
THE PERFORMANCE OF VILLAGE-OWNED ENTERPRISES (BUMDES) IN IMPROVING THE COMMUNITY ECONOMY

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Abstract

Institutional performance of BUMDES in running an internal business by serving the needs of community members such as basic needs, rental of goods, managing tourist parks, selling local products, and others, with low risk so that it can run smoothly and sustainably as expected. BUMDES which grows from social solidarity and local wisdom is quite strong and sustainable this is due to local wisdom that is full of local products, which is a factor that greatly affects the durability and sustainability of BUMDES

Keyword: *Performance, Bumdes and Economy*

INTRODUCTION

Accelerating economic development towards sovereign self-reliance is a crucial thing to do, and is always up-to-date for further study. However, other experts argue the opposite, namely that any improvement efforts for rural areas are difficult to achieve and may not even succeed. This is mainly due to the very low capital ownership in the rural sector, so the most important principle is to utilize village economic resources and promote maximum economic activity in the village through increasing value-added economic activities. Stabilizing the structure of economic institutions, such as village-owned businesses (BUMDES), is a necessary step in the development of villages. Rural economic institutions to date remain an important part and at the same time are still a weak and strong point in the context of efforts to realize the economic independence of the village (Rahadjo, 2011:15).

Village-owned enterprises (BUMDES) are institutions formed by the village government and the community based on prevailing laws, regulations, and agreements among village communities. The purpose of BUMDES is to improve and strengthen the village economy through its function as a commercial institution through local resource offerings. The financial condition can be determined by comparing the amount of income received with the costs that must be incurred. For example, the BUMDES buys agricultural products per kg at IDR 1.000 and sells them in the market at IDR 1.250. The difference between the purchase price and the selling price is the income of the BUMDES.

The establishment of village-owned enterprises (BUMDES) gives the village government the authority to manage natural and human resources autonomously in order to determine programs that are beneficial to the village's potential. As a result, the village government and community must decide to assure the village's long-term and short-term needs. UU No. 6/2014 mandated that all villages establish village-owned enterprises (BUMDES), although not all BUMDES institutions operate efficiently.

METHODOLOGY

Research methods are systematic and organized ways and procedures to investigate a particular problem to obtain information to be used as a solution to the problem. Penelitian ini menggunakan pendekatan kualitatif deskriptif. The researcher is the main instrument in this research so the validity of the data can be accounted for by the researcher. Researchers here are full observers because they only aim to obtain data through interviews and observations. Data can be collected from different data settings. The data settings in this research are natural settings where phenomena or events normally occur, called noncontrived settings, and artificial settings, either at the respondent's home or on the street, called contrived settings. Data can also be sourced from within the organization, called internal data sources, or from outside the organization, called external data sources (Juliansyah, 2011:289).

RESULT AND DISCUSSION

Until 2020, the total population in Giri Sasak Village was recorded at 5,267 people, with a total of 1434 households. The economic situation of the population mostly makes a living as farmers and farm laborers, in addition, there are also traders, carpenters, construction workers, Indonesian workers out of the country (TKI), and others. Of the 320,365 hectares of Giri Sasak Village, by the allocation of land use: 124 hectares of agricultural land/rice fields, 30 hectares of garden land, and 120 hectares of dry land/hills, in addition to other allotments (Monography Desa Giri Sasak, 2020).

Table 1 The population details of all Dusun in Giri Sasak Village, Kuripan.

No.	Dusun	Number of Households	Male Population	Female Population	Number of Souls
1	Perendekan Utara	214	380	412	792
2	Perendekan Selatan	512	903	1012	1915
3	Lendang Sedi	325	566	632	1198
4	Bantage	268	450	527	977
5	Tanak Pote	115	182	203	385
Jumlah		1434	2481	2786	5267

Table 2 Distribution of Types of Work

NO	SEARCH TYPE	AMOUNT
1	Housekeeping	2.350
2	Student	50
3	TNI	3
4	POLRI	1
5	Employee	31
6	Merchant	152
7	Honorarium employee	50
8	Farmers	2.251
9	Employees	90
10	Labor	50
11	Builder	47
12	Not working/unemployed	196

Socio-cultural circumstances, approximately 100% of the 5,267 people living there are Muslims. The residents of Giri Sasak Village have a pleasant religious environment, and they cooperate when there are communal events.

A. BUMDES Business Unit

1. Multipurpose Unit

The multipurpose business unit is a company that trades basic goods like eggs, rice, oil, and other products. This facility works with nearby farmer groups and purchases rice and eggs from farmers and chicken breeders in the area. This unit has a starting capital of Rp. 75,000,000 and monthly income of Rp. 28,000,000. Because the surrounding community is this unit's market segment, it was founded to stabilize the community's needs by purchasing food at a reasonable price and selling it without trying to make a large profit. This business unit has been operational for roughly five years. This unit has gone through ups and downs in dynamics sales during the development.

2. Finance unit

BUMDES is responsible for managing the savings of elementary school students in the Kuripan Sub-district within this business unit. Before the class rises, the funds that are deposited into BUMDES are processed as extra capital and given back.

B. Community Participation in BUMDES Development

The village and the community itself serve as indicators of how well BUMDES young spirit has developed the community's economy since it started in 2017. As a result, the following are examples of community involvement in BUMDES's process of people's economic development:

1. Planning

Community involvement in planning begins with the community's establishment of BUMDES as an independent village organization with the power to direct village business operations. The community's attendance during the socialization and planning of BUMDES events constitutes additional community participation in the planning process.

2. Implementation

Community involvement in execution comes after planning; this is one way that BUMDES involves the community in the management of its business units. The tourism section oversees community involvement in preserving the cleanliness of the Batu Gendang and Bukit Leddu tourist areas. Under the supervision of BUMDES managers, implementation of people's economic development takes place following the conclusion of planning. Building the amenities required to ensure visitors' comfort and upholding the cleanliness of the surrounding tourist destination are two ways the community contributes to tourism development initiatives. Following the tour, the locals can recoup their costs by setting up parking lots, selling booths, and hiring security for popular tourist destinations.

3. Monitoring and evaluation

BUMDES activities require monitoring and evaluation in order to established business units to function in accordance with the schedule. planned, community members, village government, and BUMDES managers all have a responsibility to provide supervision.

The community plays a critical role in the monitoring and assessment processes. Currently, the community involved in monitoring every business unit that BUMDES operates to meet the needs of the community. Based on the information, the community's engagement in BUMDES is fairly excellent; the community involved more than just supervision. To move BUMDES in a better direction, the community needs to be consistent and creative.

C. BUMDES Performance in Improving the Community Economy

BUMDES is a pillar of economic activity in rural areas that functions as a *social institution* and commercial *institution*. Therefore, in running its business, the principles of efficiency and effectiveness must always be emphasized, thus it is hoped that the existence of BUMDES will be able to encourage the dynamization of economic life in rural areas. Based on information from several informants BUMDES services in Giri Sasak Village can be carried out professionally. This can affect economic growth in the future. So that it can absorb local products. Good BUMDES performance can be analyzed from several parameters, including the quality of services provided to village communities, business profits, and sustainability. Good services will trigger the community to participate in the BUMDES. Stable and increasing revenue and profit will maintain the sustainability of the BUMDES itself.

Based on the identification results, it is known that there are five opportunity strategic factors that affect the improvement of BUMDES performance, namely a) Broad and dynamic market potential; b) Development of the regional tourism sector; c) Development of information technology; d) Local culture or social solidarity; e) Private and government support

The meaning of the regulation on village governance implicitly emphasizes that the implementation of village development must be supported by village revenue. Therefore, the village needs BUMDES so that the village will be able to increase its income. The research results explain that the process of establishing BUMDES institutions falls into the typology of recognition, namely the establishment process is a combination of initiatives from above (government) and initiatives from within (community). Recognition is the government's acknowledgment of the Village entity. If the government wants to strengthen the village, it does not need to establish new institutions, but rather recognize, support, and strengthen existing assets and institutions. The implication is that this typology requires good institutional governance and performance and the human resources that manage it must be qualified to be able to bring BUMDES as an economic institution that can mobilize the economic potential of the community. These two basic assumptions must exist if BUMDES is to be an economic instrument to drive community prosperity, with direct benefits, namely Intermediary Institution, BUMDES intermediates the commodities produced by the community in a broader market so that BUMDES shortens the distribution path of commodities to the market. This will have a major economic impact on the community as producers. Revenue from this unit can reach an average of IDR 2,500,000 - IDR 3,000,000 per month. Next, Joint Venture, BUMDES builds an integrated business system that looks at many businesses in the village. For example, managing a tourism village and opening the widest possible access for residents to be able to take on various performances and roles needed in tourism business activities. Like this Leddu Hill and Batu Gendang tourism provide the largest income among existing business units in BUMDES, in 2021-2022, income per day can reach Rp. 1,700,000 is a weekday, on holidays it can reach more than Rp. 4,000,000 in a day.

The explanation of the classification of existing business units in BUMDES based on theory, wants to connect with the efforts made by the village government in developing rural communities. Village community development is a community movement supported by the government to advance village communities

D. BUMDES Performance Data

The income received by BUMDES from the operation of the firm. For example, if they buy products for rent, they get paid after they use them, and there are also partial payments with advance payments. Employee recognition, in the business that we run, must necessitate expenses, namely assets needed to generate income over a specific time period, therefore there are numerous forms of costs, namely:

1. Cost of goods sold

The cost of goods sold is the costs that must be incurred directly or indirectly to produce products (goods or services) to be sold. For example, if you have a food production business unit that is sold to supermarkets or markets, then all raw materials and employee wages are the cost of goods sold.

2. Operating costs

Operating costs are all company expenses used to run a business, general operating costs can be divided into two, namely, selling costs and general costs. Selling costs are costs incurred in connection with product sales activities (goods or services). General costs are costs incurred to support product sales activities such as office stationery, telephone, electricity, water, and employee salaries.

3. Other expenses

Other costs are costs that are not included in the cost of goods sold and operating costs. For example, BUMDES has a loan with an institution or bank and pays interest on the loan every month (Nugroho, 2005:36)

Table 3 Income and Outflow Cash BUMDES

NO	MONTHS	OUTGOING CASH	INCOME
1	January 2022	Rp. 15,000,000	Rp. 35,000,000
2	February 2022	Rp. 10,000,000	Rp. 27,000,000
3	March 2022	Rp. 10,000,000	Rp. 19,500,000
4	April 2022	Rp. 18,000,000	Rp. 32,000,000
5	May 2022	Rp. 20,000,000	Rp. 49,300,000
6	June 2022	Rp. 9,000,000	Rp. 19,800,000

In economic accounting science, it is known that the properties of evidence must be present in it. Without the properties of this evidence, recording or bookkeeping becomes meaningless, the properties of the evidence are related to the nature of the transaction, which indicates the type of transaction evidenced in the record. For example, payment of debts, purchase of raw materials, rental payments, receipt of rental proceeds, receipt of product sales, and others. Mentions the parties involved in the general transaction process. For example, who is involved in the process must be explained and then recorded in the journal book. For example, BUMDES purchases raw materials from UD "Makmur" in cash worth Rp. 2,500,000. in this party UD Makmur is the seller and BUMDES is the buyer. Mentioning the type of goods or services in the transaction the type of goods or services purchased or sold must be

recorded correctly (Nugroho, 2005:40). From the explanation above, we know that the performance of BUMDES is quite good, although its income still fluctuates it has been able to manage the costs incurred into the benefits obtained

CONCLUSION

Institutional governance is a key factor determining the business success of each type of BUMDES. This is because each type of BUMDES business does not stand alone but has a chain link with other factors that greatly affect business sustainability. This linkage is like a chain and if this chain is broken then the business conducted by the BUMDES will be affected, BUMDES sustainability is strongly influenced by the scale and reach of the business. BUMDES runs internal businesses serving the needs of residents such as basic needs, hand tractor rental, cooking equipment rental, managing tourism objects, and others, with local and national scale and generally face low risks so that they can run healthy and sustainable. Of course with the caveat that the BUMDES is managed with adequate managerial capacity and that it grows out of social solidarity and local wisdom.

BUMDES performance has been good in planning, implementing, controlling, and utilizing BUMDES implemented from the community, by the community, and for the community that utilizes the potential around the village. However, its implementation is still constrained by limited Human Resources.

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