

The Optimization of the Role of Village-owned Enterprises Agency (BUMDes) to Realize Village Independence

Ellectrananda Anugerah Ash-Shidiqqi
Researcher, EAA Institute, Surakarta, Indonesia

ABSTRACT

Village-owned enterprises (BUMDes) in Law No. 6 of 2014 is defined as a business entity that all or most of its capital is owned by the village through direct participation from village assets which are separated in order to manage assets, services, and other businesses for the maximum welfare of the village community. BUMDes was chosen because of its position that empowers village communities and village resources to create an independent economy that is able to provide welfare to the village community. UU no. 6 of 2014 concerning the Village is a legal instrument that provides very large funds to the village to manage.

Keyword: village-owned enterprises, fund village, independence

***Corresponding Author**

E-mail: ellectra_aa@yahoo.co.id

INTRODUCTION

One of the fundamental changes in the lives of people in the village after the enactment of Law No. 6 of 2014 concerning the Village is much chance the rural community to make the village as an independent village. Construction of the first centralized Regency/City administration now has dropped to the village government.

Rural development is basically efforts to develop village economy's ability to create wealth and improve the material life fairly and equitably, improve the conditions of health, education, housing, and employment, encouraging the enforcement of the rights of human rights, political freedom and democracy and develop civilization and raise awareness of the need for sustainable development. Seeing the importance of rural development for sustainable development, Act No. 6 of 2014 on the village of birth since the government needs to conduct village autonomy by giving broad discretion, tangible and accountable to the village proportionally, as well as realized with the

arrangement, the distribution and use of village resources and the financial balance and the village center.

The emphasis of village autonomy is intended to bring services to the public, the political maturing of the people and provide flexibility for the village to set its own house in accordance with the conditions, potential and diversity of the region. Besides, it is expected that the village autonomy will be able to spur rural development, so that the growth gap between the villages is slowly reduced.

The successful implementation of village autonomy cannot be separated on the financial capacity of the village. This means that the village should have the ability and authority to dig its own financial resources, manage and use them in financing the implementation of village government. Therefore, it does not always depend on the support of the central government, and pointed to the "Self" in the implementation of an autonomous village. Finance became one of the factors supporting the implementation of village

autonomy, where the source of village income is composed of: revenue village, which consists of the tax revenue of the village, the village levy outcome, the results of village-owned enterprises and other rural wealth management results were separated, etc. another village legitimate income. Besides the revenues of the village, the village also received equalization funds in the form of block grants are block grants, and special allocation funds that are specific grants and loans villages.

According to Tadjuddin (1995: 153), the role of the fund determines the success of rural development besides that it is no less important is the readiness of human resources in managing it. Indeed, the role of the fund is not enough to judge a country is able or not to implement the autonomy of the village, but there are several other indicators that have been developed Ministry of the Interior [1].

Indicators to measure the ability of the village to carry out autonomous villages namely: institutional, personnel, equipment, community participation, organization and administration, the rural economy and demography. However, for the adequacy village funds will largely determine the success of rural development. One source of village revenue (PAD) for the financial support of the village is the result of village-owned enterprises (BUMDes). Tasks and role BUMDes are pushing rural economic activities, create employment opportunities, provide social services and contribute to the PAD. If the government can manage in a professional village there is a possibility BUMDes a source of village income potential.

Things to note in village autonomy is for the welfare of society, and empower communities, not further burden the people to manage a variety of activities that require a great reward from society for

the sake of cash receipts village government in pursuit of the target revenue (PAD). BUMDes decentralization remains a beacon of hope village governments to fill the government's coffers village, but revenue from this source has not been so encouraging. The question arises why this situation occurred in BUMDes, while so many strategic opportunities that are owned by BUMDes among others that have large market opportunities, have broad access, either downwards or upwards to obtain information about government policies and business opportunities earlier than BUMDes private and have a strong bargaining power because it is owned by the government.

In Indonesia legislation, provisions on village-owned enterprises (BUMDes) are regulated in Law No. 6 of 2014 concerning Villages in Chapter X in chapters 87 through 90. The provisions set forth in this chapter can be summarized into two: (i) the establishment of BUMDes; and (2) the development and utilization of BUMDes. At the founding provisions, the parties also discussed forming, the process of formation and management While the development and utilization of the results of operations were discussed, BUMDes including the role of the central government, provincial and district/city.

When viewed at a glance, the notion BUMDes similar to State-Owned Enterprises (SOEs), in the sense of ownership, their wealth is separated and utilization for the greater welfare of society as understood in State-Owned Enterprises in article 1 paragraph 1 of Law No. 19 2003 concerning the SOE and the SOE BUMDes only on its territory any scale, state-owned enterprises in the scale of the country, whereas in the village BUMDes scale. In the general provisions of Article 1 point 6 of Law No. 6 of 2014 states "Village-owned enterprises, hereinafter called BUMDes, is a business

entity of all or most of the capital is owned by Village through the inclusion directly derived from wealth village is separated in order to manage the assets, services, and other businesses for the welfare villagers [2]."

Directly or indirectly, BUMDes have contributed to an increase in revenues of the village and meet the basic needs of rural communities and surrounding areas. One of the principal roles BUMDes is BUMDes be one source of increased revenue the village, the community needs to be perceived by society. Rural development independently defined as successful communities can manage his own family, and not just rely on budget funds.

Some research suggests that the role of BUMDes towards economic development in the village is very important. Ramadhana et al. (2013) explain that BUMDes have important roles include:

- (1) the strengthening of the local economy;
- (2) an increase in rural incomes;
- (3) an increase in people's income.

Additionally, Gunawan (2011) also add BUMDes roles, including;

- (1) reducing the rate of urbanization;
- (2) encourage the economic development of rural communities;
- (3) as a source of revenue villages;
- (4) lenders with low interest rates [3].

BUMDes role not only able to increase revenue villages and develop the potential of the local economy, research conducted and Meirinawati Goddess (2013) explains that BUMDes also capable of creating jobs and also able to alleviate poverty [4].

In addition BUMDes role in rural development, some studies say the purpose of the establishment of BUMDes. According to Ibrahim (2013), the purpose of the establishment of BUMDes

including; (1) The village resource management, financial services provider; (2) promote economic growth; (3) develop a productive business in the village; (4) create jobs, and also as a source of revenue villages. In addition Hayyuna et al. (2014) adds that the purpose BUMDes that provide services to community needs and improve the management of rural assets. The same thing expressed by Suyuti (2011), that the purpose of BUMDes to improve the welfare of society and also increase revenue villages.

Based on the above review, researchers interested in studying further BUMDES role in realizing independence of the village with the title: *The Optimization of the Role of Village-owned Enterprises Agency (BUMDes) to Realize Village Independence*.

FORMULATION OF THE PROBLEM

In this study, to limit the existing problems weeks to avoid a de in answering the research, the researchers limit the formulation of this problem: How to model village-owned enterprises to realize the independence of the country?

RESEARCH METHODS

This study uses descriptive qualitative, the research only depicts, describe and summarize a variety of conditions and situations on the answers to the research problem (Moleong, 2013). In this case the researchers did not do testing of hypotheses, but strive to explore, understand, describe symptoms, as well as the interrelationships between everything being investigated. Methods of qualitative research conducted in the state of nature (natural setting) further emphasize the significance of the generalization of research results (Sugiyono, 2013). Fokus research is to know the model of the village-owned enterprises to realize the independence of the village [5].

The research is descriptive qualitative decide and interpret the data, for example on the situation experienced an apparent relationship attitude or outlook on proses yang work. In this study, researchers used a qualitative analysis of the data collected in the form of case studies is clarified in small numbers. In a qualitative analysis of the data required in the study were analyzed using figures obtained it will be interpreted in accordance with the purpose of research.

The technical analysis of the data used is triangulation. Wherein the triangulation sense is a technique that utilizes data validity checking something else in comparing the results of interviews of the research object (Moloeng, 2004: 330).

LITERATURE REVIEW

The Village-Owned Enterprises

According to Article 107 paragraph (1) letter (a) of Law No. 22 of 1999 declared that the source of income of the village one of which was revenue villages, which include: 1) The results of operations of the village; 2) the results of wealth of the village; 3) the results of self-help and participation; 4) the results of mutual cooperation; and 5) other legitimate revenue village. Elucidation of Article 107 paragraph (1) states that the development potential of villages in raising rural incomes, among others, the establishment of village-owned enterprises, cooperation with third parties, and the authority to borrow.

Furthermore, according to Article 213 paragraph (3) of Law Number 32 Year 2004 on Regional Government, which states that as an economic institution built its capital on the initiative of the community and the principles of self. This means fulfillment BUMDes venture capital should be sourced from the public. Nevertheless, it is possible to apply for a loan BUMDes capital to outside parties, such as from the village government or other parties, even though a third party [6].

Another understanding about BUMDes contained in Article 1(6) of the Regulation of the Minister of Home Affairs Number 39 Year 2010 About the village-owned enterprises, which states that BUMDes is rural enterprises established/established by the village government ownership of capital and managed by the village government and community. Furthermore BUMDes in Article 78 of Government Regulation No. 72 Year 2005 on the village stated that in order to increase people's income and the village, the village government established a village-owned enterprises (paragraph 1) Establishment of village-owned enterprises specified in the norm of the village by referring to the legislation (paragraph 2). Form of village-owned enterprises must be incorporated (paragraph 3). According to the Research Center of Dynamics of Systems Development (2007), the village-owned enterprises (BUMDes) is an institute of rural enterprises managed by the community and village government to strengthen the rural economy and formed based on the needs and potential of the village [7, 8].

Based on the above authors concluded BUMDes is an entity that is incorporated or formed jointly by the community and village governments and managed by the village government and community in order to gain together as one source of revenue villages.

MANAGEMENT PRINCIPLES

VILLAGE-OWNED ENTERPRISES

The principles of management of village-owned enterprises (BUMDes) referred to in this study is referring to the Code of Good Corporate Governance (GCG) Indonesia Year 2006 as follows:

Transparansi (Transparency)

To keep transparency in doing business, companies must provide material and relevant information in a way that is easily accessible and understood by stakeholders.

Companies must take the initiative to express not only the problems signaled by the legislation, but also things that are important for decision-making by shareholders, creditors and other stakeholders.

Accountability

Companies must be accountable for performance in a transparent and fair. Therefore, the company must be properly managed, scalable, and according to the company while taking into account the interests of shareholders and other stakeholders. Principle performance board BUMDes implemented to account for its performance transparent and fair manner.

Responsibility

Companies must comply with legislation and to implement responsibilities towards society and the environment so that it can maintain business continuity in the long term and to be recognized as a good corporate citizen. The principle of responsibility held BUMDes administrators are used to conducting business in accordance with legal regulations and implement efforts to maintain business continuity

Independency

To accelerate the implementation of the GCG principles, the company must be managed independently without any intervention by the board. Principle independence in managing the business independently and there was no attempt domination and intervention by other parties.

Equality (Fairness)

In its work, the company must always take into consideration the interests of shareholders and other stakeholders based on the principles of fairness and equality.

Optimization

According to Indonesian dictionary, optimization is derived from the basic optimal which means the best, the highest,

most profitable, making the most good, making the highest, optimizing processes, ways, actions to optimize (make the best, highest, and so on) so that the optimization is an act, process, or methodology to make something (as a design, system, or decision) to be more/fully perfect, functional, or more effective. According Machfud Sidik (2002) deals with the optimization of the actions/activities to improve and optimize. It required the intensification and extension of subject and object earnings. In the short-term activities that are most easy and can be done is to intensify the object or local revenue sources that already exist primarily using information technology.

Village revenue can be optimized through a variety of actions and processes that will be able to increase the income itself. Measures used may be over management of the village's own revenue by increasing the potential to be a supporter of the revenue village. This potential can be seen from the original revenue component villages, from the results of operations, and other levies. The results of these efforts can be enhanced through the village-owned enterprises (BUMDes) there is some potential BUMDes potentially be used for genuine revenue villages and thus some of the potential to be optimized or enhanced in order to increase revenues and improve the village to support the development of rural economy.

DISCUSSION

Village-owned enterprises (BUMDes) is a business entity formed and established by the village government ownership of capital and managed by village governments and communities that are tailored to the potential and assets of the village. BUMDes existence has contributed to an increase in rural incomes and meets the basic needs of the village. So that the existence of BUMDes required as a unit to manage the potential of rural

and village local assets for the benefit of the whole village. This is reinforced by the emergence of policy Law No. 6/2014 article 87 paragraph 3 which states BUMDes can engage in the economic and/or public services, run a variety of businesses, ranging from services, microfinance, trade, and other economic development.

BUMDes asset management strategy consists of: (1) observe the environment, can be a potent al-potential observations on either natural resource potential and the potential of existing human resources in the village; (2) develop strategies, such as the preparation of the efforts of program development plan in accordance with the potential of the existing village; (3) implement the strategy, in the form of efforts to implement the strategic plan has been prepared; (4) evaluation, which controls in relation to the asset management of the village. Inhibiting factor of a management strategy BUMDes namely the difficulties in developing new businesses, develop the lack of innovation in local products, lack of marketing facilities, lack of funds and support from the government all of which will impact on the business carried on. In addition, Ibrahim (2013) added that the implementation constraints BUMDes inseparable from organizing system that has not been good in the establishment and management of BUMDes, and also their operational constraints such as the lack of adequate human resources and lack of clarity of legal entities BUMDes

The aim is to manage BUMDes formation of existing resources in the village for public benefit in the form of the provision of financial services by considering the social conditions of society; promote economic growth and develop a productive business in the village; creating jobs for rural communities; and one source of revenue villages (Ibrahim, 2013). It can be concluded that BUMDes have a good role

for the government of the village and the village community. The BUMDes role includes.

(1) The development of the potentials of the revenue village: Resources and potential of the village in the form of assets managed and used the village as a unit of state-run joint venture alongside village communities, to boost the potential of village economies were able to increase the revenue of the village.

(2) The increase in the economy and welfare of rural communities: Managed business units capable of creating jobs rural communities, develop productive business in the village to improve living standards and welfare of rural communities.

Act No. 6 of 2014 on the village, about to deliver the village as a life support. The village is expected to become independent of social, cultural, economic and even political. The village is now entering an era in which the village self-governing community has autonomy and authority in the planning, public services, and finance, the village needs to be a government agency that could help the village develop those businesses that are considered potentially productive to the welfare of ordinary people. For the pedestal dynamics of village life relies heavily on community participation in promoting the development of village management, able to grow and develop social, cultural, economic, and knowledge [9]. Applicability of the regulation of the village led to hopes for villagers to change. This is a momentum to encourage the birth of village governance more accountable and transparent, participatory rural communities and rural economies that support.

To support the promotion of rural economy needs their village-owned enterprises (BUMDes) into the container village government and its citizens are

proportionately implement economic development programs at the village level. BUMDes existence is expected to stimulate the economy of the village [10].

Village-owned enterprises (BUMDes) is a company that is managed by the active village members and is separate from the village government. BUMDes establishment aims to explore and optimize the potential of rural entrepreneurs. The establishment of village-owned enterprises based on the Law No. 32 Year 2004 on Regional Government Article 213 paragraph (1) states that "The village can establish a business entity belonging to the village in accordance with the needs and potential of the village" BUMDes is defined as a business entity that is wholly or largely capital is owned by the village through direct participation from the wealth of the village were separated in order to manage the assets, services, and other measures for the welfare of the villagers [11].

The existence BUMDes be one of the considerations for channeling initiatives of rural communities, develop the potential of the village, manage and utilize the natural resources of the village, optimize human resources (villagers) in its management, and the equity of the village administration in the form of financing and wealth of the village submitted to be managed as part of BUMDes.

On development, issued regulations that support the Village Act, namely PP 60/2014 on Village Fund. This regulation stipulates that the village can now actively participate in building, need to be supported by the fund. That is, the village fund held by two ideals: the village government could be able to serve the needs of citizens, as well as more active citizens' initiative. One container to promote the rural economy is a village-owned enterprise or BUMDes [12].

BUMDes basically is a pillar of economic activity in the village that serves as a social institution (social institution) and commercial (commercial institution). BUMDes as social institutions should favor the interests of the community through its contribution in the provision of social services. This is consistent with the purpose of establishing a BUMDes in general, namely:

- (1) Improve the Economy Village,
- (2) Revenue Increases native village,
- (3) Improve the management potential of the village in accordance with the needs of the community, and
- (4) Being the backbone of economic growth and distribution of the village.

BUMDes is lighten the burden on society that would borrow funds for the effort. Villagers previously often borrow money from moneylenders to develop their business. Borrowing through moneylenders deemed easier than borrowing in the bank because not too many conditions. However, interest on the loan through higher loan sharks so burdensome to the community when it will pay off.

According Tjiptono (2001: 51) that "quality is a dynamic condition directly related to products, services, people, processes and environments that meet or exceed expectations". So, whether the service is very dependent on the recipient or customer service, therefore the customer's desires or needs major concern if you want a quality service. Meanwhile, according Sinambela (2011), the public service is defined as any activity undertaken by the government against several human beings who have every activities of benefit in a collection or entity and offers a satisfaction even though the results are not tied to a physical product [13, 14].

BUMDes a stipulated by the regulations stipulated in the Articles of Association/Bylaws BUM village. In this case if BUMDes is a legal entity, then the distribution of net income (dividends)

should refer to the AD/ART BUMDes based search results to allocate approximately 10% of researchers operating results after deducting operating expenses and depreciation [15]. However, different implications if BUMDes limited liability legal entities which are also subject to Act No. 40 of 2007 which regulates the number of dividends which should be based on the percentage of capital submission. Sampai this time, there has been no serious impact on the increasing establishment BUMDes [16].

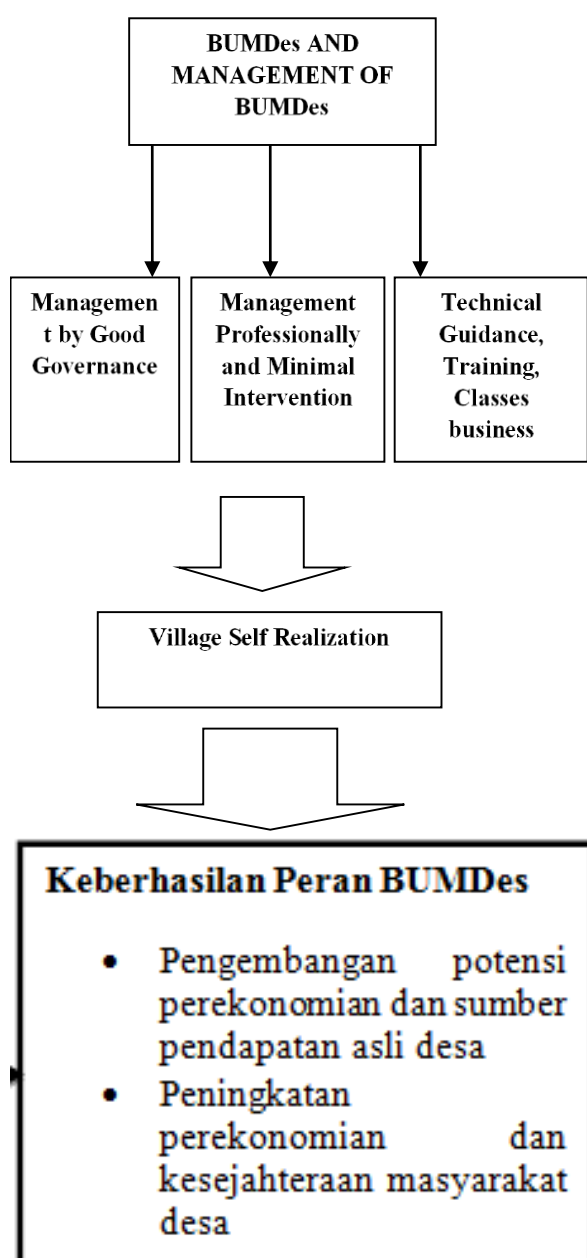


Fig. 2. Model of optimization of village-owned enterprises agency.

Table 1. Problems and solutions faced village-owned enterprises agency.

Problem	Solutions
Management is not appropriate BUMDes with rules and regulations existing invitations. This matter due understanding and business skills and apparatus village government in the management of Enterprises through BUMDes not yet runs well.	1. <i>Management Training</i> Enterprises through BUMDes as well as repairs BUMDes administration 2. <i>Training Planning</i> The work program BUMDes
Improve processing potential in accordance with the needs of the village public as outlined in Law No. 6 of 2014 about the village.	Guidance Technical and Management Assistance BUMDes: covering; • plan • budgeting • Implementation • administration • Reporting • accountability

CONCLUSION

Based on the results of research that has not been fully carried out, the results and recommendations of the study is still provisional and will be tested against the comprehensive analysis of the materials that have been obtained from the results of visits to the area of the sample. As an interim opinion in this study is the capital investment mechanism to BUMDes still does not meet the regulations. Typically, BUMDes first proposals propose the amount needed, but the practice, the first budget amounts pledged by the village chief even before the proposal was put forward by BUMDes to the village head. Finally, the proposal BUMDes adjust the budget proposal with the amount promised by the Head of Desa. BUMDes not yet play a significant role in efforts to increase revenue so that the independence of rural villages to implement development is still limited so Angang wishful village still rely on sources of funding from both the Government and the Local Government District government to carry out development in the village. Regency/City Government should conduct an intensive coaching in order BUMDes can be one

source of rural development so that the ideals of an independent village as mandated by Law No. 6 of 2014 on the village can be realized.

REFERENCES

1. Effendi, Tadjuddin Noer. Sumber Daya Manusia, Peluang Kerja, dan Kemiskinan. Yogyakarta: PT. Tiara Wacana. 1995.
2. Anggraeni Sri Ratna Maria Rosa. Peran Badan Usaha Milik Desa (BUMDES) Pada Kesejahteraan Masyarakat Perdesaan Studi Pada BUMDES di Gunung Kidul, Yogyakarta. *Universitas Atma Jaya Yogyakarta*. 2016.
3. Gunawan K. Manajemen BUMDes dalam Rangka Menekan Laju Urbanisasi. *Widyatech Jurnal Sains dan Teknologi*. 2011; 10(3), 61-72.
4. Dewi YSR, Meirinawati. (2013). Strategi Pembangunan Desa Dalam Mengentaskan Kemiskinan Desamelalui Badan Usaha Milik Desa (Bumdes) (Studi Pada Program Usaha Agrobisnis Pertanian (Puap) Di Desasareng Kecamatan Geger Kabupaten Madiun). [Online] <http://www.scribd.com/doc/158971212/Untitled#Download> tanggal akses [accessed on July 2018]
5. Ramadana CB, Ribawanto H, Suwondo. Keberadaan Badan Usaha Milik Desa (BUMDES) Sebagai Penguatan Ekonomi Desa (Studi di Desa Landungsari, Kecamatan Dau, Kabupaten Malang). *Jurnal Administrasi Publik (JAP)*. 2013; 53(9): 1689–1699p.
6. Kusuma, Hilman Hadi. Metodologi Pembuatan Kertas Kerja/Skripsi Ilmu Hukum. Bandung: PT. Mandar Maju; 1996.
7. Pusat Kajian Dinamika Sistem Pembangunan FE UB. Buku Panduan Pendirian dan pengelolaan BUMDES. Malang, PP RPDN. 2007.
8. Moleong, Lexy J. Metodologi Penelitian Kualitatif. Bandung: PT. Remaja Rosdakarya; 2010.
9. Peraturan Menteri Dalam Negeri Nomor 39 Tahun 2010 Tentang Badan Usaha Milik Desa.
10. Undang-Undang Nomor 23 Tahun 2014 tentang Pemerintahan Daerah
11. Peraturan Pemerintah Nomor 72 Tahun 2005
12. Sugiyono. *Metode Penelitian Kualitatif, Kuantitatif, dan R&D*. Bandung. Alfabeta; 2010.
13. Fandi Tjiptono. Kualitas Jasa: Pengukuran, Keterbatasan dan Implikasi Manajerial, majalah Manajemen Usahawan Indonesia. Jakarta. 2001.
14. Sinambela, Lijan Poltak. Dkk. 2011. Reformasi Pelayanan Publik. Jakarta: Bumi Aksara
15. Tama DOE, Yanuardi. Dampak Badan Usaha Milik Desa (BUMDes) Bagi Kesejahteraan Masyarakat di Desa Karangrejek Kecamatan Wonosari Kabupaten Gunungkidul. *Journal of Chemical Information and Modeling*. 2013; 53(9): 1689–1699p. <https://doi.org/10.1017/CBO9781107415324.004>
16. Undang-Undang Nomor 6 Tahun 2014 tentang Desa