

## Empowerment of Village Owned Enterprises in Lapodi Village Buton Regency

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### Abstract

*This community service activity was carried out in Lapodi Village, South Buton Regency. Overall this community service activity was carried out on December 20, 2022. The activity partner is the BUMDes of Lapodi Village. This activity was carried out in two stages, namely preparation and socialization. The existence or position of BUMDes is considered to be very effective in exploring the village's local potential. BUMDes offer great potential because of mutually sustainable village regulations. BUMDes is also a place to explore the potential of the local village. The most appropriate preparations are focused on outreach, education and training of interested parties to improve the standard of living of rural communities. Based on the results of the study at the realization stage, the establishment and development of BUMDes needs further attention from the government. Therefore, it is necessary to revitalize BUMDes to facilitate and protect the formation of business units in the context of strengthening capacity.*

**Keywords:** Empowerment, BUMDes, Lapodi Village

### 1. INTRODUCTION

The shift in the direction of development that originally started from the autonomous region at the district / city level, which was considered not to bring significant progress to national development, became this one thing. Given the need for realignment in relation to the vision and mission of national development. Responding to these problems, Village Law No. 6 of 2014 was born which began a new round of development by the government unit closest to the municipality, namely the village. (Adhari, 2017)

Economic development is one way to improve national welfare. Villages are the leading government agents for economic development. The village becomes a government representative who deals directly with the community. The central government mandates village governments to independently utilize the potential resources in their areas. One of them is through village-level economic institutions, namely Village-Owned Enterprises (BUMDes) A z i z a (2018) in (Lasawali, 2021).

BUMDES was born as a new approach to improve the village economy based on the needs and potential of the village. BUMDES is managed entirely by the village community i.e. from the village, by the village and for the village. The way BUMDES works is to accommodate community economic activities in the form of institutions or business units that are managed professionally but still refer to the original potential of the village. This can make city businesses more productive and effective. BUMDES in the future will function as a pillar of national independence which is also an institution that carries out people's economic activities that develop in accordance with village characteristics in order to improve the welfare of rural communities. (Febryani et al., 2018)

At first glance, it can be seen that the enthusiasm of the community compared to the extraordinary presence of BUMDes must be responded positively. However, as a business unit, BUMDes must comply with the rules in the development of the business world. According to Priyanto, Nadapdap & Jansen (2019), here are some weaknesses of BUMDes since 2015 until now. First, in terms of law, most BUMDes are established based on village regulations. There are still few BUMDes that are legal entities, Second, organizationally there are still very few full-time BUMDes managers, most employees still make BUMDes as part-time jobs and their performance is not good. Fourth, leadership in BUMDes is largely not owned by managers. Fifth,

entrepreneurship is still relatively low. Sixth, in terms of management capacity, there are still many BUMDes that run independently with modest resources and expertise, there is no synergy and coordination with other parties (Anjar & Laksono, 2022).

Lapodi Village, located in the Pasarwajo District of Buton Regency, with an area of 280 hectares and Lapodi village consists of 3 hamlets namely Lapodi hamlet, LaThat one hamlet and LaThat two hamlet while the distance from Buton Regency is 7 KM.

Geographically, Lapodi Village is bordered by the following areas:

- a) The north side is bordered by Kapuntori District
- b) South Sebalah bordering Lapandewa District
- c) East border with Saragi Village
- d) The west is bordered by Warinta Village. In general, the natural condition of Lapodi village has a land height from sea level of 800 meters and rainfall of 1.5 mm / year.

Lapodi Village is the choice of community service activities because based on the analysis of the situation the service team feels the need to carry out community service activities because we found problems that exist in BUMDes in Lapodi Village, namely the existing BUMDes are not running or can be said to be suspended animation.

The rural economy has very strong social capital and has a foothold in society. One form of social capital is the heterogeneity of social bonds and social networks. The social capital of rural communities has not been able to drive the village economy into an independent, prosperous, solidary, and democratic village. Therefore, a village economic institution is needed whose capital is sourced from village wealth through direct participation and functions to manage village wealth and wealth to be utilized as much as possible. In Community empowerment. The presence of BUMDes is very important in this case to optimize the potential of villages that have been neglected and can increase village income while absorbing existing labor. (Moh. Subhan, 2020)

The birth of Law Number 32 of 2004 concerning Regional Government, has encouraged villages to develop Village-Owned Enterprises (BUMDes) in accordance with the needs and potentials of each village in order to increase community income and original village income. BUMDes is a forum for village governments and communities to implement pro rata economic empowerment programs at the village level. The existence of BUMDes as village economic institutions is one of the programs. Village as a means of increasing Village Original Income (PADes). The role of BUMDes as a tool to strengthen village autonomy and also as a tool for mutual interests. The village government has the authority to develop potential in accordance with the village's capabilities. Community involvement in the management of BUMDes can encourage the opening of new businesses and reduce the unemployment rate. (Ibrahim, 2018)

## **2. METHOD**

This Community Service activity was carried out in Lapodi Village, South Buton Regency Overall, this community service activity was carried out on December 20, 2022. The activity partner is BUMDes Desa Lapodi. This activity is carried out in two stages, namely preparation and socialization, each of which is detailed as follows:

### **a) Preparation**

Before the socialization, the Community Service Team first conducted an initial survey and discussions were carried out with the Lapodi Village Apparatus, as well as making observations. Discussions and observations are carried out to identify problems and find out the potential that can be developed.

### **b) Socialization .**

The socialization is carried out as follows:

- 1) Step 1 (Lecture Method): Participants are given an understanding of how best to manage BUMDes which is held for 2 hours from 8.00 – 10.00 WIB

- 2) Step 2 (Discussion Method): Participants are given the opportunity to discuss problems related to the management of BUMDes based on the problems faced, held for 2 hours 10.00 -12.00 WIB

### **3. RESULT AND DISCUSSION**

Village-Owned Enterprises, hereinafter referred to as BUMDes according to Law No.6 of 2014 Article 1 paragraph (6) is a business entity whose entire or majority of capital is owned by the village through direct participation derived from separated village wealth in order to manage village assets, service services, and other businesses for the maximum welfare of the village community. It can be seen that Law No.6 of 2014 is more elaborative. Law No.6 of 2014 which regulates in more detail, regulated in chapter X is contained in three articles; 1). Article 87 paragraph (1) – paragraph (3); 2). Article 88 paragraph (1) and paragraph (2); 3). Article 90. Moving on from these provisions, BUMDes are actually based on the needs and potential of villages as an effort to improve welfare (Budiaman & Mulyanti, 2021).

BUMDes are also developed on the basis of community initiatives based on the principles of mutual assistance, participatory, transparent, emancipatory, accountable and sustainable with member-based mechanisms and independence. As a potential local village, BUMDes is a social capital that is expected to be a bridge that connects the village with the economic realm so that it becomes an economic engine in rural areas. Every village government has the right to start a village business, but it needs to be realized that BUMDes are also potential-based that can be developed with local resources. Of course, the establishment of business entities must be accompanied by capacity building efforts and supported by regional policies that provide relief and protection. In its designation, BUMDes are social institutions that prioritize the interests of the community through their contribution to the provision of social services. Another purpose of BUMDes is to increase village native income (PADes). As explained above, BUMDes are the wheels of the village economy that play an important role in improving the economic level of a village. BUMDes are the potential of various local potentials in the village. It can also describe BUMDes as a container of all potentials and must support the welfare of rural communities.

The purpose of BUMDes is to improve the village economy for the good of the village. In this case, the operationalization mechanism is left entirely to the village community, therefore the village community must be prepared in advance to accept the new idea of an economic institution that has two functions, namely social and commercial. Therefore, the most appropriate preparations are focused on outreach, education and training of interested parties to improve the living standards of rural communities. Thus, the existence of BUMDes aims to encourage the dynamics of economic life in rural areas. The role of the village government is to build relationships with the community to achieve the fulfillment of Minimum Service Standards (SPM) as part of efforts to build a stronger village community (development-based community).



Figure 1. Implementation of Community Service Activities at Lapodi Village Office

The results of the implementation of community service in Lapodi village with the title "Empowerment of Village-Owned Enterprises in Lapodi Village, Buton Regency are as follows:

- a) Participants understand how to develop BUMDes to improve community welfare and support the village economy
- b) Participants understand the governance of BUMDes

One of the institutional strengthening of BUMDes can be done by strengthening the foundation of social capital. Social capital here consists of beliefs, norms and networks. Trust is the main asset of social capital, because trust facilitates cooperation. The stronger the trust, the stronger the cooperation. Forms of social capital manifest in the willingness to work together, help each other and build mutual understanding. If the parties involved in BUMDes activities have strong social capital, then the complexity of the problem can be solved more easily.

In an effort to strengthen the institution of BUMDes, of course, it cannot be separated from the factors that encourage or hinder. Several factors driving the institutional strengthening of BUMDes (Dewi, Adriani, Erida, Setiawati, & Hendriyadi, 2022):

- a) Improvement of the BUMDes Concept, the improvement of the concept in question is the details of the four stages that have been determined including preparation, establishment, management and recording. Efforts to improve the concept that need to be carried out in the BUMDes program in the future are to evaluate in advance the details of effective and efficient stages without leaving urgent and mandatory stages to be passed by all villages who want to establish BUMDes.
- b) Consistency of Socialization Actors in Carrying Out Their Duties and Roles, where the spearhead of a program lies none other than the consistency of socialization actors in distributing and helping to motivate awareness to stakeholders who are authorized to bridge and run BUMDes programs.
- c) Internal Village Preparation, which refers to the wishes projected by the government through BUMDes, it must be given internal preparation stages in areas that will be prospective targets of BUMDes.

As for the inhibiting factors, among others:

- a) Availability of Human Resources, the average BUMDes is very difficult to choose villagers who are considered to understand and are able to carry out the mandate of BUMDes. This is because according to residents, the idea of BUMDes seems complicated to them.
- b) Inability to Manage BUMDes, the inability of Internal BUMDes to manage in the end will actually make the village government take over its duties and authorities.
- c) Standard Operational Guidelines for the Formation of Undistributed BUMDes, which creates difficulties in carrying out the formation of BUMDes as expected.

As one of the village institutions engaged in the economy, BUMDes is a pillar of economic activity in rural areas that functions as a social and commercial institution. Therefore, in carrying out its business, the principle of efficiency and effectiveness must always be emphasized. Thus, it is hoped that the existence of BUMDes will be able to encourage the dynamism of economic life in rural areas.

#### 4. CONCLUSION

From the activities that have been carried out, it can be concluded that the existence or position of BUMDes is considered very effective in exploring the local potential of the village. BUMDes offer great potential because of the existence of mutually sustainable village regulations. BUMDes are also a place to explore the potential of local villages. Therefore, the existence of BUMDes is very urgent to achieve the goal of a prosperous independent village. Therefore, the most appropriate preparations are focused on socialization, education and training of interested parties to improve the standard of living of rural communities. Thus, the existence of BUMDes aims to encourage the dynamics of economic life in rural areas. The role of the village government is to build relationships with the community to achieve the fulfillment of Minimum Service Standards (SPM) as part of efforts to build a stronger village community (development-based community). Based on the results of the study, it is known that BUMDes are an internal forum Exploring local potential is very important. In the realization stage, the establishment and development of BUMDes need further attention from the government. Therefore, it is necessary to revitalize BUMDes to facilitate and protect the formation of business units in order to strengthen capacity

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