

STRATEGY FOR DEVELOPING VILLAGE OWNED BUSINESS ENTITIES (BUMDES) IN IMPROVING THE VILLAGE ECONOMY IN KERTAJAYA VILLAGE, PADALARANG DISTRICT, WEST BANDUNG

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Abstract

Village-Owned Enterprises are economic institutions at the village level to manage village potential and prosper the village community which is managed by the village government together with the community. This study aims to determine the Strategy for the Development of Village Owned Enterprises (BUMDES) in Improving the Village Economy in *Kertajaya Village, Padalarang District, West Bandung Regency*. The various potentials of the village as an attraction for development resources should be utilized properly by stakeholders (interested) in an effort to promote equitable development. The research method used is a descriptive method with an inductive approach. Data collection techniques used are interviews, observation, and documentation. The results of the study indicate that the strategy for developing *BUMDes* in improving the village economy in *Kertajaya Village* is trying to be carried out as much as possible even though it has not been able to significantly improve the community's economy, this is due to the Covid-19 pandemic. However, the village government tries to carry out several strategies such as providing money from the beginning to *BUMDes*, and there are several business items that are constant so that *BUMDes* can still run such as selling ATK needs and so on, providing capital to MSMEs, maximizing the existing budget to develop the *BUMDes* economy. *Kertajaya* and *Bumdes* villages can run even with the Covid-19 pandemic, absorption of community resources by boosting PAD, community empowerment in developing the village economy, making E-warung innovations to control the village economy, food security programs that are 20% of village funds by providing training, providing tools such as livestock seeds, agricultural seeds, with fertilizers, the *Budikdamber* program (Fish Cultivation in a Bucket) where the village government provides plant seeds assistance.

Keywords: Strategy, Development, Village Owned Enterprises (*BUMDes*), Village Government

INTRODUCTION

The village is the smallest regional unit in the Indonesian state government. The existence of the village is expected to be able to become the spearhead of the state in developing the country's economy independently, village development has long been carried out but there are still many problems that have not been thoroughly resolved. The programs provided by the central government to be run by the village become many obstacles. There are many factors that cause the programs provided by the central government to be less than optimal. One of the most frequently found is the very large intervention of the central government to the community, so that it can hinder the creativity and innovation power of rural communities in managing and running the wheels of an independent economy in rural areas. The existing economic institutional systems and mechanisms in the village are not implemented effectively so that it has an impact on dependence on assistance provided by the government so that it decides the spirit of independence and creativity in developing the rural economy.

The form of economic institution in question is Village Owned Enterprises (BUMDes). BUMDes is a business entity wholly or most of the capital is owned by the Village through direct participation originating from separate Village assets so that it can manage assets, services, and other businesses for the welfare of the community in the Village (Article 1 point 6 of Law No. 6 /2014 on Villages). BUMDes is expected to be able to spearhead the village economy which is managed directly by the village community. The substance and philosophy of BUMDes must be interpreted with the spirit of others and self-help as an effort to strengthen the economic aspects of village governance. The government is required to be able to provide services to its people and create conditions

that allow everyone to develop their abilities and creativity in order to achieve progress together (Usman, Hakim, & Malik, 2012).

Furthermore, related to BUMDes, it must move in line with efforts to increase village original income sources, encourage economic activities of the existing community so that BUMDes as an institution that can oversee these aspects. This effort is also important in order to reduce the role of free-riders who often mark up prices in people's economic activities through the practice of rentiers (Nurcholis, 2011). In running BUMDes, good management is needed by fulfilling management principles. These principles are important to know and understand by the components involved in BUMDes. According to PKDSP (Center for the Study of Development System Dynamics) in (Filya, 2018) there are 6 (six) principles in managing BUMDes, namely Cooperative, Participatory, Emancipatory, Transparent, Accountable, and Sustainable.

BUMDes in the implementation and ownership of capital is managed by the village government and the community. According to (Gunawan, 2011) the establishment 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. Meanwhile, (Sayutri, 2011) suggests that the existence of BUMDes is needed to mobilize the potential of the village and can help in poverty alleviation efforts. This is also supported by (Hardijono, 2014) that the establishment of BUMDes is a way to form an independent rural economy as an effort to increase Regional Original Income (PAD). Thus, BUMDes can be one of the solutions to problems that occur in the village, with the hope of being able to encourage and move the village economy.

BUMDes functioned as a place to accommodate all activities related to the economy or public services managed by the village and manage the potential of the village in accordance with the objectives of BUMDes, namely increasing the village economy and opening up employment opportunities, as well as improving community welfare by increasing the feasibility of public facilities, economic growth and equity village (Agunggunarto & Darwanto, 2016). BUMDes as a village-owned company that aims to improve the economy of rural communities needs careful planning about what must be done to achieve the goals of establishing BUMDes. In line with that, there needs to be a strategy in developing BUMDes so that there are no programs that are not relevant to the needs of the village community. Strategy in an organization is the actions and organizational approaches applied by the leadership in order to achieve organizational performance that has been determined previously.

According to Hamel and Prahalad in (Rangkuti, 2017) strategy is an action that continues to increase and is implemented based on the point of view of customer desires in the future. Meanwhile, David and Thomas argue that there are four basic steps in strategic management, namely environmental observation, strategy formulation, strategy implementation, evaluation and control. In environmental observation, it is divided into two, namely the internal environment and the external environment (Pradini, 2020). According to (Sjafrizal, 2009) strategy is generally defined as a way or tool to achieve goals better and faster. Another opinion expressed by Makmur in (Abdussamad & Amala, 2016) strategy is an action that has an influence and greatly determines the success of a program or activity, both planned and planned by the management. Meanwhile, (Allinson, 2013) argues that strategy is a

broad overall priority or direction taken by the organization, strategy is also choices about how best to achieve the organization's mission.

The stages for the realization of a strategy are as follows (Tamuntuan, Gosal, & Sampe, 2019):

- a. Formulation stage. The first stage is defined as the overall conditional decisions that determine the actions that must be carried out to deal with every situation that may occur in the future.
- b. Termination stage. This stage includes making decisions related to all the potential possessed.
- c. Implementation stage. This stage includes the implementation of the existing strategy by using all the capabilities possessed to achieve the goal.
- d. Assessment stage. At this stage, research is carried out on what has been done in the next stages

In this case the strategy is typically a mixed outcome consisting of conscious and targeted actions aimed at defined goals and the actions needed to deal with previously unimaginable developments and areas of pressure. competitive pressure. In connection with the above opinion, it is necessary to look at the organizational development strategy in BUMDes so that the objectives of establishing BUMDes can be achieved. Strategy cannot be separated from how the planning can be realized properly so that what is the vision and mission of the organization can be achieved. There needs to be synergy with what is the goal in the form of BUMDes with the direction given by the village leader. The quality improvement needed in the Bumdes of Kertajaya Village is very important.

The programs implemented by the Bumdes of Kertajaya Village have not had a significant impact on the BUMDes

themselves or the community, judging by the number of programs implemented, only a few have had a major impact on the BUMDes. The implications for the community have not yet given the right impact seen from the enthusiasm of the village community. BUMDes is important because the role of BUMDes is to drive the economy in rural areas in which there is also intervention from the community and village government. Thus, there is a need for an in-depth analysis to describe the strategies used by BUMDes in Kertajaya Village, Padalarang District, West Bandung Regency in improving the village economy.

RESEARCH METHODS

The research method used is a descriptive method with an inductive approach. This method was chosen in this study to analyze the strategy of developing village-owned enterprises (BUMDes) in improving the Village Economy in Kertajaya Village. This research was conducted in Kertajaya Village, Padalarang District, West Bandung Regency, West Java. Data collection techniques used are interviews, observation, and documentation. In this study using in-depth interviews with informants, namely by using questions that have been prepared in the interview guide. Observations were made by direct observation and recording of the symptoms of the object under study. Documentation in this study is the collection of data sourced from scientific literature, such as books, journals, newspapers, and official documents, the validity of which can be accounted for. The informants in this study were the Head of West Bandung Regency DPMD, Village Head, Village Secretary, Head of BUMDes, Village Apparatus and Kertajaya

Village Community. Data analysis techniques used are data reduction, data presentation, and data verification.

RESULTS AND DISCUSSION

One of the missions of Keratajaya Village in the field of community economy is to increase efforts in order to improve the welfare of the community, namely by providing various business capital assistance, one of which is BUMDes. *BUMDes Berkah Jaya* is under the Kertajaya Village Government and chaired by Iwan Setiawan since 2019 until now. The management of *BUMDes Berkah Jaya* is under the management of Village-Owned Enterprises (BUMDes), this is stated in the Articles of Association and Bylaws of Berkah Jaya Village-Owned Enterprises (BUMDes). The business units owned by Bumdes Berkah Jaya consist of an e-warung business unit, a service business unit, a tour business unit, a building rental & organizer business unit, and a recycling waste management business unit.

In realizing the goals of BUMDes, it is carried out based on the spirit of mutual cooperation with the principles of being professional, open and responsible, participatory, prioritizing local and sustainable resources. The achievement of BUMDes objectives is carried out through the development of BUMDes functions including:

- a. Consolidation of Village community goods and/or services;
- b. Production of goods and/or services;
- c. Receivers, buyers, marketing of Village community products;
- d. Village community business incubation;
- e. Stimulation and dynamics of village community economic business;

- f. Services for basic and general needs for the Village community;
- g. Increasing the usefulness and economic value of cultural wealth, religiosity, and natural resources;
- h. Increasing the added value of village assets and village original income.

BUMDes Berkah Jaya in Kertajaya Village has been established in 2015 until now and has several types of businesses that have been run. Based on the results of an interview with Mr. Iwan Setiawan as the head of *BUMDes Berkah Jaya* in Kertajaya Village, that *BUMDes* is an important investment for villages to be able to continuously increase Village Original Income (PADes). Currently, the most important thing in the development of *BUMDes* Kertajaya, especially the need for Human Resources who have the awareness and desire in the importance of building a business entity in the village, increasing human resources and empowering the community is very much needed in current conditions. *BUMDes Berkah Jaya* after the pandemic made efforts, namely by opening partners or cooperation with several MSMEs. This is done to be able to restore the community's economy after the pandemic.

In addition, the results of an interview with the Village Secretary, Mr. Bubun said that there are service business units owned by *BUMDes Berkah Jaya*, which are being operated again, such as printing, office stationery and photocopying. Kertajaya Village is surrounded by several schools ranging from elementary, junior high, vocational and high school, this is a potential income for *BUMDes*. Prior to the Covid-19 pandemic, this service business unit received a fairly satisfactory income and achieved the set target. This service business unit is the only one in the Kertajaya Village area which is closest to the education center. The service

business unit opens opportunities for people who want to work and study in the field of printing and photocopying and have several employees. As a result of the current pandemic, the income of the service business unit has drastically reduced because all schools around the service business unit have no teaching and learning activities. Even though the income is limited, the function of the photocopy service business unit is still to serve and help the people in the office area if they need a photocopy of the file.

Kertajaya Village has a Sports Building which is the most exclusive asset in Padalarang. Usually the building is used for wedding receptions, sports and badminton tournaments and other events. The income from the rental of this building is very helpful to increase the income of the village. Prior to the pandemic, there were various events including a wedding reception schedule so as to increase the income of BUMDes which was different from the current conditions which have limitations in their activities.

Another business developed by BUMDes Berkah Jaya, namely the Integrated Waste Management Site, hereinafter referred to as TPST, is a place where collection, sorting, reuse, recycling and processing activities are carried out with the 3R principle (reduce, reuse, recycle). Reduce, reuse, and recycle activities or limit waste, reuse waste and recycle waste, hereinafter referred to as 3R Activities, are all activities that are able to reduce everything that can cause waste, activities to reuse waste that is fit for use for the same function or a different function. other activities, and activities to process waste into new products. Final Processing Site, hereinafter referred to as TPA, is a place as a place to process and return waste to environmental media. Recycling is an activity to utilize the material contained in inorganic waste. A waste bank is a

place for sorting and collecting waste that can be recycled and/or reused that has economic value.

One form of implementation of the recycling waste management business unit, one of which is reducing hazardous materials. Recycling this waste is very good for the environment. And this prevents pollution and environmental damage. Plastics made from petroleum-based materials along with various other ingredients added in their manufacture, cannot be decomposed in the same way as organic materials. While wood, grass, and discarded food undergo a process called biodegradation when buried in the soil, these materials are converted by bacteria in the soil into useful compounds. The government can also use the village as a model for other villages. So it deserves appreciation because it integrates environmentally friendly concepts.

In terms of the village economy, Prior to the Covid-19 pandemic, the Bumdes Berkah Jaya had a role as an effort to accommodate all activities in the economic sector and/or public services managed by the village and/or inter-village cooperation. It should be noted that the nature of BUMDes activities is profit-oriented, while the nature of its business management is based on the principles of openness, service, honesty, participatory and fairness. To achieve this goal, BUMDes must function as a driving force for the village economy, as a business institution that generates Village Original Income (PADes), as well as a means to encourage the acceleration of improving the welfare of rural communities. Therefore, BUMDes is expected to be a powerful instrument to move the village economy so that it can provide welfare to its people.

BUMDes Berkah Jaya Kerta Jaya Village has realized several strategies for developing Village Owned Enterprises (BUMDES) in improving the village economy which include:

1. Giving money from the beginning to Bumdes there are several business items that are constant in nature so that Bumdes can still run, such as selling ATK needs and so on
2. Providing capital to MSMEs
3. Maximize the existing budget to develop the economy of Bumdes in Kertajaya Village and Bumdes can run even with the Covid-19 pandemic
4. Absorption of community resources by increasing PAD
5. Community empowerment in developing the village economy
6. Creating an E-warung innovation to control the village economy
7. Food security program which is 20% of village funds by providing training, providing tools such as livestock seeds, agricultural seeds, with fertilizers
8. The existence of the Budikdamber (Fish Cultivation in Bucket) program where the village government provides plant seeds

Furthermore, based on an interview with the Secretary of Kerta Jaya Village, Mr. Bunbun Syahbudin that during the Covid-19 Pandemic the BUMDes strategy in Kertajaya Village for the development of BUMDes in improving the village economy, the Kertajaya Village government maximized the existing budget by developing Bumdes so that it continued to run and did not experience problems. Bankruptcy even though this pandemic has greatly impacted Bumdes such as temporary business closures, reduced business operating hours, decreased turnover of photocopying and printing to temporary reduction of the workforce. The work program that had been prepared was ultimately not realized like the competition agenda held at the Kertajaya Sports Building. Cooperation with distributors of food staples suppliers

has stopped due to limited deliveries due to the many roadblocks. Even though it was affected by the Covid-19 pandemic, BUMDes Berkah Jaya, Kertajaya Village, still tried to survive to help the community. However, with current conditions that have started to run normally after the pandemic, Bumdes has begun to increase and improve so that the village government seeks to open cooperation with other parties such as MSMEs where this can not only improve the Bumdes economy but also the MSME community.

CONCLUSION

Before the Covid-19 pandemic showed that BUMDes that had the potential to develop and sustainably were BUMDes that could optimize village potential or its business was to provide public services (such as photocopying and printing, building rentals, e-waroeng, wedding organizers, etc.), the business needed by the village community/around the village. In addition, the strong leadership and vision of the village head or in some cases the BUMDes leadership will determine how BUMDes can develop. If BUMDes can be managed properly, in the future it will not only be able to make the village independent but also improve the capabilities and skills of the community. In addition, the BUMDes development strategy in improving the village economy has been carried out as much as possible by the village government where the government has made several efforts so that BUMDes can continue to run even though they are affected by the Covid-19 pandemic. This is done by the village government so that BUMDes does not go bankrupt and is still running by selling several business items that are constant.

The strategy for developing BUMDes in improving the village economy in Kertajaya Village is trying to be done as much as possible even though it has not been able to significantly improve the community's economy, this is due to the Covid-19 pandemic. However, the government is trying to implement several strategies so that BUMDes can continue to run and not go bankrupt where the government implements strategies such as giving money from the beginning to Bumdes, there are several business items that are constant so that Bumdes can still run such as selling ATK needs and so on, providing capital to MSMEs , maximizing the existing budget to develop the economy of Bumdes Kertajaya Village and Bumdes can run even with the Covid-19 pandemic, absorption of community resources by boosting PAD, community empowerment in developing the village economy, making E-warung innovations to control the village economy, food security programs which 20% of village funds by providing training, providing tools such as livestock seeds, agricultural seeds, with fertilizers, the Budikdamber program (Cultivation of Fish in a Bucket) where the village government provides plant seeds.

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