

Management of Village-Owned Enterprises (BUMDES) to Increase Village Original Income (Case Study in Oemolo Village, East Amabi Oefeto Sub-District, Kupang Regency)

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INDEXING	ABSTRACT
Keywords: Keyword 1; BUMDES Keyword 2; Village Original Income Keyword 3; Capital	Village-owned enterprises (BUMDes) are village business institutions managed by the Community and Village Government in an effort to strengthen the Village economy. They are formed based on the village's needs and potential. "To increase Village Original Income (PADesa). BUMDes must be different from economic institutions in general. Inactive BUMDes are caused by various things, such as businesses that are not running and others. as mandated by the mandate of Government Regulation Number 11 of 2021 concerning Village-Owned Enterprises and Regulation of the Minister of Villages, Development of Disadvantaged Regions and Transmigration Number 3 of 2021 concerning registration, data collection, ranking, guidance and development, procurement of goods or services for BUMDes together. The purpose of this research is to find out the development of BUMDES in Oemolo Village. The research used is a qualitative approach, with a case study research type on the BUMDes program in Oemolo Village. The role of BUMDes is more focused on empowerment. Thus, the focus of the research consists of fulfilling basic needs, access to public services, being able to actively participate, awareness of oneself and the environment's strengths and weaknesses, and the ability to control oneself and the environment. BUMDes Manekan has made most of the efforts to improve the community's economy, such as providing business capital, but it is still constrained in its stalled development. BUMDes management does not consider community readiness.

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INTRODUCTION

Village-owned enterprises (BUMDes) are village business institutions managed by the community and government to strengthen the village economy. They are formed based on the needs and potential of the village. To increase Village Original Income. BUMDes must be different from economic institutions in general. Inactive BUMDes are caused by various things, such as businesses that are not running and others (Sofianto and Risandewi, 2021). BUMDes Business Fields in the Kupang Regency area include savings and loans, tent rentals, buying and selling agricultural products such as tamarind, laying hens, and many other types of businesses (Ali *et al*, 2023).

Village-owned enterprises (BUMDes) are not an instructional package that comes from the Central Government, Provincial Government, or Regency Government. If this is the case, it is feared that Village-Owned Enterprises (BUMDes) will not run as mandated by the mandate of Government Regulation Number 11 of 2021 concerning Village-Owned Enterprises and Regulation of the Minister of Villages, Development of

Disadvantaged Regions and Transmigration Number 3 of 2021 concerning registration, data collection, ranking, guidance and development, procurement of goods or services of BUMDes together. BUMDes in the Kupang Regency area can advance and develop as an economic driver for the village community. Kusumawanti et al (2017), the purpose of the presence of this BUMDes is to improve and mobilize the community's economy according to the needs of the village can benefit in the transactional process of small community economic turnover that can benefit greatly from this BUMDes from these activities to increase the knowledge, skills, and enthusiasm of the management of BUMDes in supporting the village economy and society.

Exploring the sources of business units and market opportunities that are by the needs of the community and increase Village and Community Economic Income. "There is a need for BUMDes cooperation with institutions outside BUMDes, while still seeing the potential in the village. What is happening now is related to the BUMDes Oemolo problem which is temporarily surfacing, the lack of village assistants to make a chronology or identification in writing so that it is followed up with the formation of a special team for further handling, so as not to harm the community. Kurnianto and Iswanu (2021), special attention to the village to continue to evaluate the performance of the BUMDes management body. If there is an inactive management body, a deliberation is immediately held for replacement, so that later it does not hamper the BUMDes financial accountability report. This is what is a problem in taking care of BUMDes in villages that usually stagnate or do not run because of a lack of good management, especially budgeting that is not good. By realizing a healthy, smart, and prosperous Oemolo Village community. This means that the community is healthy if there is water, and prosperous also if there is water.

Everything needs a sincere commitment to serving, one of which is through BUMDes. BUMDES delays in 2017, 2018, and 2019, but in 2020 improvements and changes in the management body so that it can run well. BUMDes is starting to work well, even though only a few months can get income in 2020 of 8 million rupiahs. In 2021, BUMDes can be more advanced with the existing capital participation of 100 million rupiah. This will be developed so that it continues to increase. For example in 2020 the PAD was only 1.6 million. Very low because it only worked for a few months. So in 2021, there is an increase in revenue because from January to December, the PAD increases. Other things are important such as road repairs and, of course, district roads which are the authority of the Kupang district government. However, according to Law number 6 of 2014, Village-Owned Enterprises, or BUM Desa, are business entities owned by the Village and have capital through participation originating from Village assets to manage assets, services, and other businesses for the welfare of the Village community. The regulations on villages provide hope for villagers to develop and be empowered. This encourages the creation of better governance such as accountable, transparent, participatory, and village economic growth. Thus, BUMDes is a village business institution managed by the community and village government to strengthen the village economy and is formed based on the needs and the potential of Village potential.

The task of BUMDes in this case is to manage work units, manage resources owned within the scope of business, prepare work plans, and prepare reports. This regulation also means that the management of village business institutions by the village government and the community itself towards empowered villages for self-reliance (Kania and Adnani, 2021). To achieve empowered villages for self-reliance, East Nusa Tenggara encourages the formation of BUMdes. The number of villages in NTT, especially those with BUMDes, is 3,026 villages, 1,087 of which are active BUMDes.

Two of them are among the best BUMDes in Indonesia. Seeing the poor condition of the road, the community was shocked to cooperate with the government to work together with the community to work on the road for 200 meters.

LITERATURE REVIEW

The establishment of BUMDes as a government enterprises encourages citizens to actively participate in welfare but it does not automatically improve welfare (Fennell, 2019). BUMDes should be implemented by empowered human resources, but in reality, it is still constrained by the human resources who manage it so it does not show progress for welfare to become an independent village (Sari, 2021). BUMDes is an institution formed by the government to improve the welfare of the community at the village level. The role of BUMDes is such as manage work units, manage resources owned within the scope of business, and prepare work plans for a better community (Arfan and Nasution, 2020).

The existence of BUMDes does not necessarily only improve welfare financially but also forms a participatory community and has a good, innovative, and professional mindset. The government continues to embrace community participation and community empowerment as a basic means to build local capacity towards improving the quality of life. Community empowerment is strongly associated with a sense of community and helps people improve their quality of life (Ahmad and Talib, 2015). However, the condition of communities that are not ready to be creative and innovative is an obstacle to the implementation of the role of BUMDes. The development of BUMDes is still unstable. This can be seen from the lack of support for economic potential in the village and, the lack of participation or follow-up from BUMDes managers and villagers. The level of village progress is still low and there has been no significant increase (Subehi *et al.*, 2020).

RESEARCH METHOD

The research approach used is a qualitative approach, with a case study research type on the BUMDes program in Oemolo village (Puspita *et al.*, 2022). This study was chosen to provide flexibility in data collection and analysis techniques, to obtain a comprehensive picture of the object under study (Tracy, 2024), especially regarding the Role of BUMDes in Community Empowerment in Oemolo Village, Amabi Oefeto District, Kupang Regency.

The informants in this study were determined by purposive sampling, related to the information needed to be obtained in the field, the informants in this study were sorted into two categories, namely, institutions and individuals consisting of the Village Government, BUMDes Apparatus, Oemolo Village Community, Kupang Regency. For this reason, the technique of collecting data from informants such as the Village Head, Chairman, and BUMDes working devices, the community of BUMDes service users used is Snowball. Data collection in this study used observation techniques and in-depth interviews. In the last stage, conclusion drawing and data verification are then analyzed and then described as research results.

RESULT AND DISCUSSION

The Oemolo community was introduced to BUMDes in 2018. Its formation was carried out through village deliberations. This deliberation involved various layers of society so BUMDes became a new hope for the economy of Oemolo village. The recruitment of the BUMDes management body was also carried out through deliberations resulting in a BUMDes management consisting of 5 people with their

respective positions as chairman of the secretary, treasurer of the chairman of the goods and services unit, chairman of the savings and loan unit. The potential income in the village is managed by BUMDes. This is because there is capital participation from the government to BUMDes. So BUMDes should be a source of economy for the Oemolo community. BUMDes belong together, the community manages it, and is intended for the community.

For example, the Contractor is used during land preparation, as well as water pumps and corn shellers. Chair and tent rentals are also seasonal when there is a joyful or sorrowful event in the village. The last is the savings and loan business, which is understood as social assistance and not as a stimulus fund to improve the community's economy. None of the business types managed in BUMDes Manekan Oemolo village show a fixed income received per month or day. This type of characteristic should be taken into consideration by the village government, which should be more sensitive to why BUMDes administrators are unable to manage BUMDes properly. Income will be minimal if the type of business of the BUMDes is only characterized as seasonal or if needed only. Oemolo Village was the only village to receive corn sheller machine assistance. This is inseparable from the village government's efforts to help the community in managing food products in the future. The hope is to make it easier for the community at harvest time or at a time when a sheller machine is needed and a BUMDes that handles the use of this sheller machine.

In the implementation of BUMDes' tasks and functions, such as managing work units, managing resources owned within the scope of business, preparing work plans, and preparing work reports, BUMDes Manekan also performs these tasks. However, the process is experiencing obstacles. The reality of the implementation of empowerment in BUMDes Manekan is not easy to do. Limited resources are a situation faced by this BUMDes. The obstacle in managing BUMDes is that the management is less focused. Not ready to carry out resource management tasks to serve the community. The focus of the BUMDes management is not like a company in the village so it does not run well. BUMDes is not used as the main source of livelihood. BUMDes is implemented as a sideline of the BUMDes management.

This is different from what the village government expects, which is that those who manage BUMDes are those who make BUMDes their main task and job. In addition, the 10% incentive from each income unit is also uncertain. Therefore, BUMDes is considered by the management to be less promising. The issue of the capacity of human resources of BUMDes administrators when viewed from the situation in Oemolo village, leads to how the readiness of the BUMDes administrators' resources itself. The management in Oemolo village thinks that BUMDes cannot be the main source of income. This is due to the characteristics of the community itself, which is communal. To be able to see the role of BUMDes in empowerment, the research team tries to discuss it by looking at how the BUMDes management is empowered, especially seen from the level of community empowerment. This can be illustrated through the matrix below.

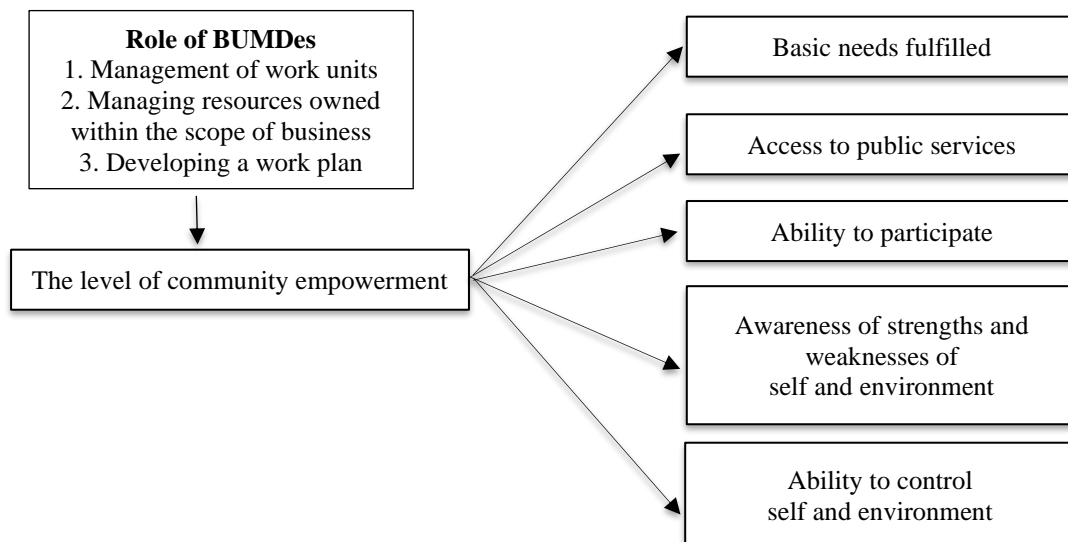


Figure 2. Matrix of BUMDes Role with Empowerment
(Source : Author, 2024)

a. Basic needs fulfilled

The people of Oemolo village generally make their living as dryland farmers. Maize is the main source of fulfillment of basic needs. The corn produced is used as a source of income and fulfillment of the pagan intake of the community. In addition, farming is also a source of income for the community. Raising cows, pigs, and goats to be sold to meet the needs of life. BUMDes exists in Oemolo village to BUMDes exists in Oemolo village to increase village revenue and make it easier for the community to obtain village facilities to increase the productivity of agricultural products and community businesses.

However, BUMDes is considered to have not fully supported the work in the village because of the limited number of items for rent. Another obstacle, the community still has the thought that the community loses by renting in the village, this is because it can increase expenses for rent. Fulfilling needs through offers from BUMDes through savings and loan businesses for the community also cannot support the fulfillment of needs because it is not carried out properly by the business community. With the existence of BUMDes, the fulfillment of community needs has not been too significant.

b. Access to Public Services

Every community gets public services from the government. As an answer to the presence of the government, access to public services is carried out to the community, including communities in remote areas. Public services are also felt by the community in Oefeto village. Bureaucratic administrative services to the community, and health services for example. For village programs such as empowerment, direct assistance, and other programs from the government.

BUMDes is a government program that is carried out to empower village communities. The Oemolo village community already knows about this BUMDes program even though it has only been running for approximately 4-5 years. BUMDes Manekan is socialized to the village community one of which is to help solve public problems in Oemolo.

c. Ability to Participate

Most of the Oemolo village community is aware of the rental services available at BUMDes but utilization is less of an option. Some who can access BUMDes services say that BUMDes helps support their work in gardening. But some who do not use it say that they prefer to work manually as they did before BUMDes. The use of other services, namely other BUMDes, also experiences obstacles. Such as the utilization of capital loans by the community. The community was introduced to savings and loans in the BUMDes, but in practice, the community was unable to manage the business that had been established. The borrowed business capital is unable to be returned because it is used to spend on basic needs. This can be considered as a failure of the community to participate in BUMDes programs. This situation makes BUMDes fail to grow and cannot help realize village independence.

d. Awareness of Strengths and Weaknesses of Self and Environment

BUMDes programs in Oemolo village are a benchmark to see how the village community can recognize its strengths and weaknesses. In responding to how BUMDes works to support the fulfillment of village community needs and village development, the community has done so. Understanding the existence of BUMDes for some communities is considered helpful. But some still think of BUMDes as other government assistance programs such as social assistance, not about empowerment.

The presence of BUMDes in Oemolo village is actually due to the understanding of the village apparatus that must increase the income of its community to achieve self-reliance. With the efforts of the village government, which is the only one to receive village assistance such as corn shelling machines to support the work of the village community, it is progress. But this understanding is not in line with the community. BUMDes is not fully able to help the independence of the village because it is enjoyed by only some people.

The community's level of understanding that the products in the BUMDes should be free assistance, not rented by the community. The community should be able to access such assistance without incurring rental costs. The community understands that the village government and BUMDes management should not charge rent from the village community because it should be sourced from village funds. This understanding also makes BUMDes weak in the eyes of the community. The provision of capital loans is not followed by proper and timely returns from the service users. The return of business capital is always impossible because the business capital cannot be managed properly and there is an unbalanced understanding of the business capital. Business capital is seen as village assistance. It is not seen as a stimulus fund for business generation in the community, so the thought of repayment is not thought of as mandatory. What the community thinks is that BUMDes is not like a bank that will impose sanctions if they do not return the business capital.

The situation in the Oefeto community occurs actually because of the level of understanding in the community. The environment that is still thick with traditional culture should also be taken into account in BUMDes management. The existing BUMDes concept prioritizes those that increase capital. Meanwhile, the community still understands that everything is done because of social principles and cannot be replaced by returning capital. So the biggest weakness of this BUMDes is due to the understanding of the community who do not think that there is any cost reimbursement in the use of tools.

e. Ability to Control Self and Environment

The strengths and weaknesses described in the section above can describe the ability to control themselves and the environment of the Oemolo village community. The village government with its the ability to direct the community so that the village can be empowered independently with good BUMDes management. The programs in BUMDes are deployed to help the community. The management of BUMDes Manekan is also selected by deliberation to carry out business management but still clashes with other interests outside of BUMDes. The community as actors and beneficiaries of BUMDes Manekan is also actually still not able to fully use the services of BUMDes due to constraints of traditional understanding.

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CONCLUSION

Oemolo Village has been implementing its BUMDes program since 2018. With the existence of BUMDes, it is expected that there will be more changes in the progress of the village. But in reality, the role of BUMDes in Oemolo village offers business types that are still fairly common. These types of businesses are too general and are only needed at certain times. This type of business is also generally seen by the community as not helping too much and some even consider that this type of business adds to expenses. Another obstacle to the implementation of BUMDes' role is the community's view of BUMDes itself. An increase in good understanding for BUMDes managers is a good thing for village progress. When human resources have a good capacity to understand village conditions, creativity will also be formed and can play a role in empowerment.

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