



DEVELOPMENT OF INDEPENDENT VILLAGES THROUGH MANAGEMENT OF VILLAGE OWNED BUSINESS ENTITIES (BUM Desa) CAHAYA KALUKU KALUKU VILLAGE, BATANG DISTRICT, JENEPONTO DISTRICT

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Abstract

One way for the village government to implement the Law on Villages is by establishing a Village BUM. This gives them the authority to innovate in village development, especially to improve the economy and welfare of village communities. The aim of this research is to determine the conditions and management procedures of BUM Cahaya Kaluku Village in carrying out its activities. This research uses a qualitative approach. The results of this research indicate that the condition of BUM Cahaya Kaluku Village, Kaluku Village, has fulfilled the objectives of its formation and has the ability to improve the village economy. However, the management of BUM Cahaya Kaluku Village, Kaluku Village still faces obstacles, such as the types of businesses that can be run, limited human resources to manage BUM Cahaya Kaluku Village, and low community participation due to lack of knowledge.

Keywords: BUMDesa, Governance, Independent village development, Institutional economics.

INTRODUCTION

Development is an effort to improve the welfare of the entire life of the community, nation and state in order to achieve the national goals stated in the Preamble to the 1945 Constitution. Villages have an important role in national development efforts because the Indonesian population tends to live in rural areas so this has quite a big influence on efforts to create national stability (Sa'dullah, 2016). Apart from that, the position of villages is considered strategic in the development of the country because villages are the basis for identifying community problems and planning and realizing state goals at the village level (Sidik, 2015). Rural development is placing villages as a means of development, so that the goal of reducing various disparities can be realized.

Independent Village is a development concept that aims to improve community welfare at the village level through empowering local potential and effective resource management. One of the instruments used in an effort to achieve the vision of independent village development is the Village-Owned Enterprise (BUM Desa). Kaluku Village, located in Batang District, Jenepono Regency, is an example of a village that is trying to realize this vision through BUM Cahaya Kaluku Village.

Independent village development is a concept that emphasizes the active participation of village communities in identifying, managing and optimizing their local resources to improve the quality of life and collective prosperity. Kaluku Village, with its various natural and human potentials, chose to adopt this approach to overcome the various development challenges it faces. One of the important steps in achieving the goal of an independent village is the establishment and management of BUM Cahaya Kaluku Village through village meetings and having it registered as a legal entity recorded in the database of the Directorate General of General Legal Administration number: AHU-01326.AH.01.33.Year 2021. BUM Cahaya Kaluku Village is a business entity owned and operated by the people of Kaluku village themselves. Thus, BUM Cahaya Kaluku Village is a very effective tool for managing and developing the economic potential in the village. BUM Cahaya Kaluku Village not only plays a role as a manager of economic resources, but also as an agent driving social and economic development at the village level.



Through BUM Cahaya Kaluku Village, Kaluku village can develop various programs and projects that focus on improving economic sectors such as agriculture, animal husbandry, crafts and tourism. With good management, the Cahaya Kaluku Village BUM has succeeded in increasing community income, creating local jobs, and increasing community access to basic services and facilities such as education and health. BUM Cahaya Kaluku Village, which has been established since 2016, has not been managed professionally and purposefully so it has not developed and fulfilled its function. BUM Cahaya Kaluku Village can achieve its goals and objectives if its management is in accordance with its function. Based on these problems, the author is interested in knowing how the BUM Cahaya Kaluku Village is managed, the types of businesses being developed, the advantages and disadvantages, as well as the challenges of the BUM Cahaya Kaluku Village so that it can be a solution to village problems. BUM Cahaya Kaluku Village can improve the village economy, help the government manage the village's innovative and creative potential, open new job opportunities and encourage employment in rural areas.

RESEARCH METHODS

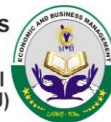
This research is a type of field research. In terms of techniques and data analysis, this research is included in the type of qualitative research with a descriptive approach. This research uses naturalistic research methods with the aim of providing a systematic, actual and accurate description of the situation and conditions in the field which is the object of research (Sugiyono, 2013). This research will use two types of data: primary and secondary data. To collect data, this research will use documentation, observation and interview methods. Next, in the data collection process, researchers will check the validity of the data using the data triangulation method. In this research, source triangulation is used to compare and evaluate the level of trustworthiness of information obtained from various questioning tools and times. After field data is collected, the data will be analyzed and conclusions made. In this research, the data analysis method uses SWOT analysis, also known as situation analysis, to analyze this data using a qualitative descriptive approach. SWOT analysis, also known as situational analysis, involves systematically identifying various factors when creating strategies or policies for an economic sector. In this research, the SWOT analysis model (Strengths, Weaknesses, Opportunities, and Threats) is used. This analysis was introduced by Rangkuti in 1997 and uses logic to identify various factors systematically in a way that can maximize strengths and opportunities while minimizing weaknesses and threats (Rusdarti, 2010).

The results of this SWOT analysis will be used to offer management options and policy implementation, in this case BUM Cahaya Kaluku Village. It is possible that this alternative recommendation is a revision of the previous choice. They can also be transformed into new strategies and goals for BUM Desa policy and management. According to Soesilo (2002), this method is a fairly good, effective and efficient analysis. It is also a fast and precise tool for discovering and recognizing new innovation possibilities in the business world.

RESULTS AND DISCUSSION

Process of Establishing BUM Cahaya Kaluku Village

Cahaya Kaluku Village BUM was formed by the village government and the community with the aim of improving the management of village potential (human resources and natural resources) in accordance with community needs so as to increase original income and the village economy. The aim of BUM Cahaya Kaluku Village is to provide distribution services managed by the community and village government so that village needs (productive and consumptive) can be met. BUM Cahaya Kaluku Village can also be relied on in efforts to equalize the village economy. BUM Cahaya Kaluku Village is also required to be able to impose prices and services that are in accordance with market conditions and standards in an effort to provide services to people who are not members of the village. BUM Cahaya Kaluku Village was established to meet the requirements and potential of the village.



The Ministry of Home Affairs launched BUM Cahaya Kaluku Village as a national program. Regulation of the Minister of Villages, Development of Disadvantaged Regions and Transmigration No. 4 of 2015 concerning the Establishment, Management and Dissolution of Village-Owned Enterprises which is a guideline for regions and villages in the formation and management of BUM Cahaya Kaluku Village. And Regulation of the Minister of Villages, Development of Disadvantaged Regions and Transmigration of the Republic of Indonesia Number 3 of 2021 concerning Registration, Data Collection and Ranking, Guidance and Development, and Procurement of Goods and/or Services for Village-Owned Enterprises/Joint Village-Owned Enterprises.

Apart from that, Kaluku Village has regulations governing BUM Cahaya Kaluku Village, such as Kaluku Village Regulation Number 01 of 2018 concerning the Village Medium Term Development Plan for 2018-2023 (2018 Village Gazette Number 01); Kaluku Village Regulation Number 03 of 2019 concerning the 2020 Kaluku Village Government Work Plan (2020 Village Gazette Number 02); and Kaluku Village Regulation Number 03 of 2020 concerning the 2020 Kaluku Village Revenue and Expenditure Budget (Village Gazette In accordance with the Regulation of the Minister of Villages, Development of Disadvantaged Regions and Transmigration of the Republic of Indonesia Number 3 of 2014), the village government is given the authority to establish BUM Cahaya Kaluku Village to increase the village's original income. The program and concept of BUM Cahaya Kaluku Village originates from the center and is followed up with Village Regulations.

In 2021, the Kaluku village government allocated funds of 50 million rupiah to help the Cahaya Kaluku Village BUM Cahaya Kaluku. The funds were allocated 22.5 million rupiah for procurement of goods, and 27.5 million rupiah for capital for the activities of BUM Cahaya Kaluku Village. It is hoped that this budget will make village communities independent, advanced and respected by others.

Types of Business Conducted by BUM Cahaya Kaluku Village Cahaya Kaluku

1. Financial Services and Credit Business Unit

This service business unit provides savings and loan services, as well as BRILink which serves all types of financial transactions in collaboration with Bank BRI as a partner. Apart from that, this service business unit also provides goods credit services. This business unit is to meet the needs of the people of Kaluku Village who are far from access to financial institutions. The goods credit business prioritizes the principle of community welfare. This was confirmed by the management of BUM Cahaya Kaluku Village through an interview with Tuti Tita Karlita as Treasurer on 03 October 2023 in the Kaluku village office hall.

2. 3 Kg LPG Gas Trading Business Unit

This business unit focuses on providing and selling LPG gas in 3 kilogram packages to consumers in villages or surrounding areas. 3 kg LPG gas is often used for cooking purposes in households. Based on the results of an interview with Abdul Hamid as chairman of the Kaluku village BPD on October 3 2023 at the BPD office, he said that one of the main objectives of this business unit is to meet the village community's need for 3 kg LPG gas at an affordable price and consistent availability. This can help reduce people's dependence on other fuels that may be more expensive or environmentally unfriendly.

Advantages of BUM Cahaya Kaluku Village

The existence of BUM Cahaya Kaluku Village has the potential to create a significant positive impact on village development and empowerment of local communities. However, the success of BUM Desa will depend on good management, community empowerment, and support from the government and other parties involved in village development. BUM Cahaya Kaluku Village helps people who want to borrow funds for business. People in the village previously often borrowed money from loan sharks to start their businesses. Because there are not too many conditions, borrowing from a loan shark is considered easier than borrowing from a bank. However, the interest on loan sharks is higher, making it harder for people to pay.

BUM Cahaya Kaluku Village received additional capital of 27.5 million rupiah from the village government, which was used for goods credit activities with lower interest rates from loan sharks ranging from 1-2%. The Financial Services and Credit Business Unit provided by BUM Cahaya Kaluku Village Cahaya Kaluku makes it easier for people to continue their businesses which are constrained by



capital. Apart from that, BUM Cahaya Kaluku Village also provides basic community needs, such as 3 kg LPG gas. The people of Kaluku Village can easily get 3 kg LPG gas at an affordable price thanks to the 3 kg LPG gas sales unit. Apart from that, BUM Cahaya Kaluku Village often holds training and guidance in collaboration with government institutions regarding better marketing and processing of agricultural products. The aim is to improve the skills and knowledge of village communities and utilize village potential to increase income.

Weaknesses of BUM Cahaya Kaluku Village

BUM Cahaya Kaluku Village has many advantages, but also weaknesses. They felt that the funds provided by the village government of 27 million 500 thousand rupiah were not enough for the development of BUM Cahaya Kaluku Village. Even though people's desire to borrow is very high, this desire is not matched by the available funds. Because most of the funds from BUM Cahaya Kaluku Village are only enough for community loans, BUM Cahaya Kaluku Village faces challenges in starting other businesses. One of the obstacles in developing BUM Cahaya Kaluku Village is the limited human resources managed. It is very difficult to change one's perspective on establishing a business group because village communities have a low level of knowledge and insight and a closed mindset. There is a lot of village potential that can be managed well, but only because people don't want to start a business. In the activities of BUM Cahaya Kaluku Village, there are several systems that are not working well, such as a lack of cooperation between business units and across villages.

BUM Challenge in Cahaya Kaluku Village

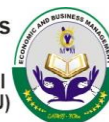
BUM Cahaya Kaluku Village functions as a place to accommodate all activities related to the village economy and public services, as well as managing village potential. The aim of BUM Cahaya Kaluku Village is to improve the village economy, create jobs, and improve community welfare through improving the quality of public facilities, growth and economic equality.

The main weakness of BUM Cahaya Kaluku Village is limited capital. BUM Cahaya Kaluku Village receives capital from the village government. Village potential and market data determine the business activities carried out by BUM Cahaya Kaluku Village. In accordance with village policy, members (capital equalizers) and the community improve welfare through activities facilitated by the provincial, district and village governments. The BPD, village government and members are jointly responsible for implementing activities. Because BUM Desa is an economic institution founded based on community initiative and is independent, they may need business capital from the community. However, BUM Cahaya Kaluku Village can still apply for capital loans from outside parties, such as banks or companies. If they do not try to get capital loans from outside parties, the development of BUM Cahaya Kaluku Village will be slow or will not develop at all.

The Cahaya Kaluku Village BUM program may not run smoothly due to a lack of human resources and a lack of insight from the village community. The implementation of the Cahaya Kaluku Village BUM program has become worse due to a lack of management coordination. BUM Cahaya Kaluku Village needs internal improvements, such as selecting experienced administrators to manage the activities of BUM Cahaya Kaluku Village. The management of BUM Cahaya Kaluku Village must be competent and have broad insight to encourage the community to participate in activities.

Table 1. Problems and Solutions for BUM Cahaya Kaluku Village

Aspect	Problem	Solution
Capital	Limited capital means that BUM Desa cannot run various businesses.	Apply for capital assistance to third parties rather than relying on assistance from the district government or village government.
Resource	The management does not understand the management of BUM Desa, which results in poor institutional performance of BUM Desa in business development.	Village BUM administrators must be trained in Village BUM management to improve institutional performance and improve their business.
Institutional	Village communities do not understand the importance of forming business groups.	Conduct outreach to the community about the importance of



		participating in the BUMDes program to increase village income and economy.
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Governance of BUM Cahaya Kaluku Village

Bumdesa governance can be represented in the form of the following chart:

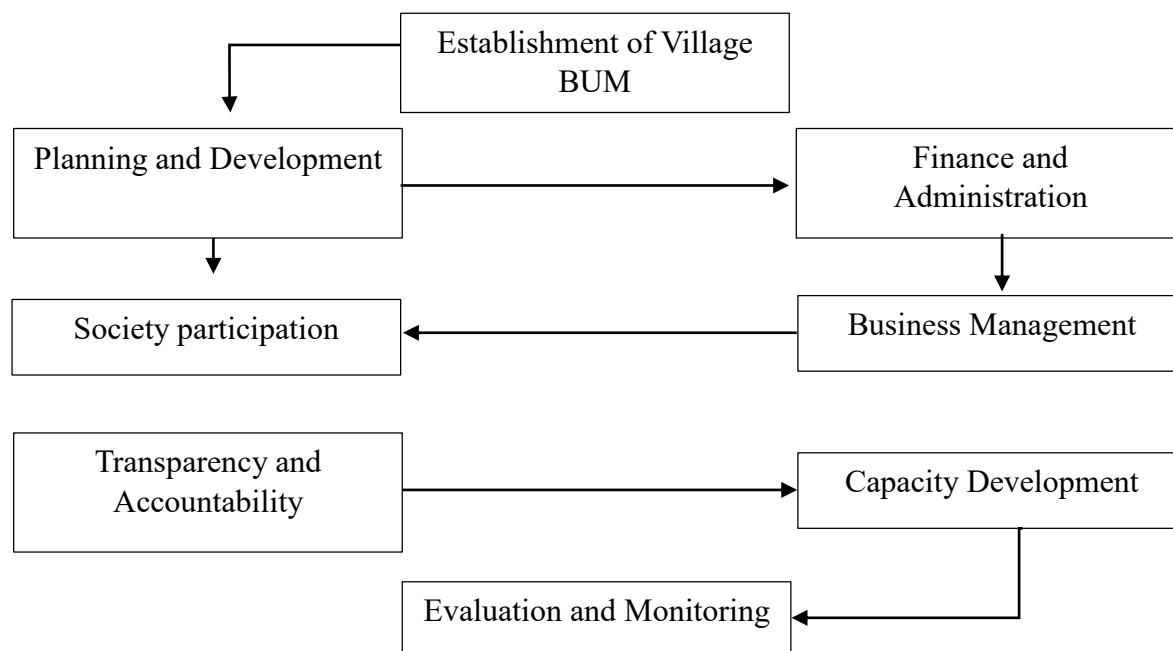
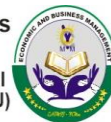


Figure 1. Governance chart of BUM Cahaya Kaluku Village

BUM Cahaya Kaluku Village consists of legal entity business units where share ownership of BUM Cahaya Kaluku Village is obtained from the village government. BUM Cahaya Kaluku Village is managed separately from the Village Government organization. BUM Cahaya Kaluku Village has advisors, operational implementers and supervisors. An advisor for BUM Cahaya Kaluku Village is appointed by the village head. The advisor's duties include providing advice on how to run the operations of BUM Cahaya Kaluku Village, providing advice and opinions on issues deemed important by BUM Cahaya Kaluku Village, and supervising the implementation of BUM Cahaya Kaluku Village activities. BUM Cahaya Kaluku Village requires experienced human resources to run its operations professionally. The manager of BUM Cahaya Kaluku Village must have minimum experience as a director or chairman in an organization that focuses on business profits. Cahaya Kaluku Village BUM managers must have an educational background so that they can carry out duties and functions appropriate to their position. According to Law no. 4 of 2015, operational implementers have the responsibility to implement and develop BUM Cahaya Kaluku Village to become an institution that serves the economic needs and public services of village communities. They must also explore and utilize the potential of village economic businesses to increase the village's original income and collaborate with other village economic institutions.

The development of BUM Cahaya Kaluku Village can be done by adding other types of business outside the existing business. BUM Cahaya Kaluku Village needs to manage more types of business because most of its business is concentrated in the 3 kg LPG gas trading unit. Kaluku Village has a lot of agricultural potential, but agricultural products are not managed well and are not utilized properly. It is hoped that BUM Cahaya Kaluku Village can increase the village's original income and improve the welfare of the village community. BUM Cahaya Kaluku Village must collaborate with various village economic institutions to provide training and guidance to improve community skills.

BUM Cahaya Kaluku Village is managed with the principles of cooperation, transparency, participation, emancipation, accountability and sustainability. To achieve this goal, basic membership mechanisms and independent and professional self-help are used. Precise and accurate information



about the local characteristics of the village (socio-cultural characteristics of the community) and market opportunities for goods and services made by local communities is needed to build BUM Cahaya Kaluku Village (Sofyan, 2015). To manage and utilize village economic resources, BUM Cahaya Kaluku Village requires cooperation between village governments. Advisors and supervisors of BUM Cahaya Kaluku Village must consult and agree on the cooperation mechanism that will be carried out by BUM Cahaya Kaluku Village with other parties. In carrying out daily activities at BUM Cahaya Kaluku Village, managers must follow the rules that have been prepared and approved in accordance with the AD/ART of BUM Cahaya Kaluku Village and in accordance with the principles of governance of BUM Cahaya Kaluku Village. To manage an organization, transparency and accountability are the main principles. To ensure that management fundamentals are visible to everyone, there must be a consistent annual reporting system. Once completed, the report is submitted to the village government and community. This was done to inform the public about the distribution of profits from BUM Cahaya Kaluku Village or remaining business results (SHU).

CONCLUSION

BUM Cahaya Kaluku Village was established to improve the lives of village communities, economic conditions and original village income, and improve the way village potential is processed, including human resources and natural resources, according to the needs of village communities. BUM is also intended to function as a center for village economic equality and growth. Because the interest on loans at BUM Desa Cahaya Kaluku is lower than borrowing through loan sharks, BUM Desa Cahaya Kaluku helps people borrow funds for business. BUM Cahaya Kaluku Village also functions as a forum for small business products for people who have difficulty marketing their goods. BUM Cahaya Kaluku Village routinely provides training and guidance on agricultural product processing and marketing to improve the village community's skills and insight on how to increase their income.

BUM Cahaya Kaluku Village is facing two big problems. First, they do not have enough capital to run various businesses, and second, the management does not have sufficient knowledge about the management of BUM Cahaya Kaluku Village. As a result, the institutional performance of BUM Cahaya Kaluku Village has become less effective in business development. Village communities do not understand the importance of forming business groups. To resolve this problem, the management of BUM Cahaya Kaluku Village must apply for capital assistance to a third party rather than relying on government assistance. The management of BUM Cahaya Kaluku Village must be trained in management to improve institutional performance and increase business. Apart from that, the community must be socialized about the importance of taking part in the Cahaya Kaluku Village BUM program to increase village income and economy.

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