



THE INITIATION OF JOINT VILLAGE-OWNED ENTERPRISES (BUMDES) TO INCREASE THE ECONOMY OF VILLAGES IN JAMBU SUB-DISTRICT SEMARANG REGENCY

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ABSTRACT

The aim of this service was to provide knowledge and assistance to the implementers of Village-Owned Enterprises as well as villagers representatives in relation to the formation of Microfinance Institution-based (LKM) Joint Village-Owned Enterprises (BUMDes). This LKM BUMDes was intended to carry out the economic empowerment of the potential Jambu District community. The reasons underlying this formation were the existence of pengijon system (early buying system long way before the harvest time), moneylenders and tebas panen system (a selling system which occurs close to the harvest period done by middlemen) in giving loan to the community. This surely disserved the people of Jambu Sub-district who mostly work in the agricultural sector. The next problem was the lack of skills and knowledge about the management of BUMDes. Therefore, this service was expected to increase the knowledge and understanding of the village government in the Jambu sub-district and the community regarding the management of BUMDes. Besides, the existence of this service can later produce an ideal model of the BUMDes microfinance institution that is able to empower the community.

Tujuan dari pengabdian ini adalah untuk memberikan pengetahuan dan pendampingan kepada Pelaksana Badan Usaha Milik Desa serta perwakilan warga kaitannya dalam pembentukan BUMDes Bersama berbasis Lembaga Keuangan Mikro. LKM BUMDes ini dimaksudkan dalam rangka melakukan pemberdayaan ekonomi masyarakat kecamatan Jambu yang potensial. Permasalahan yang timbul selama ini adalah masih banyaknya sistem pengijon, rentenir dan tebas panen dalam memberikan kredit kepada masyarakat. Hal ini tentunya merugikan bagi masyarakat kecamatan Jambu yang sebagian besar berprofesi pada sektor pertanian. Permasalahan selanjutnya yang dihadapi oleh desa di kecamatan Jambu adalah kurang adanya kecakapan dan pengetahuan tentang pengelolaan BUMDes. Adanya pengabdian ini diharapkan dapat menambah pengetahuan dan pemahaman pemerintahan desa di kecamatan Jambu dan masyarakat tentang pengelolaan BUMDes. Disamping hal tersebut adanya pengabdian ini nantinya dapat menghasilkan model ideal Lembaga Keuangan Mikro BUMDes yang mampu memberdayakan masyarakat.

INTRODUCTION

The development that is always focused on the city results a massive urbanization. As a consequence, village is no longer interesting for productive age citizens. Most of these citizen are more interested in searching for a job in big cities once they graduate from Senior High School because of the limited job vacancies in villages. Similarly, there are still few of university graduates who return to villages to develop them.

The urbanization culture done by Indonesia villagers is somewhat in a large number. For example, based on the 2016 ministry of finance, there were 70.508 people did urbanization to Jakarta in 2015. This number increased 4% from the previous year. This large number was even not the total number of urbanization because the phenomenon also occurs in other cities such as Surabaya, Bandung, Makassar, and others. The large number certainly contributes various effects in social, economy, and also crime.

One of the factors causing the large wave of urbanization is the low income earned in agricultural business. The low exchange rate, and the decline in the interest of running agricultural business cause this field of business to be unprofitable. According to socio-economic data of Central Bureau of Statistic (BPS) on July 2016, on February 2015-Februari 2016 there was a declination of agricultural workers of 1.83 million people: from 40.12 million people to 38.29 million people. (BPS, 2016). Moreover, farmers' problems are not only these. They also experience a capital problem. This problem is caused by the fact that there are still many pengijon system and middlemen which can disserve farmers. Therefore, the presence of financial institution in village is aimed at improving the ease of financial access for villagers. BUMDes is one of the village economy independence which mobilizes strategic business units for the village collective economic businesses (Ministry of Villages, Disadvantaged Regions and Transmigration, 2015).

Jambu sub-district is one of regions in Semarang Regency, Central Java. Geographically, this sub-district is potential as an agricultural development. The agricultural products in Jambu sub-district are such as rice plant, coffee, and fruits. Besides, there are also some other products, namely jicama, jackfruit, sugar cane, and many others. Coffee is a prominent product from Jambu sub-district, Semarang Regency. This can be observed along the Semarang-Solotigo highway, Magelang.

Even though Jambu sub-district has the potential for excellence in agriculture and tourism, it has many obstacles to maximizing existing human resources. Most of the residents of the Kalangsongo village in productive age have a tendency to migrate and find work in big cities. As a result, the agricultural sector is mostly filled by people in the age group 40-60 years. This is one of the causes of the lack of economic growth in the village.

The unavailability of joint BUMDes in form of LKM in Jambu sub-district is also the cause of the lack of local potential development in the surrounding villages. The potential of agriculture and village tourism

cannot be developed by youth because of the lack of capital, aspects of assistance and innovation. This factor ultimately encourages the village youth to work in big cities and urbanize.

Based on the description of the problems, there is a need for Joint BUMDes formation with the orientation of savings and loan business activities to increase the business potential of the residents of Klangsongo village through capital. The community service carried out by the Service Team of the Faculty of Economics of Universitas Negeri Semarang (FE-UNNES) aimed to disseminate and assist in the establishment of a Joint Village-Owned Business Enterprises in Jambu sub-district, Semarang Regency.

METHOD

The implementation of community service activities was carried out in Jambu sub-district, Semarang Regency with the object of participants of village officials in Jambu sub-district, Semarang regency. Meanwhile, the method used in the activities was the provision of training materials and assistance in the formation of BUMDes to the participants. The activity was carried out with a collaborative learning model where the service team presented the material through lectures, followed by question and answer sessions, and demonstration and drill methods for practical activities.

DISCUSSION

Etymologically the term village (Desa) comes from Sanskrit, namely "Deca" which means the land of birth. According to Widjaya (2005) village is a legal community unit that has an original structure based on special origin rights. The principle regarding the Village Government is diversity, participation, genuine autonomy, democratization and community empowerment. Meanwhile Bintoro (1989) states that the village is a geographical manifestation of social, politics, and culture found in an area and has reciprocal relations with other regions. The Village Law Article 1 Paragraph (1) states that village is a legal community unit that has territorial limits that are authorized to regulate and manage government affairs, the interests of the local community based on community initiatives, origin rights, and / or traditional rights which are acknowledged and respected in the system of government of the Unitary State of the Republic of Indonesia ". By referring to this statement, it can be concluded that village is a regional unit which belongs to the smallest government structure of a country as a manifestation of geography, social and politics that has reciprocal relations with other regions.

The establishment of a Village-Owned Enterprise is based on Law Number 32 Year 2004 concerning Regional Government Article 213 paragraph (1) stated that "Villages can establish village-owned enterprises in accordance with village needs and potential" also become an important foundation in the establishment of BUMDes. In the Village Law, BUMDes are defined as business entities whose whole or part of their capital is owned by the Village through direct participation from

separated village assets to manage assets, services and other businesses for the greatest welfare of the village community.

According to Law No. 1 of 2013, Microfinance institutions are defined as financial institutions specifically established to provide business development services and community empowerment either through loans or micro-scale business financing to its members and society, savings management, and provision of consultation service on business development which are not solely for profit. Moreover, based on 1997 Micro Credit Summit in Ashari (2006), microcredit is a program that provides the small amount of loan for the poor to finance their own productive activities in order to earn income, and enable them to care about themselves and family. Meanwhile, Bank Indonesia defines microcredit as a credit provided to small industries both individuals and groups that has maximum income of 100 million rupiah per year.

The institutions that assist in the distribution of microcredit are called Microfinance Institutions (Ashari, 2006). The Asian Development Bank defines Microfinance Institutions as a means to provide savings, credit, and various financial services for poor people. Further, Krisnamurti in Ashari (2006) argue that there are three prominent elements in microfinance institutions, namely providing various services of finance, serving poor people, and using simple and flexible procedures.

The initial step of the community empowerment service was carrying out problems identification, and obstacle regarding the economic development (development of Small Medium Enterprises, and village potentials) of Kalangsongo village. Next, the socialization of LKM-based BUMDes as an alternative problem solution. In this phase, the villagers and village officials obtained the understanding regarding the importance of BUMDes as a trigger for the village economy. The module for the establishment of BUMDes prepared by the service team was distributed to be studied and understood thoroughly. It was expected that after the socialization was done, the village government with the society are able to obtain the initial picture of BUMDes to form.

Furthermore, once the socialization was carried out, the village government and the villagers with the community representatives were demanded to be able to form the formation team to form BUMDes. After this, the team was assisted by the service team to design the Standard Operational Procedures (POB). It was expected that POB would facilitate BUMDes organizers to accomplish their tasks.

The presence of BUMDes is actually inseparable from the village roles in advancing its economic life. BUMDes must exist as a medium for increasing village revenue. For more, the spirit of establishing BUMDes is the spirit of developing people's economy from the smallest sub-government that is village. In relation to this, the government has given a lot of support for the formation of BUMDes that is independent, outstanding, competitive, and able to increase people's welfare.

As the manifestation of the government's support

for BUMDes, the government provides clear legal standards for the establishment and organization of BUMDes. One of the legal standard is Law no 6 year 2014 on Village-Owned Enterprises. Other than this, there is also a financial support called as "dana desa" that provides stimulation funds for villages to advance their regional potential needs to be accommodated in an economic institution owned by the Village, in this case is BUMDes.

The facilitation and facilities provided by the government were in fact not well understood by the community members. Many community members did not know the exact role of BUMDes. This was compounded when the Village Officials did not have much information about the establishment and management of BUMDes.

The incomplete information about Village-Owned Enterprise indicate the need for comprehensive information about the role of BUMDes in the community economy. Besides, socialization is also needed to provide training for the community or village officials for the establishment, management and supervision of BUMDes.

This service aimed to present knowledge about BUMDes, especially those based on Microfinance Institutions. As for the implementation of the services that have been carried out, the service team could give an idea that the Kalangsongo Village Government, Banyuputih Sub-district, Batang Regency did not yet have a village-owned business enterprises. In addition, the village officials' understanding about efforts and pilot of Village-Owned Enterprises.

The second finding from the results of preliminary observations was that the suitable BUMDes to establish in the current period was in form of Village Financial Institutions (LKD). The reason was because the villagers of Kalangsongo apparently had enormous potential to develop micro, small and medium enterprises (MSMEs). Hence, the existence of LKD could facilitate and strengthen the business capital.

At the implementation stage, the service team felt that the implementation was in line with expectations. The team received some input from the Village Chief, Village Officials and Community representatives, namely the implementation of services was considered fruitful for them. For example, in the beginning the villagers of Kalangsongo village did not know that the proposal of BUMDes could be from the community, but after the service was provided, they know this matter. Another example came from BUMDes capital. Currently, the village officials know that BUMDes capital does not have to be fully from the Village, but also can be in the form of capital participation by the community.

The simulations of village meetings in the framework of establishing BUMDes provided an initial overview of how BUMDes were formed. In the activities that have been carried out, some village officials are now able and ready to carry out village meetings in order to form the pilot of BUMDes. Apart from that, the community and village officials are now able to compile the

Articles of Association (AD / ART), appointment of administrators and preparation of Standard Operating Procedures from Village-Owned Enterprises, especially those which operate as Village Financial Institutions.

Based on some of the elaborations above, the service team felt that the activities that had been prepared so far, and had been carried out had a positive impact on the villages in Jambu Sub-district, Semarang Regency. Additionally, the activities could be carried out periodically and evaluated to determine the continuation of the material that has been owned by Bumdes Managers from each village.

CONCLUSION

The Process of Community Empowerment through the piloting of Village-Owned Enterprises (BUMDes) with Jambu Sub-district, Semarang Regency covers: coordinating and mapping villages potentials, followed by the program of compiling the the module for the establishment and management of BUMDes, Then, the module was socialized to Community Members and Village Officials. To strengthen the pioneering spirit of Village-Owned Enterprises in each village in Jambu Sub-district, a village discussion simulation was held to form a Joint BUMDes.

The pioneering service activities of the Village Financial Institutions-based Joint Village-Owned Enterprises in Jambu District contributes knowledge to BUMDes organizers from each village regarding the establishment, management and evaluation of Village-Owned Enterprises. Furthermore, there was a collaboration between practitioners and academics in developing the available regional potentials.

There is a need for awareness and participation from all communities, not only the Village Officials and BUMDes organizers in managing and developing village potentials. The involvement of all parties, including practitioners, both public and private as well as academics is needed to play an active role in developing regional potentials.

The Community Service Activities in the Jambu Sub-district, Semarang Regency needs to be continued in the form of business assistance for the Joint BUMDes that has been initiated. This will improve the coordination that has been built in the beginning to establish Village Independence through BUMDes.

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