

Optimizing The Role Of Bumdes In Improving The Economy Of The Gelangsar Village Community

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Abstract

Introduction: The development of villages and underdeveloped areas has long been on the government's agenda as a national development goal because villages are a real target that must be prosperous and rural areas still dominate poverty in Indonesia. Objective: To optimize the role of BUMDes in improving the economy of the Gelangsar village community. Problem Formulation: How to optimize the role of Bumdes in improving the community's economy and what are the factors for the failure of Bumdes in improving the economy of the Gelangsar village community. Research Method: This research was conducted using descriptive qualitative methods. Results: It is undeniable that the existence of BUMDes has brought changes in the economic and social fields. BUMDes' contribution is mainly in the form of Village Original Income, where BUMDes net profits are allocated to Village income and the ability of BUMDes to develop and function as expected depends on the basic material and social assets (both tangible and intangible) owned. Conclusion: The existence of BUMDes brings significant changes in the economic and social fields. Shifts in social values and also changes in interaction patterns between citizens will occur. BUMDes provides an increase in Village Original Income, but this income cannot be felt directly by the community.

Keywords: Village-Owned Enterprises, Economy, Village

INTRODUCTION

The development of villages and underdeveloped areas has long been on the government's agenda as a national development goal because villages are a real target that must be prosperous and rural areas still dominate poverty in Indonesia. With village development, it is hoped that village independence can be built so that it is not dependent on the center. To encourage this development, one way that can be done is by establishing a Village-Owned Enterprise (BUMDes) in accordance with the statement of Minister of Home Affairs Regulation No. 39 of 2010 concerning Village-Owned Enterprises, namely to increase the financial capacity of village governments in administering government and increasing income community through various community economic business activities in rural areas, the establishment of village-owned business entities in accordance with the needs and potential of the village. Through various economic business activities in rural communities, village-owned business entities are established in accordance with the needs and potential of the village.

BUMDes is a village business in the form of an institution whose management is

carried out by the village government and village community to encourage the improvement of the village community's economy or includes businesses from the village, by the village and for the village, but in its implementation, it still refers to the needs of the community and the existing potential of the village. As an economic institution in rural areas, BUMDes must be different from other economic institutions so that the existence of BUMDes can contribute to realizing prosperity for village communities. Apart from that, with the existence of BUMDes, villages can also control and supervise the running or development of this business so that it remains well controlled and smooth.

The existence of BUMDes continues to increase from previous years, it is known that until early 2020, as many as 46 thousand or more than 61% of villages in Indonesia already had Village-Owned Enterprises (BUMDes). However, if you look at the field, there are still many things that have not developed or are just running in place because the BUMDes legal entity is not yet clear, and also human resources are still low in management. An example of what happened in Gunung Sari sub-district was based on the narrative of the

chairman of BUMDES, Gelangsar. Most of the BUMDes that stopped operating were running savings and loan businesses, the reason for their dissolution was due to lack of management of BUMDes, lack of community awareness of managing BUMDes, they preferred to manage their own businesses rather than participate in BUMDes for reasons Their sales and income are very poor. and the capital provided by village funds is not able to meet business needs and community participation is still very low. This should be the attention of the village government to find out the potential of the village so that it is not wrong in choosing the type of business to be carried out and its implementation to obtain results that can be felt widely thereby achieving sustainable community welfare. Through Law Number 32 of 2004 concerning Regional Government, the government has supported villages to have business entities, because these village-owned businesses can proportionally be used as a forum for regional governments and communities to carry out economic empowerment programs at the village level. It is hoped that the existence of BUMDes will be able to stimulate and move the economy of village communities. Economic assets fully owned by the village must be managed by the village community.

BUMDes management must be carried out in a spirit of togetherness so that the economic institutions formed run well. However, in reality, community participation in implementation is still minimal. BUMDes as an institution that oversees village-owned businesses plays an important role in increasing village income sources and also as a driver of the village community's economic sector. It cannot be denied that BUMDes has a role in the community economy, but in implementing BUMDes there are still obstacles. According to research that has been carried out previously, such as research and KKN observation results from Bayu Aftiar Maulana, (2024) stated that the main obstacle that occurs in the implementation of BUMDes is the limited human resources available. In the operations of BUMDes there are still obstacles, namely the lack of people

participating in the management of BUMDes because in managing village businesses they still rely on the mutual cooperation system, while the community needs large amounts of results and income to fulfill their daily needs. And also, the budget from village funds is still very small, so that the plans of BUMDes managers and village governments are difficult to realize. Conceptually and theoretically, the success of BUMDes can be seen from management and Human Resources, if it is done well then Village Income will be much more advanced and developed with an increase in BUMDes, then the development process and community welfare can increase. However, to make this happen, attention and understanding of good and correct BUMDes management is needed in order to create BUMDes management that is aware of village progress.

As in previous research conducted by **Iit Novita Riyanti and Hendri Hermawan Adinugraha** by title **Optimizing the Role of Village-Owned Enterprises (Bumdes) Singajaya in Improving Community Welfare (Case Study in Bodas Village, Watukumpul District)** which also discusses optimizing the role of BUMdes but the research locus is different.

Gelangsar Village formed a BUMDes with the name BUMDes **SARI KENCANA**. BUMDes has been around for quite a long-time running **SARI KENCANA**, but its management has not been carried out optimally so that it has not been able to improve the welfare of society at large, it is still in a small scope. In this case BUMDes **SARI KENCANA** is not yet operating optimally due to limited people who cannot use the equipment *vacum frying*. Apart from that, Gelangsar village, which is a mountainous area, has natural potential and garden products such as hills or waterfalls and many fruits such as kepok bananas, durian and mangosteen which can be developed into tourism, but based on what the village head said, this is still a plan because of the physical appearance. Gelangsar village infrastructure is inadequate. So, efforts are needed to optimize the role of BUMDes to increase village income and improve the welfare of village residents in

its management. With the existence of BUMDes **SARI KENCANA** in Gelangsar village it is hoped that they will not only focus on results but also encourage the formation of social democracy in the village by increasing the capacity of village communities regarding the implementation of sustainable BUMDes, and increasing village community interest in implementing BUMDes **SARI KENCANA**. The village government, through the existence of BUMDes, requires innovation and creativity in the village economic sector, so that it can advance the village economy which is needed and open up new job opportunities, produce unique goods and services from the area and provide optimal public services to the community. Based on the description above, the author is interested in raising the problem formulation regarding **Optimizing the Role of BUMDes in improving the economy of the Gelangsar Village community?**

RESEARCH METHOD

The type of research in this writing uses Normative Empirical research. Researchers want to solve problems by describing or describing the current state of the research object based on facts in the field and described in the form of words and language obtained from observations, interviews and documents. Through this empirical normative research, we intend to describe events or phenomena according to what happens in the field, as well as the resulting data in the form of written or spoken words from people and observed behavior related to BUMDes management in community empowerment in Gelangsar Village. West Lombok Regency. The focus of the research entitled "**Optimizing the Role of Bumdes in Improving the Community Economy**". The location of this research is Gelangsar Village in Gunung Sari District, West Lombok Regency. The reason the researcher chose this location or area was motivated by the community service activities that had been carried out at that location. This makes researchers more knowledgeable regarding BUMDes management in community empowerment in Gelangsar Village. When this BUMDes business runs and

develops, the name Gelangsar Village will be the highlight of its creation trust to the community and government, then many donors or suppliers of other materials will come who will distribute the materials to BUMDes **SARI KENCANA** slider.

RESEARCH RESULTS AND DISCUSSION

Optimizing the Role of Bumdes in Improving the Economy of the Gelangsar Village Community

Village-Owned Enterprises (BUMDes) are institutions formed by the village government and the community manages these institutions based on the needs and economy of the village. BUMDes was formed based on applicable laws and regulations based on an agreement between village communities. The aim of BUMDes is to improve and strengthen the village economy.

Definition of BUMDes or Village-Owned Enterprises according to PDTT Ministerial Decree No. 4 of 2015 concerning the Establishment, Management and Dissolution of Village-Owned Enterprises are "businesses where all or most of the capital is separated to manage assets, services and other businesses for the greatest welfare of village communities". Based on the results of research conducted by Pradnyani (2019), the definition of BUMDes is "an entity founded or formed jointly by the community and the village government and its management is carried out by the village government and the community in order to obtain mutual benefits as a source of Original Village Income". According to Government Regulation Number 72 of 2005 concerning Villages, village governments can establish Village-Owned Enterprises to increase village and community income, which is tailored to the needs and potential of existing villages. It is also explained in Law Number 32 of 2004 concerning Regional Government that villages can establish business entities in accordance with the potential and needs of the village. In this way, the formation of BUMDes must be based on the potential, needs and capacity of existing villages. Apart from that, the establishment of BUMDes was carried out on community initiative supported by the

village government in order to create economic progress in village communities.

It is undeniable that the existence of BUMDes brings changes in the economic and social fields. BUMDes' contribution is mainly in the form of Village Original Income, where BUMDes' net profits are allocated to Village income. BUMDes profits are allocated to several parties at different percentages. Based on the results of the analysis above, it appears that the profit allocation from the three BUMDes intended for hamlets received the smallest percentage. This has an impact on the small allocation of profits received by the hamlet, which incidentally is directly related to the residents. The opinion of residents who say that BUMDes are not useful for improving welfare can be caused by the small percentage received by the hamlets. Apart from that, most of the facilities provided by BUMDes for residents to use can be said to be misdirected. The use of facilities is dominated by residents from outside the village, or residents who have relationships with the management. Meanwhile, village communities or even those around BUMDes do not directly experience the economic benefits of the existence of BUMDes. The problem that often arises is the problem of recruiting BUMDes employees. Residents feel that BUMDes does not empower local people. On the other hand, it appears that there are demands for professionalism from residents towards BUMDes managers. These two things will give rise to a dilemma in BUMDes governance where BUMDes are required to work professionally, on the other hand they must accommodate the demands of absorbing local labor, where local human resources have limited capacity and capability. Communication and socialization are things that need to be improved. Based on the results of interviews with participants, it is known that the majority of the community is still poorly informed regarding the activities and performance reporting carried out by BUMDes. This has led to the emergence of public demands for transparency and accountability in BUMDes management.

BUMDes was established with the hope of improving the community's economy and reducing the poverty rate in the village.

As the results of an interview with one of the BUMDes managers in Gelangsar Village, Mr. Jauhari and Mrs. Istiqomah, said that The role of the Bumdes in Gelangsar village has not been fully successful as evidenced by the turnover of income from the sale of processed food products in Gelangsar village which has not been optimal, this is caused by a lack of understanding and managerial skills among Bumdes administrators which can hamper operational efficiency and not run well. sales of products that BUMDes administrators have experienced. Apart from that, the low level of community participation and involvement in the management of Bumdes is also an obstacle to the development of Bumdes in Gelangsar village currently.

So based on the results of these interviews, efforts need to be made to increase managerial capacity, provide training to Bumdes members, and ensure transparency and active community participation in managing Bumdes as well as strengthening cooperation between Bumdes and related parties.

The ability of BUMDes to develop and function as expected depends on basic material and social assets (both tangible and intangible) owned. These materials and assets are capital which are resources that must be owned in relatively balanced proportions. Based on the literature explanation, there are four capitals that are assumed to have a significant influence on the success of BUMDes, namely:

1. *Natural capital* refers to the availability of natural resources (land, water, air, genetic resources, etc.) and environmental aspects (hydrological cycle, contamination, pollution, etc.). Natural capital is also related to agroecological/agroecosystem aspects such as topography, climate and regional location (for example distance to the nearest city or market) which determine, for example, the degree of ease of access or transportation. This natural capital

reflects the resources from and where BUMDesa businesses will be directed.

2. Economic or financial capital is the capital base (cash, credit/debt, savings, and other economic assets, including basic infrastructure and production equipment and technology) that is important for running a business. Included here is the economic (market) context, which refers to the extent to which market conditions (both domestically and abroad) can enable BUMDes to develop, or on the contrary actually limit them from growing. For example, there is a lack of demand for products produced by BUMDesa in the market, or a low ability to create various kinds of products that the market wants (product differentiation), then the incentive to develop will be low and BUMDesa will increasingly lose the relevance of its existence.
3. Human capital is the skills and knowledge possessed by BUMDesa human resources (supported by good health and excellent physical abilities) to be able to work optimally. In other words, human capital is related to the existence of competent personnel, for example having knowledge and expertise regarding technical aspects (for example, tools, diseases, pests, soil, seeds) and managerial/non-technical aspects (for example, communication and organizational management).
4. Social capital, relates to social resources (networks, social relationships, affiliations, associations) that are used when BUMDesa pursues business strategies and requires coordinated action. Thus, social capital is also related to the existence of organizations in the village that play a role in formal meetings, helping to negotiate the interests of BUMDes with external parties (such as the government or the private sector) to increase financial capital and wider market access and employment opportunities.

CONCLUSION

Optimizing the Role of Bumdes in Improving the Economy of the Gelangsar Village Community means that basically the existence of BUMDes brings significant changes in the economic and social fields. Shifts in social values and also changes in interaction patterns between citizens will occur. BUMDes provides an increase in Village Original Income, but this income cannot be felt directly by the community, especially the community in Gelangsar Village, especially with the existence of BUMDes Sari Kencana Gelangsar Village. This causes the residents and managers of BUMDes Sari Kencana Gelangsar Village to believe that the existence of BUMDes does not bring significant benefits to improving the welfare of residents and is considered not optimal. This is judged by several factors that arise, such as the lack of managerial or management of BUMDes, as well as the lack of awareness and participation of the community so that many people who ultimately open businesses independently or home businesses. Apart from that, the lack of communication and outreach by village officials has given rise to residents' distrust of the management's ability to manage BUMDes. This lack of communication and socialization has given rise to demands for transparency and accountability in BUMDes management. Professionalism is a demand for BUMDes managers. This demand also emerged from society. BUMDES managers need to improve the quality of service and also the ability to manage the organization.

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