The Implementation of Increasing Village Income Through Village-Owned Business Entities

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ABSTRACT

The purpose of this study was to determine the increase in village income through village-owned enterprises. The research method used is a normative-empirical legal research dualism where the research uses a normative-empirical legal case study in the form of a product of legal behavior. The approach used is a juridical approach and analytical techniques using qualitative analysis methods. The results of this study indicate that Government Regulation Number 11 of 2021 concerning Village-Owned Enterprises on increasing Village Original Income has not been effective in improving community welfare. The social benefits in implementing this program have not been felt so it is necessary to increase it.

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I. INTRODUCTION
A. Background

The constitutional foundations of Indonesia as a state organization since 1945 in the 1945 Constitution have historically undergone a period of change. Indonesia is one of the countries that put forward the constitution in every aspect of the life of the nation and state.

One of the important rationales of implementing regional autonomy is to improve the performance of district and city governments. With autonomy, districts and cities have the authority to formulate development policies and programs by regional aspirations and needs. District and city governments are expected to be more responsive in responding to various problems that develop in their regions so that development programs become more effective in solving various problems that exist in the region.

Moreover, regional autonomy also gives authority to regions to allocate budgets by regional priorities and needs. Under these conditions, district and city government programs and policies will be better able to respond to community needs. What's more important is that it is now one of the most efficient steps in doing business. To quote as said by Fence M. Wantu in his Journal that the essence of justice is an assessment from one person to another, which is generally seen from the party receiving the treatment only. The government through the law has provided a starting point for justice, which is carried out for justice based on God Almighty. Provide protection for basic rights or human dignity, especially for justice seekers. The characteristic of responsive law is to look for the implied values contained in regulations and policies. In this responsive legal

5. Fence M. Wantu. (June, 2013). Judge Constraints In Creating Legal Certainty, Justice, And Benefits In Civil Court. Journal of the Legal Pulpit. 25(2), 206
model, they express disapproval of the doctrine which they regard as a standardized and inflexible interpretation. As the party issuing the policy, the Government must be able to see the balance in social life. The results of policies issued by the Government are solely derived from the wishes of the people.

The implementation of village government is inseparable from the implementation of regional autonomy. The village government is the leading unit in service to the community and the strategic spearhead for the success of all programs. Therefore, efforts to strengthen villages are a step to accelerate the realization of community welfare. The implementation of village government is a sub-system of the government administration system so that the village has the authority to regulate and manage the interests of its people. The village government in carrying out development tasks and providing services to the community must pay attention to the working partnership relationship in the administration of its government. The partnership in the administration of village government means that in carrying out development tasks and providing services to the community, all village government officials, be it the village head, village secretary, and the Village Representative Body (BPD) and other village officials must understand the capacity that is the responsibility of the village government. their respective powers and duties. Village development should be pursued to improve the quality of life and community welfare. One thing that is needed to accelerate the economic growth of rural communities is to establish Village Owned Enterprises (BUMDes). According to Wayan Budiarta, BUMDes as a social institution favors the interests of the community through its contribution to the provision of social services. Meanwhile, as a commercial institution, it aims to seek profit through offering local resources (goods and services) to the market. In running its business, the principles of efficiency and effectiveness must always be emphasized.

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10 Putri Handayani Nurdin, (July, 2019), Legal Politics of Political Education Regulations by Political Parties. JALREV 1 (2), 146
11 Wayan Budiarta, (2017), The Effectiveness of the Role of Village Regulations (Perdes) in Preventing Non-Performing Loans in Village Owned Enterprises (Bumdes) Guna Artha in Tri Eka Buana Village, (e-journal of SI ak University of Education Ganesha Department of Accounting SI Program, 7, 1
BUMDes as a legal entity was formed based on the prevailing laws and regulations and by the agreements that were built in the village community. So the form of BUMDes can vary in every village in Indonesia. This variety of forms is by the local characteristics, potentials, and resources of each village. State involvement is also one of the characters of the conflict phenomenon. So that this becomes the constitutional right of every Indonesian citizen.¹²

In line with the progress and the rapid pace of science and technology today.¹³ The role of BUMDes in implementing village governance and empowering rural communities based on community initiatives serves to stimulate, facilitate and protect and empower the economic welfare of rural communities. When reflecting on the role of village government in the implementation of community empowerment programs so far, BUMDes is expected to be a revitalization of the role of village governments in local economic development/community empowerment. One of the functions of other BUMDes is to accommodate the aspirations of the community, namely to handle and channel the aspirations received from the community to the authorized official or agency.¹⁴

The existence of BUMDes is very strategic, whereas an institution belonging to the village economy will be able to contribute to increasing village original income sources (PADes) so that villages can carry out development through local initiatives to improve the welfare of rural communities independently. The above conditions are not in line with what was experienced by Bumdes in Koluwoka Village, East Sumalata District, where based on the observations made by the author, it was revealed that the current Bumdes did not have a significant influence on the welfare of the people in Koluwoka Village, East Sumalata District. According to the acknowledgment of the Head of Bumdes in Koluwoka Village, East Sumalata Sub-district, Mrs. Hadijah Mamu, for the last two years, the Bumdes that she has led has not provided income to village income.

B. Formulation of the problem

In this paper, the author formulates problems related to increasing village income through village-owned enterprises

C. Research methods

¹⁴Ni'matul Huda. Local government law. (Bandung: Nusa media, 2009), 130
The research method used is a normative-empirical legal research dualism where the research uses a normative-empirical legal case study in the form of a product of legal behavior.\textsuperscript{15} The approach used is a juridical approach and analytical techniques using qualitative analysis methods.

\section*{II. DISCUSSION}

\textbf{The Effectiveness Of Increasing Village Income Through Village Owned Business Entities}

In-Law Number 6 of 2014 concerning Villages Article 1 it is written that Village-Owned Enterprises, hereinafter referred to as BUM Desa, are business entities whose entire or most of the capital is owned by the village which is separated to manage assets, services, and other businesses for the welfare of the community village. Then, this was changed through the Job Creation Law Number 11 of 2020 articles 117 and 185 written Village-Owned Enterprises, hereinafter referred to as BUMDes, are legal entities established by villages and/or together with villages to manage businesses, assets, develop investment and productivity, providing services, and/or other businesses for the maximum welfare of the community.

Government Regulation of the Republic of Indonesia Number 11 of 2021 concerning Village-Owned Enterprises, article 1 Village-Owned Enterprises, hereinafter referred to as BUMDes, are legal entities established by villages and/or together with villages to manage businesses, utilize assets, develop investment and productivity, providing services, and/or providing other types of business for the maximum welfare of the Village community. Village-Owned Enterprises (BUMDes) are village business institutions managed by the village government as well as the village community to strengthen the village economy and formed based on the needs and potentials that exist in the village.\textsuperscript{16} So that in modern times is an era where humans are required to develop themselves.\textsuperscript{17} Thus encouraging creativity in providing public services.\textsuperscript{18} From the description

\begin{footnotesize}
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\item Abdulkadir Muhammad. Law and Legal Research Cet-1, (Bandung:PT Citra Aditya Bakti, 2014), 52
\item Daffodil, Dolot Alhasni. (2020) Determination of Legal Protection for Neighboring Right Holders. JALREV 2 (1), 67
\end{enumerate}
\end{footnotesize}
above, none of them discusses how human rights exist in the management of BUMDes, the point is that village-owned income certainly creates community rights in, for example, providing opportunities for the community to develop themselves in doing business. So that in this case, the community and the village government can work together for economic development, there is a symbiotic mutualism of the cooperation itself. Cause too Human rights are part of the administration of justice within the framework of an independent judiciary. The existence of human rights (HAM) will not have any meaning if it is not followed up with the law that regulates the relationship of these rights, meaning that it is the law that formalizes human rights into a set of rules to maintain and protect so that they do not become clashes in society, social and state life. The government has not implemented the level of service expected, especially by the people who are the target of its services. This is a strategic step to realize the national goal. This can happen if the village government realizes that the inherited conditions are internalized into the development program (endogenous development). Merely in the implementation of development is nothing but the welfare of the people themselves.

The definition of Village-Owned Enterprises (BUMDes) above can be concluded that BUMDes is a legal entity in a village that is legal and sided with the interests of the community and village in terms of developing village potentials to increase community economic income and increasing Village Original Income (PADes). As explained above, Government Regulation Number 11 of 2021 concerning Village-Owned Enterprises has mandated the Management of Village-Owned Enterprises (BumDes) in every Village Government in Indonesia. Intending to carry out economic business activities as mentioned in Article 3 paragraph 1-5 as follows.

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21Fahmi Kamuli, (2021), Regional Head's Authority in Determining Work Placement Due to Mutations of Government Employees, Journal of Law Review. 3(1), 39
“BUM Desa/BUM Desa together aim to:

1. carry out economic business activities through business management, as well as investment development and economic productivity, and village potential;
2. carry out general service activities through the provision of goods and/or services as well as the fulfillment of the general needs of the Village community, and manage the Village food barns;
3. obtain a profit or net profit for increasing the Village's original income and developing the maximum benefit from the economic resources of the Village community;
4. utilization of Village Assets to create added value to Village Assets; and
5. developing a digital economic ecosystem in the village”

Referring to the government regulation, the implementation of the management of BUMDes is expected to be well directed as intended by the BUMDes, the Koluwoaka Village Owned Enterprise under the name BUMDes Putih Merah, East Sumalata District, in this case, has been established since 2016 and has had programs to support the needs of community activities. The implementation of the program is also expected to be able to provide benefits and sustainability to BUMDes in the region. So that the implementation of the law creates more order in the community itself. This situation is aimed at physical and legal implementation, not only because of difficulties in carrying out obligations. The basic principles that mark clean government universally include legal certainty, transparency, and accountability.

The BUMDes Koluwoaka as described above has been operating for approximately 5 years and is expected to be able to effectively achieve its goal of contributing as a form of community welfare. With 5 business units in various fields. The five business units are borrowing chairs, borrowing tents, borrowing palapon, buying and selling fishing gear for fishermen, and borrowing wedding equipment (aisle rental). This BUMDes as explained by Ms. Hadijah R. Mamu As the Head of BUMdes assesses that there has been a sufficient role to facilitate

25 Government Regulation Number 11 of 2021 concerning Village-Owned Enterprises
access for rural communities in obtaining services, for example, aisle rental and installation services, according to her statement:

"With the village-owned aisle rental business, at least it can absorb 3 to 4 workers, from the rental service there is at least an increase in income even though it is one hundred thousand rupiahs per person and once or twice a month"

Based on Ms. Hadijah's statement, the role of BUMDes in this aisle rental business unit did help a little for the income of 3 to 4 villagers. However, according to the head of BUMDes, the number of requests for aisle rentals at this time has greatly decreased, this is because the aisles and tracts are no longer as good as they used to be, but shrinkage that has not been repaired or renovated. If you pay attention to this, this business unit has not had a significant impact on increasing the village's original income and providing welfare for the village community. BUMdes Putih Merah Koluwoka Village in this case needs to transform the implementation of the BUMdes Program so that it can provide benefits for the community and the village. As in the interview with Mr. Rusdiyanto Kaluku S.IP as the Head of Koluwoka Village as follows:

"In my opinion, the White and Red BUMDes in Koluwoka Village need to carry out a transformation in the implementation of the program to provide an increase in the village's original income and provide welfare for the community. The village community especially belongs to Koluwoka Village, so this must be an evaluation for the administrators to be able to provide good changes as I said earlier"

In line with what was conveyed by Mr. Rusdiyanto above, Mr. Ahmad Usman also held the following opinion:

"I see that this BUMDes Putih Merah village, Koluwoka village has not had much impact on the village and its people, I think this needs to be addressed by the administrators, if I look at what has been going on so far it has not fully complied with the provisions, in terms of program implementation. I see that there is nothing on which to base it."

If you look at and pay attention to the two opinions above which are in line, the author concludes that the implementation of the program at the BUMDes Putih Merah Koluwoka Village needs to make improvements, especially concerning

29 Interview with Hadijah R. Mamu’s mother on September 15, 2021
30 Interview with Mr. Rusdiyanto Kaluku as the head of Koluwoka village on September 15, 2021.
31 Interview with Mr. Ahmad Usman as the secretary of Koluwoka village on September 16, 2021.
the preparation of a vision and mission that is targeted effectively, good program
preparation, and implementation that refers to regulations. current regulation.
Researchers see the problems that occur in the management of this white and red
BUMDes, Koluwoka Village, which lies in the coordination of the Village
Management and Government, which should be able to be done but is less of a
concern, besides that the village government's efforts in increasing the usefulness
of the BUMDes in Koluwoka Village are considered lacking so it is necessary to
improve this.

Government Regulation Number 11 of 2021 concerning Village-Owned
Enterprises has provided a good reference in the governance of the BUMDes,
especially concerning the implementation of operations as referred to in Article
27 Paragraph 1 letter a to letter c as follows:

“Operational implementation as referred to in Article 24 has the authority to:

a. together with advisors and supervisors, discuss and agree on the BUM
Desa/BUM Desa household budget together, and/or its amendments;
b. take decisions related to the operationalization of the joint BUM
Desa/BUM Desa business in accordance with the policy lines of the
BUM Desa/BUM Desa jointly stated in the Articles of Association, by-
laws, and decisions of the Village Deliberation/Inter-Village
Deliberation;
c. coordinating the implementation of the Village BUM/Village BUM
Business together both internally and with other parties;

If you look at the Government Regulations above, the Village Government and
BUMDes Management must carry out good coordination for the implementation
of the well-directed BUMDes Program. Talking about the effectiveness of an
organization in bringing a positive influence to its goals is something that needs
to be studied so that every actor in the organization realizes where his
weaknesses lie and respond immediately to solve them so that the achievement
of goals is maximized. Based on the results of the interview with the Head of the
Koluwoka BPD, Mr. Riman Ntuna in October 2021 regarding the level of
effectiveness in achieving the goals of BUMDes Koluwoka for the welfare of the
community, he said:

32 Article 27 paragraph 1 letter ac Government Regulation Number 11 of 2021 concerning Village-
Owned Enterprises
"When asked about the maximum problem of BUMDes in fully prospering the community, I don't think so, but at least, if we look at the output, people who join BUMDes can at least survive, but I don't think that's the only responsibility of BUMDes in a program. the village, if I see it should be even more maximal in increasing its usefulness". ³³

In addition, the village community also assessed that the role of the BUMDes Koluwoka did not provide overall benefits to the village community because according to them the management procedure did not see the reference to the applicable rules, as stated by Mr. Nawir Rahman:

"I see the implementation of the Koluwoka BUMDes program as less focused so that the benefits are felt to be lacking so that the entire community does not get the benefits, I think the fault lies in the reference to its implementation, in this case, the applicable laws and regulations governing the operational procedures for implementing BUMDes governance." ³⁴

I In line with this, Hadijah Mamu's mother has the following opinion:

“"At the initial establishment of BUMDES in 2016 they did not have a Standard Operating Procedure (SOP) in running BUMDES Programs, they only received financing capital from the Village Government through the Village Fund. After receiving the initial capital from the Village Government, they immediately run the activity program as above without SOPs, and until now they cannot calculate how many gains and losses were experienced by BUMDES due to the inability of the BUMDES management in carrying out programs and not having long-term planning "³⁵.

The results of the researcher's interviews with some of the informants above can be seen that so far the Village Owned Enterprises have not been effective in improving the welfare of the community. The social benefits in implementing this program have not been felt so it is necessary to increase it. In addition, it is also necessary to make the applicable laws and regulations a reference so that all matters relating to BUMDes and their benefits to the Community and Village can be directed properly. So that these actions are

³³ Interview with Mr. Riman Ntuna as Chairman of BPD Koluwoka on September 17, 2021
³⁴ Interview with Mr. Nawir Rahman as the Community Shop of Koluwoka Village on September 16, 2021
³⁵ Op Cit, Hadijah Mamu Interview....
detrimental to the general public and often even violate the legal norms that apply to the general public. Norms that develop in society are flexible and encourage creativity in providing good public services. So with this the need for supervision in their respective work environments.

III. CLOSING

A. Conclusion

Government Regulation number 11 of 2021 concerning Village-Owned Enterprises to increase Village Original income has not been effective in improving community welfare. The social benefits in implementing this program have not been felt so it is necessary to increase it. In addition, it is also necessary to make applicable laws and regulations in this case Government Regulation Number 11 of 2021 concerning BUMDes as a reference so that all matters related to BUMDes and their benefits for the Community and Villages can be fully felt so that improvements are needed, especially concerning the preparation of BUMDes, effective targeted vision and mission, good program preparation, and implementation that refers to the applicable laws and regulations.

B. Suggestion

The problem that occurs in the management of the White and Red BUMDes in Koluwoka Village lies in the coordination of the Village Management and Government which should be able to be carried out but has received less attention, besides that the village government's efforts in increasing the usefulness of the BUMDes in Koluwoka Village are considered lacking so it is necessary to improve this.

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