the village, so that they can maximize advantages and profits. The development of real BUMDes businesses also has an impact on the surrounding community, this business can become a source of income for several communities who manage BUMDes businesses.

Improving Services, Profits and Sustainability of BUMDes has an influence on improving the Village Economy. The services provided by BUMDes can increase the productivity of their customers because getting a loan does not require a long time or a complicated process. In the end, production can be carried out immediately after the materials have been purchased using loan money from the BUMDes.

The existence of a savings and loan business unit has provided insight to the community and encouraged the economic growth of the Sampiran Village community which further advances business from capital through BUMDes. This will further help the community's economy in improving business and make it easier for the community to develop BUMDes business units, such as building market shophouses, building stalls and improving the community's economy and Village Original Income (PAD). So that these funds can still be used to help with activities needed by the village government in empowering the community, so that the development of BUMDes will increase and there will be no capital losses.

The implementation of empowerment programs that will be studied in Sampiran Village are BUMDES business programs, namely the fields of savings and loans, tourism, catering, rental, and fisheries and animal husbandry. All of these business units are interconnected with each other and each business unit has its own policy in determining the

implementation of empowerment. Economic empowerment programs by utilizing local potential as tourist villages through programs in BUMDES can help local communities become more empowered both economically and socially. Apart from increasing village and community income, the level of community participation is also increasing and giving rise to people who care about the environment because they feel they share the existing village assets. The Sampiran Village infrastructure is made as attractive as possible to attract everyone who enters the Sampiran Village area. This is of course thanks to the cooperation of the community who play an active role in helping the village government in changing Sampiran Village. Benefits were obtained by many parties because the proceeds from the empowerment program were partly used to repair roads that still needed to be repaired. Routine meetings for community empowerment programs vary depending on the business unit being attended because each business unit has its own policies.

Conclusion

The role of BUMDes in empowering the Sampiran Village community is that the existence of BUMDes really helps empower the community so that the community's economy becomes a more independent economy. His role is more accompaniment, from capital assistance to marketing and developing the community's potential and businesses. Apart from that, the existence of BUMDes business units can help work for the community. However, when it comes to the role of community empowerment in Sampiran Village, the role is more in providing assistance with capital to marketing and developing the community's business potential.

BUMDes plays a role in supporting village economic independence. The role of BUMDes related to service aspects has implications for village economic independence, the role of BUMDes related to accountability aspects has implications for increasing Village Original Income, the role of BUMDes related to aspects of improving living standards has implications for rural economic growth and equality, and the role of BUMDes related to aspects of compliance with statutory regulations has implications in ability in managing village potential.

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