

COMMUNITY EMPOWERMENT THROUGH TRAINING ON THE MANAGEMENT OF VILLAGE-OWNED ENTERPRISES (BUMDES) IN UJAN MAS DISTRICT, KEPAHANG REGENCY

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Abstract

This community service activity aims to increase the capacity and competence of the management of Village-Owned Enterprises (BUMDes) in Ujan Mas District, Kepahiang Regency, in terms of institutional governance, financial management, and business development based on local potential. The training was carried out through lectures, interactive discussions, and hands-on practice involving village officials, BUMDes administrators, and community leaders. The results of the activity showed an increase in participants' understanding of the basic concept of the establishment and management of BUMDes that is accountable and sustainable. In addition, participants were also able to prepare a village business development plan according to their needs and potential. This activity is expected to be the first step in encouraging village economic independence through optimizing the role of BUMDes as a driver of the local economy.

Keywords: Community Empowerment, BUMDes, Training, Business Management, Village Economy

INTRODUCTION

Villages have an important role in national development efforts because the Indonesian population tends to live in rural areas so that it has a considerable influence in efforts to create national stability (Sa'dullah, 2016). In addition, the position of the village is considered strategic in state development because the village is the basis for identifying community problems to the planning and realization of state goals at the village level (Sidik, 2015). Rural development is to place villages as a means of development, so that the goal of reducing various gaps can be realized.

Villages are still seen as far behind compared to cities in terms of economy, welfare, education and other facilities. The government has carried out many programs to encourage

the acceleration of rural development, but the results have not been significant in improving the welfare of rural communities. One of the factors causing the failure of village development is the amount of government intervention that has an impact on the creativity and innovation of the village community in village management and economy.

Budiono (2015) explained that one of the ways to encourage development at the village level is that the village government is given the authority by the central government to independently manage the scope of the village through economic institutions at the village level. One of these institutions is Village-Owned Enterprises (BUMDes). Law No. 32 of 2004 concerning Regional Government explains that villages can establish village-owned enterprises in accordance with the needs and potential of the village. The needs and potential of the village are the basis for the establishment of BUMDes as a form of effort to improve community welfare (PKDSP, 2007).

BUMDes in implementation and capital ownership are managed by the village government and the community. Gunawan (2011) explained that the formation of BUMDes aims to receive activities that develop according to customs, activities based on Government programs and all other activities that support efforts to increase community income. Sayutri (2011) stated that the existence of BUMDes is needed to drive the potential of villages and can help in poverty alleviation efforts. This is also supported by Hardijono et al (2014) that the establishment of BUMDes is a way to form an independent rural economy as an effort to increase Regional Original Income.

The development of BUMDes needs to be carried out so that the established BUMDes can function according to their roles. The goals and objectives of BUMDes can be achieved if BUMDes are managed in a directed and professional manner. BUMDes is a solution to problems that occur in the village. BUMDes are expected to encourage and drive the village economy (Ramadana et al., 2013). The existence of BUMDes can help the government in managing the potential of creative and innovative villages, so that it can open up new jobs so that it can absorb workers in rural areas.

The types of businesses managed by BUMDes have been regulated in the ministerial regulation including services, distribution of nine staples, trade in agricultural products, and or small and household industries and can be developed according to the needs of the potential village. From the various efforts carried out by these BUMDes, it is hoped that they can later be used for business development, village development, village community empowerment, and the provision of assistance for the poor through grants, social assistance, and revolving fund activities stipulated in the Village Revenue and Expenditure Budget.

Based on the information obtained for Ujan Mas District, Kepahiang Regency which consists of 16 villages, there are only 5 (villages) that already have BUMDes while for the other villages have not yet formed BUMDes. The existing BUMDes already only run savings and loan businesses and shops that sell basic necessities on a small scale. This gives an idea that the implementation of BUMDes in Ujan Mas District is still not effective in making social and economic contributions to the village community because the pattern of using BUMDes funds is still not running optimally. This can be seen from the BUMDes business run in Ujan Mas District which can only accommodate some people.

The implementation of this service activity is based on the phenomenon that occurs, namely the lack of community empowerment activity programs and the economic level of the

village community in Ujan Mas District which is still low because the people of this village work as farmers, farm laborers, laborers and small traders as well as the unemployed who are still of productive age, it is hoped that the existence of BUMDes able to encourage the dynamism of economic life and as a driver of the economy of the village community and is expected to improve the welfare of the village community, and can form BUMDes structural institutions in villages in Ujan Mas District.

Village-Owned Enterprises (BUMDes)

BUMDes is an institution formed by the village government and the community manages the institution based on the needs and economy of the village. BUMDes was formed based on applicable laws and regulations by agreement between village communities. The goal of BUMDes is to improve and strengthen the village economy. BUMDes has a function as a commercial institution through the provision of local resources that aim to seek profits and social institutions through the contribution of providing social services that are in favor of the interests of the community. BUMDes have made a positive contribution to strengthening the economy in rural areas in developing the community's economy, especially in facing the *Asean Economic Community 2015* (Alkadafi, 2014).

The main characteristics of BUMDes that distinguish other commercial institutions (PKDSP, 2007) are (1) business entities belong to the village and their management is carried out jointly; (2) 51% of the business capital comes from village funds and 49% from community funds; (3) Operationalization is carried out based on the business philosophy based on local culture; (4) The potential of the village and the results of available market information are the basis for running a business field; (5) The profits obtained by BUMDes are used for efforts to improve the welfare of members and the community based on the regulations that have been prepared; (6) Facilities are supported by the Provincial, Regency, and Village Governments; and (7) The implementation of the operationalization of BUMDes is closely supervised by the Village Government, BPD and members.

Purpose of Establishment of BUMDes

The establishment and management of BUMDes is a manifestation of the management of the productive economy of the village which is carried out in a *cooperative, participatory, emancipative, transparent, accountable, and sustainable*. Therefore, serious efforts are needed to make the management of these business entities can run effectively, efficiently, professionally and independently. To achieve the goals of BUMDes, it is carried out by meeting the needs (productive and consumptive) of the community through the distribution of goods and services managed by the community and the Village Government. The fulfillment of this need is sought not to burden the community, considering that BUMDes will be the most dominant village business in driving the village economy. This institution is also required to be able to provide services to non-members (outside the village) by placing prices and services that apply market standards. This means that there is an institutional/regulatory mechanism that is mutually agreed, so that it does not cause economic distortion in rural areas due to businesses run by BUMDes.

Principles of Governance of Village-Owned Enterprises (BUMDes)

BUMDes is a form of community participation as a whole established based on the Village Regulation on the Establishment of BUMDes. BUMDes was also established on the consideration of the distribution of village community initiatives, the development of village potential, management, utilization of village potential, financing and village government wealth which is handed over to be managed by BUMDes.

BUMDes has a clear goal and is realized by providing essential services for productive businesses, especially for village communities who are classified as poor groups, reducing the practice of loan sharks and releasing money. In addition, the purpose of establishing BUMDes is to create equal distribution of business fields while increasing community income (Ridlwan, 2014). The principles in managing BUMDes (Ridlwan, 2014), are (1) Cooperative, the participation of all components in the management of BUMDes and being able to cooperate well with each other (2) Participatory, all components involved in the management of BUMDes are required to provide support and contributions voluntarily or unsolicited to increase the business of BUMDes (3) Emancipative, all components that participate in the management of BUMDes are treated equally without distinguish between groups, tribes, and religions; (4) Transparent, all activities carried out in the management of BUMDes and have an influence on the public interest must be open and all levels of society are aware of all these activities; (5) Accountable, all technical and administrative activities must be accounted for; and (6) Sustainable, the community develops and preserves business activities in BUMDes.

IMPLEMENTATION METHOD

The target audience invited to this training was village heads, village officials, BUMDes managers and representatives of community members in Ujan Mas District, Kepahiang Regency as many as 30 people. The setting of this goal is an effort to increase their understanding of the importance of BUMDes for community empowerment and their understanding of the establishment and management of BUMDes.

The implementation of this community service activity is planned to be carried out on October 4, 2024 for 3 hours from 13.00 to 16.00 WIB. The place of implementation is planned at the Pekalongan Village Hall, Ujan Mas District, Kepahiang Regency.

The approach method carried out in this service activity is to hold talks with the village head, village secretary, LKMD chairman and BUMDes managers as the target group to reach an agreement. At this stage, the team was assisted by several D-III Accounting students to obtain an initial overview of BUMDes in villages in Ujan Mas District. Next, the team met with the head of the Kepahiang Regency village empowerment division. The results of the discussion with the head of the field lead to the identification of problems and solutions that can be offered to the target group. The next step is to meet the target group for the purpose of preparing for the implementation of service activities.

The systematics of the planned implementation for this service activity are as follows:

- 1) Session 1: The speaker gave an explanation of the importance of BUMDes for the empowerment of rural communities, explanations related to the introduction of BUMDes and how the process of establishing BUMDes. This material is given for about 60 minutes. The presenter gave concrete examples of villages that have successfully produced PADes

through BUMDes through the appearance of images and videos for about 30 minutes.

- 2) Session 2: The speaker gave the opportunity to the trainees to ask questions related to the problems and obstacles they faced so that the awareness to establish BUMDes was still low. This question and answer session and discussion were held for 30 minutes. After that, it was continued by providing training to BUMDes managers on the management of BUMDes that meet the principles of good governance.

RESULTS OF THE IMPLEMENTATION OF SERVICE ACTIVITIES

In order to realize the desire of the community in 16 villages in Ujan Mas District, Kepahiang Regency to make the BUMDes that they have established into business entities that bring income to their villages so that the village community can be optimally empowered, a training program on BUMDes management was carried out for BUMDes managers and village pioneer youth in Ujan Mas District, Kepahiang Regency. The problem-solving framework of BUMDES management is as follows:

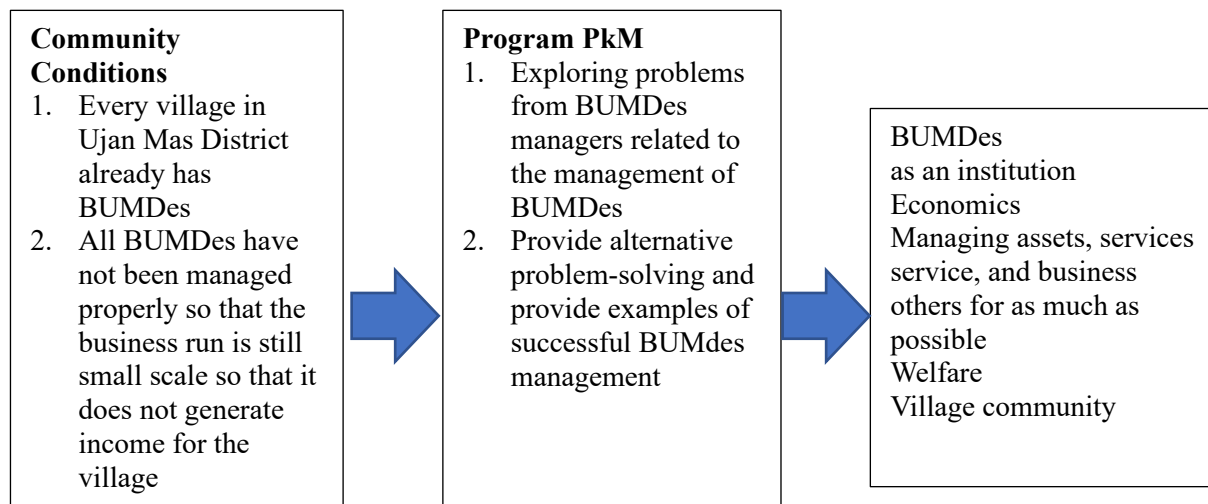


Figure 1 Troubleshooting Framework

To realize the solution to these problems, community empowerment activities through BUMDes management training are carried out in a structured manner involving various parties, including:

1. The sub-district head and village heads in Ujan Mas District acted as facilitators and provided both moral and material support to invite BUMDes managers and village pioneer youth to participate in this service activity.
2. D-III Accounting students of the University of Bengkulu play a role in assisting in analyzing village potential, recording BUMDes that have been established in 16 villages in Ujan Mas District in the form of information on when they were established, the businesses that have been run and the business results that have been obtained.
3. Lecturers from the D-III Accounting Study Program, Faculty of Economics and Business, University of Bengkulu play the role of speakers or facilitators who deliver discussions on the management of BUMDes.

The method used in solving the above problem is the extension method in the context of training on how to manage BUMDes. The stages carried out are as follows:

Table 1 Troubleshooting Stages

Yes	Activity Plan	Involvement in Problem Solving		
		Lecturer	Student	Village Institutions
1	Preliminary survey	Executive	Executive	Meeting with village officials
2	Preparation of activity plans	Executive		
3	Socialization of activity plans to students of the D-III Accounting Study Program who are included in this service activity.	Provide activity plans to students	Prepare activity details according to the activity plan made	
4	Socialization of activity plans to village government officials	Provide details of the activity plan to the village officials	Have discussions about activity plans	Discussion with village officials and making adjustments
5	Survey of the economic potential of the village	Lecturers give directions to activities to students	Conducting a survey of the economic potential of the village	Collaborating with students to record the economic potential of the village
6	Analysis of the economic potential of the village	Lecturers analyze the results of student surveys	Deliver and evaluate survey results	
7	Preparation for BUMDes counseling	Together with village officials, preparing counseling		Prepare technically for the implementation of counseling
8	Implementation of BUMDES counseling	Involved in the implementation of counseling		Organizing BUMDES Counseling

Counseling Activity on the Establishment of Village-Owned Enterprises to Strengthen Community Empowerment in Ujan Mas Kepahiang District for 1 (one) day on October 4, 2024 from 13.00 WIB to 16.00 WIB, located at the Pekalongan Village Hall, Ujan Mas District. This activity was attended by around 30 participants from representatives of BUMDes managers from 16 BUMDes in Ujan Mas District and several representatives of village pioneer youth in Ujan Mas District.

This service activity was opened directly by the Acting Head of Ujan Mas District, Mr. Satria Jaya, S.Pd. The Sub-district Head gave directions to BUMDes managers to take full advantage of this activity to ask questions related to the problems faced by BUMDes in their villages, so that BUMDes that have been running for several years should be able to generate original village income, so that village income does not only come from village funds from the State Budget and village fund budgets from the APBD. The sub-district head also gave an overview of the villages in Ujan Mas District which have little tourism potential and some of the village land is used for agriculture. Most of the BUMDes in Ujan Mas District only have a few small-scale businesses engaged in tent rental, food sales or savings and loan businesses. All of these businesses have not been managed seriously so the results obtained are still small.



After the event was opened by the sub-district head, the first speaker, namely Mr. Dr. Baihaqi, SE, M.Si., Ak, CA, CAPM, ACPA delivered material related to the role of BUMDes as a business entity that utilizes existing village funds to be managed as a business that generates income for BUMDes which will ultimately generate original income for the village. Village funds, which since 2015 have been disbursed to all villages in Indonesia, were initially intended for infrastructure or physical work so that each village already has adequate infrastructure. In addition, villages must also think about becoming business people through BUMDes, so that village funds received from the government should have been used as investments for villages in running businesses through BUMDes.

The next material presentation was delivered by Mr. Madani Hatta, SE, M.Si., Ak, CA who explained how ideally a BUMDes management should be. The speaker said that the management of BUMDes starts from the joint commitment of all villagers to make their village have a business run through BUMDes whose capital not only comes from village funds but can also come from investment from the village community or from loan funds. In addition, before deciding to choose what business to run, it is necessary to really conduct a village potential analysis and business feasibility study by considering market aspects (demand and supply), marketing aspects, technical aspects such as land availability, raw materials, transportation advice, and legal aspects related to licensing issues such as permits from BPOM and from MUI.



In the second material delivery session, it was more in the form of discussions with participants. The speaker also asked the participants whether the 16 villages in Ujan Mas District already have BUMDes. The participants answered that each village already has BUMDes and has been appointed by BUMDes managers. However, the problem is that most of these BUMDes managers also have other jobs so that their time to manage BUMDes is still limited. According to one of the participants, the lack of enthusiasm of the BUMDes managers was due to the many problems in running this BUMDes, namely:

- a) The problem of paying salaries for BUMDes managers should only be paid from BUMDes income, so that BUMDes managers who mostly already have families cannot devote all their energy and thoughts only to managing BUMDes so that they continue to carry out their daily activities as farmers.
- b) In some villages that have tourism potential such as Suro Bali Village which has a small lake that has the potential to become a recreational place cannot be managed by BUMDes because the land is controlled by private individuals and to own the land BUMDes in the village cannot afford to buy and if through the land rental system, the rental cost set by the land owner is also very high so that BUMDes cannot afford to pay rent, especially in the early years, BUMDes also had to invest large funds to build supporting facilities in the tourism.
- c) BUMDes managers who run a business of buying and selling basic necessities also said that their business has not generated sufficient income because of limited capital and many large retailers such as Alfamart, Indomaret or existing grocery wholesalers.

Based on the problems submitted by the participants, the speaker responded that the salary payment policy for BUMDes managers which is only allowed from the results of BUMDes business is already a rule, but it does not mean that at the initial stage when the BUMDes business is again pioneered, these managers do not get paid at all from their work. BUMDes can allocate from the initial investment they have to pay the tired money of these BUMDes managers. The speaker pointed out that in several successful BUMDes in the Yogyakarta area, the BUMDes managers on average leave their previous jobs as employees to run BUMDes because they have a high entrepreneurial spirit through BUMDes, even now BUMDes managers in Panggung Harjo Village, Bantul Regency have a salary of more than 100 million per month.

The speaker also explained that Ujan Mas District has great potential to develop an educational tourism business by utilizing existing land for agro-tourism businesses and dairy farms such as in the Lembang Bandung area. The results of cow's milk extraction can be processed into products that can be marketed in mini markets throughout Bengkulu. To provide guidance related to how to start a dairy farming business and the processing of products from dairy cow's milk, the University of Bengkulu, especially the Department of Animal Husbandry, is ready to provide assistance to villagers.

To make BUMDes large, BUMDes that already exist in 16 villages in Ujan Mas District can also collaborate and merge into one large BUMDes so that with a large investment they can run a large-scale business, streamline costs related to management and be able to produce products that can compete in the market because production costs can be reduced because raw material sources are available in Ujan Mas District. This service activity was closed with an

agreement that the University of Bengkulu will always help in the development of BUMDes in Ujan Mas District through community service programs.

DISCUSSION

From the results of the preliminary survey through observations and interviews with village officials, it was found that every village in Ujan Mas District already has BUMDes in their villages, but these BUMDes have not been managed properly so they have not generated sufficient income. From the assessment of the results of the preliminary analysis conducted by students of the D-III Accounting Study Program in June-July 2024, they assessed that the villages in Ujan Mas District have potential in the BUMDes business. The potential of the community that is considered in establishing BUMDes includes:

- 1) Strategic location of villages in Ujan Mas District
- 2) Suitable geographical conditions for agricultural land create jobs in the agricultural sector
- 3) Many village assets such as vacant land have not been utilized as a source of village income if managed properly
- 4) The potential of Surface Water is quite large as an irrigation source.

Based on the potential that exists above and the formation of BUMDes and BUMDes managers who are mostly of productive age, this is used as the basis for holding counseling on the management of BUMDes in Ujan Mas District, especially the importance of BUMDes in reminding the community's economy.

When counseling was held, participants enthusiastically participated in the event. The assumption of participants so far that BUMDes is a business that must be large and complicated to start and be commercial in nature is justified by explaining that the main goal is more to serve the community. What is called community potential is not only about economic sources but also what has been the community's complaints, this is the opportunity for the establishment of BUMDes.

The counseling also went smoothly and from the responses delivered by the participants, participants showed a positive attitude towards how to manage BUMDes conveyed by the presenter. This was shown by representatives of BUMDes managers and village pioneer youth who actively asked questions and wanted to follow up on the results of counseling through the Village Deliberation.

The development activities of BUMDes in Ujan Mas District are expected to be followed up by PKM further by providing assistance and training that can support the establishment of good BUMDes. The goal is to make the villages in Ujan Mas District have a good level of independent economy. In the future, academics or universities should facilitate villages for the development of institutions in the village because according to the author's observation, there are still very few programs with management development nuances for institutions in the village. PKM, which is quite often carried out in villages, usually targets the MSME sector or the business sector, whereas institutions such as BUMDes also require guidance or consultation from academics. The implications of this assistance are related to the development and empowerment of the community, especially in developing business skills, increasing knowledge, skills and attitudes that will have an impact on increasing income.

Cover

The existence of BUMDes to realize an independent village economy is very necessary. Through BUMDes, it is hoped that institutions in the community will synergize with each other to maximize creating equal community welfare. The management of BUMDes must begin with a joint commitment from villagers, the spirit and spirit of entrepreneurship, the spirit of never giving up and the ability to explore the potential of the village that will be managed by BUMDes to become a large-scale business in creating income for the village so that it becomes an independent village.

For the village government and rural institutions in Ujan Mas District, immediately form the management of BUMDes so that it will immediately be more effective in gathering business units from the community and managing village assets so that the goal of BUMDes is to create equitable community welfare. For the local government and the central government to continue to carry out this BUMDes policy, then provide supervision and training for villages and continue to refer to the welfare of the village community. Because such policies are more effectively implemented at the village level, an economic enterprise that is a legal entity that is managed entirely by the village community and the results for the community itself

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