

## **The Impact Of Village-Owned Enterprises (Bumdes) In Strengthening Local Economy In The Border Village Of Sebente, Bengkayang Regency**

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### **ABSTRACT**

In an effort to improve the welfare of the community as a non-governmental organization and see the potential it has, as well as the needs of the community, the presence of "SETANGA LESTARI" BUMDES in Sebente Village Teriak District is the government's support in the effort to empower rural communities for a better life. The purpose of this research is to find out the role of Village-Owned Enterprises (BUMDES) in efforts to improve the local economy, knowing what the problems and obstacles faced by the Village-Owned Enterprises, in Sebente Village, Teriak District, Bengkayang Regency. Descriptive qualitative research, with various stages including finding literature that is in accordance with the problem and the topic in accordance with the object to be studied, field observations, permission to related parties to complete the instrument until the completion stage, the data is analyzed, and the next stage the data is reduced, then validated so that research is perfect. The results of the study concluded that the BUMDES had not yet had a positive impact on improving the welfare of the village community, as there were still some people in the pre-prosperous category.

**Keiwords : BUMDES, Strengthening Local Economy**

## INTRODUCTION

Rural communities have long run development programs local economic-based. Mastery of government intervention has been the most numerous factor, so that it can hamper in managing the engine rural economic and innovation and creativity are hampered. Rural development in principle for independence and its purpose for the welfare of society.

Through community empowerment, the availability of facilities and facilities, the availability of resources, the availability of production and marketing is the government's mission in optimizing the development of rural areas which are the basic source of community economic growth nationally.

Indonesia is a region that was built based on the dependence of the potential of the village, Rom Sabang to Merauke thousands of islands stretching, and in it the land and mountains to living creatures that inhabit. Village potential is the source that contributes the most sustainability economic. Indonesia is a developing country and one of the countries in the world where sources of income come from village potential, among village potentials are agriculture and plantation products, raw material supply and food sources. The importance of development rural is part of the development of community welfare that must be achieved. We can sustain national economic resilience during the crisis because our economic system adheres to the populist system. But in fact there are still many villages that are still lagging behind in Indonesia. This indicates that economic growth has not been evenly distributed in each region, because the regional benchmark is economic growth that is evenly distributed itself (Manggu & Beni, 2017).

Rural development is one way to reduce underdevelopment, explore resources and the potential that is owned for economic improvement so that it can be more developed.

The central government should seriously pay attention to policies related to community economic empowerment and institutionalization. By seeing the potential of the village as well as the need in order to improve the economy, the new approach that was launched was BUMDES. From village to village to village and fully the responsibility of the village community is a form of BUMDES management. Geographically. Bengkayang Regency is one of the second-level regions in the province of West

Kalimantan. Bengkayang Regency consists of 17 subdistricts and the potential sources owned by this region consist of plantations, agriculture, mining, and others. Bengkayang region is an area that still needs to be developed, until mid-2019, Bengkayang region is still classified as a 3T region (front, outermost, and lagging). Categories for leading regions and outermost are automatically carried by this region based on their geographical location which is directly adjacent to the territory of Malaysia, whereas for categories lagging are obtained through the Republic of Indonesia Presidential Regulation No (Presidential Regulation Number 131 Year 2015, 2015-1019), and clarified the area categories lagging behind (Indonesian Presidential Regulation No. 21 of 2018, 2015-2019) namely in the aspects capacity of regional financial, facilities and infrastructure. Although in July 2019 through the Decree of the Minister of Villages, Disadvantaged Regions and Transmigration No. 79 of 2019 stated that Bengkayang has been removed from the category of lagging, conditions in this region still need to be improved, especially in terms of facilities and infrastructure (Purnasari & Sadewo, 2019).

Professionally managed, accommodating activities village economic, forming institutions or business entities but still relying on the potential of the village itself is a way of working BUMDES.

The presence of BUMDES can make the community more productive and effective. Because it has superior potential, then the village itself can develop, the potential results of the village can be accommodated in accordance with the characteristics of each and is a mission that is achieved and serves as a pillar of independence national and state.

Sebente Village Teriak District, Bengkayang Regency is a village that already has BUMDES and has been operating for two years, and has business units such as clean water treatment, trading, which includes buying and selling clothing needs and food, managing village libraries, managing natural attractions, and others. The BUMDES operation of the villagers before getting clean water not will be difficult anymore, buying and selling agricultural and plantation products. village Sebente officials and the community hope that the BUMDES with business units in it can help citizens to improve the economy, with the optimal institutions established by the government at the regional

level, the village encourages citizens to be creative for the family economy. Departing from this problem, the focus of this research is:

1. The extent of the role of BUMDES in strengthening local-based economies
2. How are the constraints in implementing BUMDES in Sebente Village
3. Through this research can be identified which factors can make BUMDES develop.

This research study material includes a study of community empowerment, the concept of national development, a study of institutions and the role of institutions and Bumdes

### **1. Community Empowerment**

Increasing the ability of communities both collectively and individually, adjusting to change is the goal of development (Korten & Sjahrir, 1988). The concept of empowerment in the aspect of village development is the importance of process and intervention. The process itself inhibits the community from participating denying the dignity of the community. Intervention, the government intervenes in the context of achieving social change, the equal distribution of the welfare of the society itself. The implementation of the community for unique choices and local levels is the essence of community empowerment. Village development activities are expected to have participation community. A variety of potentials that can be mobilized for development in accordance with the needs and expectations of the community

In village development community activities can, determine their choices life with a local level which is an effort to empower the community. In various activities, the participation of village communities by mobilizing their resources to lead rural development can be better than before. By paying attention to the social life of the community, the process empowerment, community culture and economy are important things to be accommodated

### **2. The Concept of National Development**

People who live well and people who live well are the goals of development. The modern state, through planned coaching and the adoption of changes is the meaning of development (Siagian, 2003).

Following are the effects of development according to Bryant and White (Mulyarto, 1999).

1. Able to generate life optimally both individuals and groups. Slurring of values and

prosperity are encouraged to grow together

2. Build themselves with the capabilities they have so that people can trust.
3. Able to build itself
4. The creation of mutually respectful and beneficial relationships to avoid dependency between countries

### **3. Institutional and Institutional Role**

To achieve certain goals in daily routine activities, regulate community behavior and actions as well as formal and informal rules are formed an institution (Mulyarto, 1999). Potential sources are very well managed, can support village development. The important role of the institution is to manage distribution and resources benefit. The presence of institutions in the village is greatly assisted in regulating the relationship of owner supplier resources resulting in rural economic outcomes as well as governance of the distribution system.

### **4. Village-Owned Enterprises (BUMDES)**

Establishment of business entities or institutions initiated by government and leaders community. Capital and its management by the apparatus and the village community itself (Law Number 39 Year 2010 concerning Bumdes). Bumdes is an independent organization whose governance is the participation of the community and the government as supervisors, in the context of economic empowerment in a village based on existing conditions and potentials (Law Number 32 of 2004, nd). To increase village and community income, village governments can establish BUMDES in accordance with village potential (Law Number 72 of 2005). The establishment of BUMDES is based on the support of village officials and villagers based on the economic condition of the village, food security, potential sources of the village, and the capacity of the village, so that community welfare impacts increase which impacts on the economic strength in which the BUMDES stands.

### **5. Community**

Welfare Social welfare, a condition that can meet social needs, citizens so that they live properly to develop according to their abilities, social and spiritual functions as mandated (Manggu & Beni, 2019). Spiritual and social citizens in order to live properly

and be able to develop themselves so that they can carry out their social functions. (Law Number 11 Year 2009, article 1 paragraph 1, 2019). Social rehabilitation, community protection, community empowerment and social security are manifestations of social welfare. The purpose of social welfare (Law Number 11 Year 2009, article 1 paragraph 1 , 2019)

1. Survival and quality of welfare improve.
2. The achievement of the function of social independence
3. Increased social security through handling and solutions.
4. Institutionally in carrying out social welfare that is capable and cares for the community.
5. The quality of management of the implementation of social welfare is further improved

## **6. The People's**

Economy The economy owned and dominated by most of the Indonesian people is a people's economy which in its development follows a system that comes from the people by the people. Increasing the ability of the community by developing the whole or empowering the potential of resources is a form of community economic development. The purpose of the mobilization of the potential bail of human resources and other resources to increase productivity. The result of community and environmental participation is an increase in the welfare and prosperity of the community.

## **7. Local Economic Development Local**

Community and government process to be involved in maintaining, encouraging the creation of work activities (J. Blakely, 1994.). The process of formulation institutional, improvement of industrial development, products made better, human resources and business ventures that are available at the local level are part of local economic empowerment (Munir, 2007). Government and community efforts to develop suitable local potential can be harmonized with existing resources human and institutions. The success of local economic development is based on indicators (J. Blakely, 1994.) 1. The creation of employment and business for the community in general is increasingly widespread 2. Increased community income 3. Relationships between local communities, government, private sector,

institutionalized can be empowered. Human resource investment is very important in the development of this linkage according to the theory of economic growth (Krugman & Obstfeld, 1999). The era of technology and willing to compete with other countries are the main needs now, namely the development of human resources. The need for mastering this technology for the production process so that innovation is created. Impacts of

technological innovation the existence of new products found and in producing more efficient (Romer, 1990).

## RESEARCH METHODS

Method used to understand the nature of an object phenomenon that is known for problems that arise and can be analyzed to solve is a descriptive type approach, referring to it, this research is also descriptive in which a group of people as objects, describes the state or condition of the object area. The purpose of the descriptive research is to make a systematic description of the description. The main focus of research is how the problems are experienced now and later there will be no problem expansion

that is not the same as the objectives of this study. The main focus in this problem is researching BUMDES in sebente village, shouted district, Bengkayang regency, with various stages of research as follows:

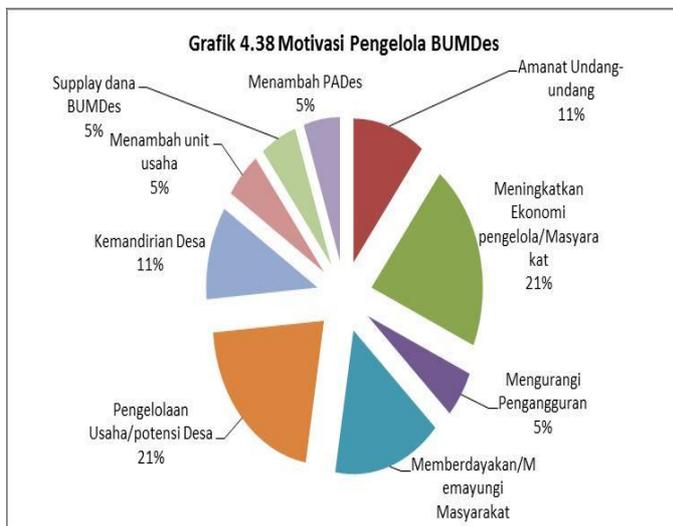
1. Problems, are identified first, then analyzed the problem and the Impact of Bumdes in sebente village.
2. Identification of aspects related to problems in the implementation of Bumdes operations in the village sebente
3. Review of sources of literature, study of literature, journals and text books about the processing of Village-Owned Enterprises.
4. Data processed, feasibility study regarding management aspects related Enterprises to Village-Owned that are influential factors.
6. Analyzing the extent to which the results of processing the implementation of the Owned Enterprises Village-.

The next stage is to make a decision on the results of the research so that it can make suggestions to related parties.

**RESULTS AND DISCUSSION**

Institutions formed and managed by the community and village apparatus in an effort to strengthen the resilience of the rural economy formed based on the needs and potential of the village, namely BUMDES, which functions as a pillar of activity economical also functions as a social institution and also for business. The foundation for the establishment of Village-Owned Enterprises is Law Number 32 of 2004 and Law Number 23 of 2014, concerning local governments regarding the potential of Village-Owned Enterprises as village-owned independent business institutions to support community welfare.

The establishment of Village Owned Enterprises as an institution managed by the community and village government in the context of strengthening the village economy itself is formed on the basis of the needs and potential resources of the village as an effort to improve the welfare of the community. Plans and the formation of initiatives and initiatives from the community and government as supervisors can provide solutions, especially in terms of management



Picture of BUMDESMotivation Sebente

VillageVillage, one of the villages in the district screamingdistrict bengkayangand a village that has a Village-Owned Enterprise with the name "SETANGA LESTARI". It was

established based on government regulation the Bengkayang Regency local (Regional Regulation No. 7 of 2013), which contained therein concerning the mechanism of establishing a Village-Owned Enterprise. The contents are: 1) Village-Owned Enterprises established on the initiative of the government and the community based on the principle of deliberation and consensus. 2) Has the potential for community economic endeavors. 3) Standing based on the priority of the needs basic of the community. 4) Has the potential of natural resources that have not been fully utilized in the village itself. 5) Availability of resources human capable of managing village economic assets. 6) The available business units can be partially managed and accommodated 7) Increase the original income of the village itself. 8) Cultural and social community as local wisdom can be considered.

Funds for the establishment of Village Owned Enterprises in Sebente village are derived from Fund Allocation Village (ADD) and Village Funds, central government budget and government Bengkayang district. The management of the fund's budget is fully managed by the community, while the village apparatus is the party that oversees it.

Intervention and process aspects in village development, (Midgley, 1995) carried out by the government more to the legal protection regulations and of BUMDES activities, still pay attention to the interests of the community.

The establishment of the Sebente village BUMDES is due to the support of members of the village residents because they see the condition of the village which is still underdeveloped, although from the conditions natural the village of Sebente has potential, most of the community performs farming activities in the fields, agriculture in the rubber plantation, and also entrepreneurial activities, and odd jobs. Village-Owned Enterprises (BUMDES) of Sebente village is one of the pilot BUMDES, as it is known so village officials far that from villages around Teriak sub-district, district Bengkayang, and from outside Teriak sub-district came a comparative study of BUMDES management in Sebente village, both from aspects of operational, resource, financial, and others. The potential of natural tourism possessed by the Sebente village is a natural landscape with a stretch of rice fields at the foot of the hill, tourism forest with trees that

are still flourishing, there is a tourism location waterfall that is still under development and will be managed directly by the unit BUMDES business. Clean water management, which so far has been handled by a third party private institution based on an agreement, has now been taken over by the BUMDES Sebente village management, so that it can help the community make it easier to administer the costs borne, and the fulfillment of clean water needs can be overcome. In serving the basic needs of daily life the Sebente village community, the BUMDES trading unit provides a variety of needs such as rice, sugar, cooking oil, flour, garlic, onions, toiletries, and others. For the needs of plantations and agriculture are also available fertilizer, medicines agricultural support, and agricultural equipment. Regarding the price offered is not very different from the market price. Sebente village BUMDES, also serves the handicrafts of community members to be marketed, as well as buying and selling agricultural products such as rice and rice which have they marketed all the way to Bengkulu city by requiring costs transportation. Community participation in the presence of the Sebente village BUMDES is quite good, although there are some who have not participated due to the lack of socialization from the tools that handle the BUMDES field. For human resources who serve, consisting of one person manager and deputy manager, treasurer and employees serving the trade and library units.

## CONCLUSION

Village-Owned Enterprises (BUMDES) in the village of Sebente provide opportunities for the community to empower the potential and innovations of their resources. Through its business units will be able to motivate the community to be more creative, create jobs so that family income increases.

In implementing BUMDES there are elements that support, among others, human resources, technology, finance, leadership, programs and management and cooperation of related parties. Although BUMDES in Sebente village is still new, the management is already good, and has become an example for other villages, so that the trust and response of the community towards the institution is good.

BUMDES should have an important role in the speed of the economy, especially the local economy, but BUMDES in Sebente village has not shown a dominant contribution to improving the local economy. This happens because the management of supporting

facilities and infrastructure is still lacking, and the support from the government is not yet optimal, and the limitations of human resources in supporting this institutionalization are still far from what is expected. Community participation is still minimal, making BUMDES in Sebente village still not show an influence on improving the economy of rural communities. For this reason, it is recommended, 1) For the village government and BUMDES managers to maximize the business units that are run, and put more emphasis on the potential property of the Sebente village community, so that people get more benefits from the establishment of institution this, and its impact on the economic welfare more real. 2) It is necessary to maximize the supervision of the apparatus of the village apparatus for the Village Owned Enterprises in the village of Sebente, especially regarding the regulations on governance, so that the community fully believes in the Sebente village BUMDES. 3) For reports operational to be transparent both to the community and to interested parties so that they are accountable 5) For local governments to be able to implement BUMDES policies such as control and supervision and conduct education and training for stakeholders while still referring to the welfare of the village community alone. Because one policy such is more effective to be implemented at the village level for a legal business enterprise economic that is managed entirely by the village community and then the results are for the village community itself. 6) socialization

Intensive to the community about the existence of BUMDES in Sebente village is needed so that the community is able to understand BUMDES. 7) The results of processing BUMDES are felt by the lack of equal distribution among residents, resulting in inequality. 8) Access to infrastructure managed by BUMDES to further be enhanced.

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