



Effective BUMDes Management Strategies to Improve Village Economy in Naga Dolok Village, Simalungun Regency

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ABSTRACT

The purpose of this study is to formulate a strategy in terms of BUMDes management in the context of improving the economy of the Naga Dolok village, Simalungun Regency. Increasing the community's economy that encourages rural economic development, increasing creativity and improving the community's economy, encouraging the growth and development of the informal sector micro-enterprise, increasing the income and welfare of the village community, increasing the village's original income. The research method used in this study is a qualitative research method with direct data collection techniques for conducting interviews, observations, and distributing questionnaires. In addition to qualitative analysis, the data collected will be analyzed by SWOT Analysis. The results of this study are expected to provide technical solutions that manage BUMDes so that financial problems can be resolved by the community well and BUMDes in this village can make a good contribution to the community.

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1. Introduction

Village-owned enterprises (BUMDes) are a business unit managed by the village government with a capital system derived from capital participation. The legal basis for establishing BUMDes is Law no. 32 of 2004 Article 2013 states that BUMDes development must be in accordance with the existing potential in the village. In accordance with the government's vision and aspiration to develop all villages in Indonesia. The existence of BUMDes in the Indonesian Territory has reached 35 thousand. The government hopes that the presence of this BUMDes can develop various business units by utilizing the economic potential of the village, [1]. The problem is that until now there are still very few BUMDes that are operating properly. The same is the case with BUMDes Naga Dolok Village, Simalungun Regency. The existence of the BUMDes does not have a broad impact on the community due to a lack of management knowledge and the ability to formulate more effective management strategies and the ability to solve problems and implement targeted solutions. Apart from that, the culture and habits of the people from generation to generation depend on loan sharks for their capital, where they are willing to pay high interest in order to avoid administration or credit processing from official agencies. Initially this BUMDes was built to revive the economy of the village community, where most of the population is farming and trading. The scope of BUMDes Desa Naga Dolok is currently engaged in agriculture and animal husbandry. So the main function is the provision of funds and capital to improve the community's economy. The presence of BUMDes in each village cannot be managed properly. Apart from this being a new thing, the lack of management ability is also a source of problems faced by the village. Currently villages are given the authority to manage their BUMDes and determine steps in relation to their management through village meetings. BUMDes Desa Naga Dolok is a business entity established by the community and government of Naga Dolok village, Tapian Dolok District, Simalungun Regency. However, the BUMDes did not run well. This is constrained by several problems faced by the village government of Naga Dolok. Apart from the lack of BUMDes management skills, another obstacle faced is the lack of interest and response from the community to participate in the BUMDes program of activities.

2. Theoretical basis

The establishment of BUMDes is a driving force for the growth and development of a village, [2]. The purpose of establishing this BUMDes will be achieved if the right efforts are made. BUMDes that have been



established for a long time are often not well managed, therefore a commitment is needed to manage BUMDes better, [3]. The existence of BUMDes originated from the desire and goal of the government to carry out efforts for regional / village autonomy as an effort to explore the potential of the village more optimally, [4].

According to [5], in his book, the objectives of establishing BUMDes are:

- a. Improve the village economy
- b. Optimizing village assets
- c. Improve community businesses and manage the potential in the village.
- d. Developing inter-village cooperation efforts.
- e. Create market opportunities and networks.
- f. Opening up jobs.
- g. Increase village income.

In managing BUMDes, six principles are needed, namely Cooperative, Participative, Emancipative, Transparent, Accountable, Sustainable. [5].

3. Research methods

The research method used in this type of descriptive research is a qualitative analysis method with data collection techniques going directly to the field to conduct interviews, observation, and distribution of questionnaires. Apart from qualitative analysis, the collected data will be analyzed by means of a SWOT analysis. Conclusions are drawn objectively based on the findings in the field.

The results of this study are expected to be able to provide technical solutions in the form of BUMDes management strategies so that economic problems that are always faced by the community can be resolved properly and BUMDes in this village can make a good contribution to the community.

The output targeted by the proposer in this research is in the form of concrete strategies and ideas in relation to good and effective management of BUMDes so as to help improve the economy of the people of Naga Dolok Village. The results of this research will be published in national and international journals. TKT which is targeted in this research is problem solving through finding effective strategies so that the problems faced can be resolved. The qualitative analysis and SWOT analysis carried out will be able to find the root of the problems faced by the Naga Dolok Village government which causes the BUMDes in the village to not operate properly, resulting in strategic ideas that can be used to re-manage BUMDes in Naga Dolok Village.

4. Research Results and Discussion

4.1 Data Collection Analysis

During the research process, the authors collected various kinds of information, not all relevant information was used in making conclusions. In this case, the writer performs data reduction, namely a process of selecting, concentrating, paying attention to the simplification, extracting, and transformation of the "rough" data that appears from the research location.

a. Legal Basis for Village-Owned Enterprises

Researchers obtained data regarding the legal basis in the establishment and management of BUMDes through interviews with the BUMDes Village Mlik Business Enterprise Advisor. Based on the interview above, we can see that the legal basis for BUMDes has undergone renewal from article 108 of law number 22 of 1999 to article 213 of law no. 32 of 2004 which is used to date.

b. The condition of the people of Naga Dolok Village before the BUMDes existed

Before choosing what business unit the BUMDes will run, the Naga Dolok Village Government and the BUMDes Management need to look at the condition of the community first to get this information, the researchers conducted an interview with the BUMDes Supervisor. From the results of the interview, it can be seen that many people in Naga Dolok Village borrow with loan sharks at high interest with the emergence of this BUMDes "SAUHUR" which can save the village community from the traps of moneylenders in Naga Dolok Village.

c. Impact of BUMDes for the People's Welfare of Naga Dolok Village

To find out what impact the BUMDes "SAUHUR" had on the people of Naga Dolok Village, the researchers conducted an interview with the BUMDes treasurer. From the results of the interview above, we can see that BUMDes has a positive impact on the people of Naga Dolok Village, making it easier for people to borrow capital with low interest and not use collateral.

d. Purpose and Objectives of “SAUHUR” BUMDes.

The establishment and management of BUMDes is carried out in conjunction with the intent and purpose of BUMDes to obtain data regarding the aims and objectives of the BUMDes the researcher conducts interviews with BUMDes advisors. From the table above we can see that the aims and objectives of the BUMDes "SAUHUR" are to increase the village's original income, encourage the community to increase the creativity of productive economic business opportunities and encourage the body and development of micro-businesses.

e. BUMDes Capital Income

In the pendiran and management of BUMDes, we need to know where the BUMDes capital comes from, so the researchers conducted an interview with the Chairman of the BUMDes. From the results of the interview above, the village capital participation is meant as capital originating from the Village Fund Budget and proceeds from community savings and loans.

f. BUMDes Operating Profit Sharing

As a business entity owned by the village, BUMDes must be able to contribute to the village economy. This is in accordance with the original purpose of establishing BUMDes which was included in the BUMDes AD / ART. Management of BUMDes must be carried out professionally and independently so that in addition to maintaining its continuity it can also contribute to improving the village economy, one way is by optimizing the business profits generated by BUMDes. The following is the percentage of government, the share of BUMDes profits obtained through interviews with BUMDes Secretaries. From the results of the interview above, we can see that the profit generated will be allocated to meet capital needs and increase village income. The distribution of operating profits has been jointly discussed between the village government, BUMDes managers, BPD,

4.2 Data Display / Data Presentation

In this study, the data display performed by the author with narrative text. This research is to discuss the establishment and management of BUMDes in strengthening the community's economy. Data collection methods used in this data collection are interviews, observation, and documentation. The results of the analysis will be carried out by comparing the suitability between the data display of the prevailing regulations and the statements in the BUMDes office including the BUMDes legal basis, the condition of the community before the existence of BUMDes, the impact of BUMDes on the welfare of the community, the aims and objectives of BUMDes, BUMDes capital income and BUMDes profit sharing. The following is a table regarding the comparison of the applicable regulations with the statements in the BUMDes Naga Dolok office.

Table 1
Tabulate the results of the interview

ASPECT	Applicable rules	Realization in BUMDes Naga Dolok
Legal Basis for BUMDes	The legal basis for BUMDes is formulated based on Law No. 32 of 2004 Article 213 paragraph 1	BUMDes law is based on Law no. 32 of 2004 Article 213 paragraph 1
The Condition of the Community Before the BUMDes existed	The community lacks business capital	People can borrow their capital from BUMDes and not loan sharks.
Impact of BUMDes for the Community	Make it easy for the community to borrow capital for the business they own	Avoidance of the community from loan sharks and make it easier for the community to borrow business capital.
Purpose and Objectives of BUMDes	To improve the economy of rural communities with the aim of - Encouraging economic development of rural communities Increase creativity and productive economic business opportunities for rural communities. - Encouraging the growth and development of informal sector micro enterprises.	To improve the economy of the village community with the aim of Encouraging the Economic Development of rural communities Increase creativity and productive economic business opportunities for rural communities. - Encouraging the growth and development of informal sector micro enterprises.



ASPECT	Applicable rules	Realization in BUMDes Naga Dolok
	<ul style="list-style-type: none"> - Increase the income and welfare of rural communities. - Increase village original income. 	<ul style="list-style-type: none"> - Increase income and welfare of rural communities. - Increase village original income.
BUMDes capital	Sourced from the APBD, consisting of: Village capital participation, community capital participation.	BUMDes funds come from the APBD, which consists of: Village capital participation, community capital participation.
Profit sharing	Village Deliberations with the community and village government based on ADART	Profit sharing is based on an agreement conducted by village meetings with the village government and communities based on ADART

4.3 SWOT Analysis Results

a. Identification of Internal Factors of BUMDes Naga Dolok

Table 2

Identification of internal factors for the development of Bumdes Naga Dolok

Internal	Power	Weakness
Village Reputation	<ul style="list-style-type: none"> - This is a pilot village in the “Kampung Tangguh” program by the Indonesian Police, the Simalungun Polres, Serbelawan Police. This village meets the criteria for food, health and security responsiveness. 	
SDA	<ul style="list-style-type: none"> - Agricultural land is still very large. - One of the good cattle producing areas 	<ul style="list-style-type: none"> - Agricultural land is not processed properly because the community lacks the capital to cultivate the land.
Community Culture	<ul style="list-style-type: none"> - A society with a high culture of mutual cooperation and kinship. - Safe community environment. 	
Finance	<ul style="list-style-type: none"> - There is capital available to manage BUMDes at this time 	<ul style="list-style-type: none"> - Requires large funds to develop this BUMDes.
Legal protection	<ul style="list-style-type: none"> - Already have a legal umbrella 	
Facilities and infrastructure	<ul style="list-style-type: none"> - Has a health center, school and village hall. 	<ul style="list-style-type: none"> - Village facilities and infrastructure are still basic. - Many roads leading to the village are still damaged, making it difficult to reach them quickly.
HR	<ul style="list-style-type: none"> - The village head has a strong commitment and vision to build the village - The community really admires their leadership. 	<ul style="list-style-type: none"> - The number of human resources is very lacking - The education level of BUMDes administrators is low. - Very few people are willing to volunteer to manage BUMDes business units because of their low salaries.

b. Identification of External Factors of BUMDes Naga Dolok

Table 3

Identification of external factors for the development of Bumdes Naga Dolok

External	Opportunity	Threat
Technology	<ul style="list-style-type: none"> - The development of technology is very fast - The amount of government assistance related to technology, for example providing free internet quotas 	<ul style="list-style-type: none"> - Many people, including village officials and volunteers, are still not fluent in using technology. - Limited ownership of HP according to expected specifications. - There is still a lack of public awareness to use technology properly and for useful things. - The internet network in the village is still not good because the village is surrounded by oil palm plantations.
Government	<ul style="list-style-type: none"> - There is full support from the local government 	
Village Potential	<ul style="list-style-type: none"> - The village has good potential, 	

External	Opportunity	Threat
Business partner	- especially agriculture and livestock. - Cooperating with other parties to utilize agricultural and livestock products.	
Society participation		- The public perception of this BUMDes is still not good because of the lack of awareness and understanding of the community about the existence of this BUMDes. - The community is still not obedient to paying their savings and loans credit, so the village savings and loans unit does not work.

c. SWOT matrix

Table 4
SWOT matrix

	<u>POWER</u>	<u>WEAKNESS</u>
	<ol style="list-style-type: none"> 1. This is a pilot village in the “Kampung Tangguh” program by the Indonesian Police, the Simalungun Polres, Serbelawan Police. This village meets the criteria for food, health and security responsiveness. 2. Agricultural land is still very large. 3. One of the good cattle producing areas 4. A society with a high culture of mutual cooperation and kinship. 5. Safe community environment. 6. There is capital available to manage BUMDes at this time 7. Already have a legal umbrella 8. Has a health center, school and village hall. 9. The village head has a strong commitment and vision to build the village 10. The community really admires their leadership. 	<ol style="list-style-type: none"> 1. Agricultural land is not processed properly because the community lacks the capital to cultivate the land. 2. Requires large funds to develop this BUMDes. 3. Village facilities and infrastructure are still basic. 4. Many roads leading to the village are still damaged, making it difficult to reach them quickly. 5. The number of human resources is very lacking 6. The education level of BUMDes administrators is low. 7. Very few people are willing to volunteer to manage BUMDes business units because of their low salaries.
<p><u>OPPORTUNITIES</u></p> <ol style="list-style-type: none"> 1. The development of technology is very fast 2. The amount of government assistance related to technology, for example providing free internet quotas 3. There is full support from the local government 4. The village has good potential, especially agriculture and livestock. 5. Cooperating with other parties to utilize agricultural and livestock products. 	<ol style="list-style-type: none"> 1. Optimizing the use of Kampung Tangguh's branding to attract investors. 2. Development of a savings and loan business unit with a more professional financial management 3. Developing business units into the livestock sector, for example cows or goats / sheep. 	<ol style="list-style-type: none"> 1. Optimizing the use of village funds for the development of BUMDes. 2. Adding human resources who are experts in the field of technology. 3. Make special training for village officials or BUMDes management
<p><u>THREAT</u></p> <ol style="list-style-type: none"> 1. Many people, including village officials and volunteers, are still not fluent in using technology. 2. Limited ownership of HP according to expected specifications. 3. There is still a lack of public awareness to use technology properly and for useful things. 4. The internet network in the village is still not good because the village is surrounded by oil palm plantations. 	<ol style="list-style-type: none"> 1. Conduct intensive technology and management training for village officials and BUMDes managers 2. Repair the internet network and establish cooperation with internet providers. 3. Providing information or understanding to the community about the vision and mission of BUMDes 4. Providing training, assistance to the community regarding small business management, 	<ol style="list-style-type: none"> 1. Improve ongoing BUMDes services. 2. Remodel / renew the management of BUMDes savings and loans. 3. Develop other business units such as animal husbandry and agriculture. 4. Optimizing the management of vacant land with agriculture and livestock.



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|---|--|
| <p>5. The public perception of this BUMDes is still not good because of the lack of awareness and understanding of the community about the existence of this BUMDes.</p> | <p>effective and efficient utilization of funds / capital.</p> |
| <p>6. The community is still not obedient to paying their savings and loans credit, so the village savings and loans unit does not work.</p> | |
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From the results of the SWOT analysis above, it can be seen that the current BUMDes condition is still lacking and it is necessary to overhaul its management, train village managers and apparatus, improve infrastructure and facilities such as the internet, roads, etc. In addition, it is necessary to collaborate with other business partners, as well as more optimal utilization of village funds to manage this BUMDes. Many government policies are oriented towards the small community which aim to improve welfare. However, it is felt that the existing policies have not had an optimal impact on the poor. Therefore, the government made policies in the form of economic institutions at the rural level. Economic organization at the rural level is a very important part in order to support empowerment and strengthening of the people's economy. Because most of the village members have community members who are registered as micro and small businesses which are the backbone of the regional and national economy. As is well known that there have been several micro-financial institutions engaged in services and finance in a number of villages managed by the community that have not been based on adequate regulations, in real terms, institutions in the field are very helpful and needed by the community, especially those with low incomes to make ends meet. and business development. Therefore, this microfinance institution is one of the embryos and drivers of the people's economy in increasing people's income, to expand employment and as an effort to alleviate poverty in order to realize the welfare of the community, especially in rural areas. This research is in line with [6] which states that it is a productive business opportunity for people who have low income. The same thing was expressed by [7] who said that the presence of BUMDes is to empower village communities so that the economic potential of the village can be developed. In line with the principles of decentralization and regional autonomy, the village is given the authority to regulate and manage the interests of the local community based on the origin of the local village customs, this is intended to support and support the increase in community income in the village. then laws and regulations with opportunities for village governments to improve their economy through financial developments in the village in the form of village-owned enterprise management (BUMDES) is an instrument of local economic empowerment with various types of potential. The same thing was expressed by [8], Decentralization and regional autonomy can increase efforts to empower rural communities. The establishment of BUMDES is intended to develop and develop the village economy, increase financial turnover and carry out public benefits in the form of providing various goods and services for the purposes of the livelihood of the community and as a printis for business activities that already exist in the village. This is in line with the results of research [9], said that the presence of BUMDes is expected to improve the welfare of rural communities. Thus, villages can optimize all existing potentials to develop the economy and village development, [10].

5. Conclusions and suggestions

The conclusions of the results of this scientific work are as follows:

BUMDes Naga Dolok is a village-owned enterprise whose management is not optimal. This resulted in the impact of the BUMDes being not being felt by the community.

The lack of development of BUMDes is caused by lack of human resources, inadequate use of technology, lack of community approach, lack of public trust in the government.

BUMDes Naga Dolok actually has the potential to be developed because there are no competitors, there is support for capital participation from the government, SDA which is still very usable.

From the SWOT analysis carried out, this BUMDes Naga Dolok could develop a savings and loan business unit as it had previously been implemented but with better management techniques and managed by experienced technical personnel. In addition to savings and loan units, cattle or goat farms have the potential to be developed, starting from cattle breeding, distribution and creating derivative products from these cows.

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