

DRIVING PRODUCTIVITY AND INCOME: ASSESSING SANGGU VILLAGE-OWNED ENTERPRISE IN SOUTH BARITO DISTRICT, INDONESIA

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Abstract

Village development is an important context in building Indonesia into a big and strong country, as the majority of Indonesian citizens live in rural areas. Therefore, it is important to evaluate the effectiveness and stages of regional progress to improve community welfare and regional competitiveness. This qualitative research was conducted to evaluate and understand the role of Village-Owned Enterprise (BUMDes) in increasing economic activity and new income for the community in Sanggu Village, South Barito Regency. Primary data was obtained through interviews with 10 resource persons, such as the Village Head, BUMDes Chairman and Management, and the community of Sanggu village. Data validity was tested through a data screening stage based on its relevance, and the credibility of the findings was tested using a data source triangulation technique. As a result, it was found that with these various initiatives, BUMDes has proven its contribution in advancing the village economy and providing positive impacts to the community at large. Through the trading unit, BUMDes accommodates the village's superior products and markets them directly and online. The management of the village market provides convenience for small traders and the general public in fulfilling basic needs, and even supports the economic activities of the village community. The waste management unit not only provides environmental cleanliness services, but also creates an additional source of revenue for the BUMDes through waste management fees. And, tourism development increases residents' income, and provides opportunities for residents around tourism to sell local products and souvenirs typical of Sanggu Village.

Keywords: BUMDes, Village-Owned Enterprise, Economic Activity, New Source of Income.

BACKGROUND

Initially, the concept of development was interpreted as modernization and industrialization (westernization). This thinking is based on the aspects of development and industrialization, which all contain elements of change. Kartasasmita (1994) provides a simpler understanding, namely development as a process of change towards the better through planned efforts. Thus, the development process occurs in all aspects of community life, economic, social, cultural and political, which takes place at the macro (national) and micro (community) levels. The meaning of the important objectives of development is the creation of progress/improvement (proges), growth and diversification. Development cannot be separated from growth as a result of development. In this case, growth can be in the form of expansion or improvement made by the community. Building Indonesia from the village level is the context of development in Indonesia, meaning that to build Indonesia into a big, strong and great country, it must start from the village. The majority of Indonesian citizens live in rural areas. Law No.32 Year 2004 on Regional Government states:

"A village is a legal community unit with territorial boundaries that has the authority to regulate and manage the interests of the local community, based on local origins and customs that are recognized and respected within the system of government of the unitary state of the Republic of Indonesia."

Village empowerment, especially in the economic sector, is carried out by the government, in line with the decentralization pattern in Law No. 22 of 1999, both through national and regional programs. Regulation of the Minister of Villages, Development of Disadvantaged Regions and Transmigration Number 4 of 2015 article 3 confirms that BUMDes are established with the aim of improving the village economy, optimizing asset benefits, increasing community businesses in the management of village economic potential, creating market opportunities and networks, opening up jobs, increasing community income and Village Original Income; all of which improve community welfare through improved public services, growth, and village economic equity. The enactment of Law No. 6/2014 on Villages brings a new paradigm and concept of national village governance policy. The Government of South Barito Regency through the Social Service of Community and Village Empowerment is gradually implementing programs in the field of BUMDes structuring. Some villages have established BUMDes with the aim of helping the village economy and the welfare of the community, but limited funds have caused not all potential villages to be able to establish BUMDes. From the data of the Community and Village Empowerment Office in South Barito Regency, there has been a decrease in the number of BUMDes from 59 BUMDes to 33 active BUMDes. The village studied was Sanggu Village, South Barito Regency. BUMDes Tetei Rajaki plays a role in the program for economic progress in Sanggu Village, because there are still many people who need assistance from the village government in terms of economics and welfare for village communities with the existence of economic and welfare aspects for village communities with the existence of BUMDes institutions whose management is intended for the community because the existence of abundant natural resources and human resources helps in the growth of village communities so that they are more advanced in the future and for the progress of BUMDes themselves they do not fail to take part in contributing to the smoothness and progress of BUMDes themselves, community empowerment in the field of business development is also very important (Sjachriatin, 2023). Based on the background of the problems previously described, we conducted this study with the aim of finding out how the role of Village-Owned Enterprises (BUMDes) in increasing the development of economic activities and new income for the community in Sanggu Village.

DATA EXPLANATION

The Indonesian economy is organized according to the principles of economic democracy such as the principles of togetherness, equitable efficiency, sustainability, environmental insight, independence, and maintaining a balance of progress and national economic unity. Economic democracy is realized by three main economic actors, namely State-Owned Enterprises (or Regional-Owned Enterprises), cooperatives, and the private sector. BUMDes plays an active role in developing the local economy as a facilitator to accommodate all aspirations, ideas and initiatives to create sustainable regional economic development. The first stage is the target

group, namely local business actors, new business actors, and outside investors. BUMDes must be able to see the prospect of partnering with community business groups for the advancement of BUMDes. The second stage is the location factor, namely the location of measurable, unmeasurable individuals, and unmeasurable business actors. The meaning is that the partner business is seen from its location, for example, there is a forest that grows a lot of crops that can be developed into the economic income of the village community. The third stage is the focus and synergy of policies, namely economic expansion, regional development and community empowerment and community development. Policy formulation of program preparation strategies to improve the economy through community empowerment. The fourth stage is sustainable development, both in the economic, social, and environmental sectors, to implement the planned programs and strategies. The fifth stage, governance, is the support and cooperation from the government for the progress of BUMDes, such as government and business partnerships, public sector reform, and organizational development to obtain sustainable economic income in the village. The last stage is the Management Process to evaluate whether or not the program implementation is in accordance with the plan and to re-plan.



Figure 1: Local Economic Development

RESEARCH METHODS

This research uses qualitative descriptive method data with a case study strategy. Is one of the types of research included in the type of qualitative research. The approach was chosen to understand the science of improving the community's economy through BUMDes in order to prosper the community's sustainable economic income, and to focus research on general principles based on the realization of symptomatic units that exist in rural communities by

looking at the economic aspects of the community concerned to obtain an overview of the prevailing patterns. The position of the researcher in qualitative research is quite complicated. Researchers are planners, implementers of data collection, analysis, interpretation of data, and ultimately researchers as reporters of the results. Primary data collection was conducted through two methods, namely interviews with 10 resource persons (Village Head, BUMDes Chairperson and Management, and Sanggu village community) and observation of the implementation of BUMDes programs in improving the productive economy of the community and community welfare regarding the economic activities of the village community. Data were analyzed through three stages, namely introduction, filtering and completing missing data.

RESULT

Based on the research results and propositions, the BUMDes role model can be described as follows:

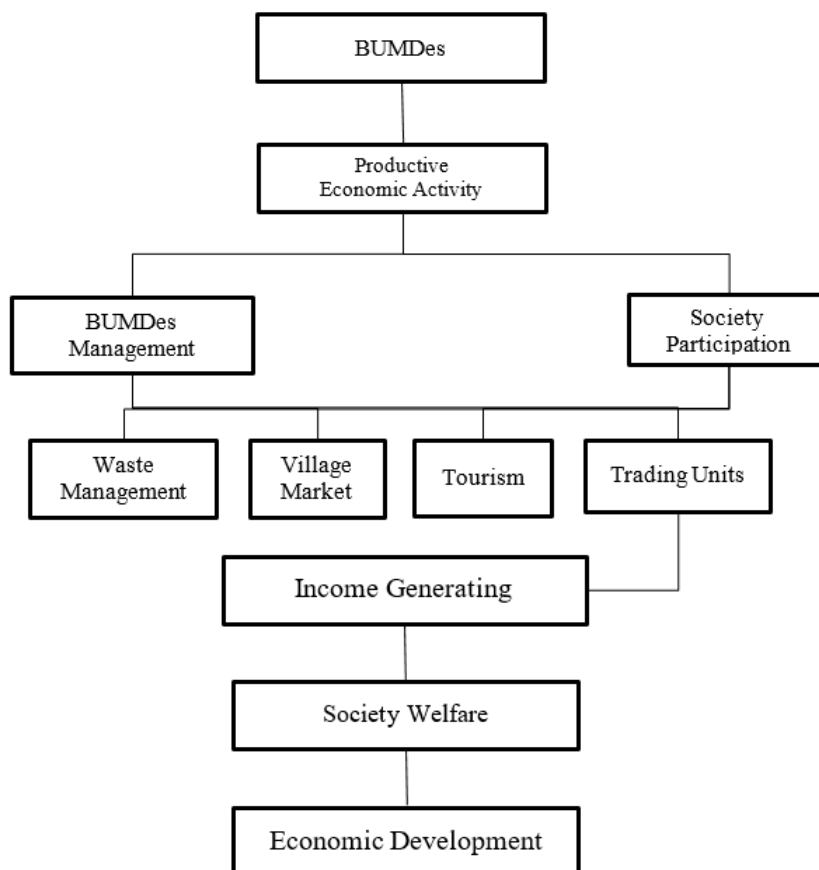


Figure 2: Role model of BUMDes Tetei Rajaki

Interview Results

The Chairman of BUMDes "Tetei Rajaki" explained that since the establishment of BUMDes in 2019 until now there have been 5 types of businesses that have been programmed, namely

the trade unit by selling lais fish crackers, forest honey and various orchid flowers; lake tours, LPG suppliers, market management and waste processing.

The BUMDes program is a program that prioritizes the interests of the Sanggu village community in terms of improving community welfare or the standard of living of the community. The implementation of BUMDes is managed by the management, community and other parties who take part, so several BUMDes programs are formed to support the development of Sanggu village.

BUMDes member Mrs. Noor Liani manages lais fish crackers and bintuhukan and saluang fish, which are obtained from fishing or can also be obtained by buying at the market, as basic ingredients. The BUMDes also manages the marketing, selling them at the BUMDes office and at the market. The role of BUMDes is very helpful because these crackers can be showcased at public events, such as development exhibitions.

Abdul Lalang, a member of BUMDes "Tetei Rajaki" who manages forest products, namely forest honey, said that honey is very useful and is favored by all groups, so there must be someone who buys it. The profit is quite satisfactory as forest honey can be sold for Rp. 200,000 (USD 12.89) per 600 ml, as forest honey is high in health benefits for the body and heart, while kalulut honey sells for Rp. 400,000 (USD 25) per kilogram. Bee-keeping and honey harvesting are assisted by the community, and the production is marketed by BUMDes, for example through expos. Communities that are members of forest honey or kelulut honey farmers get a share of the revenue for every milliliter of honey sold.

Fransiska Nathalia, the manager of Orchid Farm, stated that Sanggu Village sells a variety of orchids. Currently, black orchids are very much sought after, and are even in demand abroad. The national price per black orchid is around Rp. 350,000 (USD 22.5); and the price for export reaches Rp. 5,000,000 (USD 322.18) per 10 stems.

One of BUMDes member, Irene said that Sanggu village has many tourist attractions. Lake Malawen walking tours are managed in collaboration with BUMDes. Lake strolling tours help the community's income such as selling food around the tour, both food, handicrafts, plants and others. The entrance ticket price per person is IDR 10,000 (USD 0.64). These proceeds are to be shared partly for local revenue and the village communities involved.

Another BUMDes member, Kaino, stated that BUMDes' distribution of LPG to retail traders as retailers helps the community's economic income as well as making it easier for the community to obtain subsidized gas. Before BUMDes had this program, the community had to buy LPG from outside the village.

BUMDes member, Dedy explained that the waste management program is conducted as an effort to maintain a clean, comfortable and orderly village environment. Waste is taken from each resident's house using a pick-up truck by BUMDes officers to a garbage collection point that is some distance from the settlement. This program makes it easier for the community so that they do not need to dispose of their garbage in a distant place. The waste is then separated between plastic, paper or organic waste. Plastic and paper waste will be sold to waste collectors

for IDR 20,000 (USD 1.29) per 100 kg of plastic waste and IDR 30,000 (USD 1.93) per 100 kg for paper waste.

The Role of BUMDes in Developing Economic Activities

1. General Trading Unit

a. Village Products

The results of production by villagers are *lais fish crackers* where BUMDes helps market and promote the product, both marketed around the *sanggu village* area to the entire South Barito Regency area.

The cracker products produced by the village community, especially housewives, who fill their busy lives with activities to make various products besides crackers, there is also the sale of forest honey produced by nature and the sale of various orchid plants, especially the very famous black orchid flower. Because black orchids grow a lot in the *Sanggu Village* area which is also in demand by several countries, for example, Malaysia and Singapore. Where sales can also be done online or can come directly to the orchid cultivation house.

b. Sanggu Tourism Village

Sanggu Village takes advantage of the natural surroundings. The red river with its distinctive landforms is the main attraction. The local community is working together to build a tourism community. The strategic location of the village facilitates access for visitors to visit tourist destinations in *Sanggu village*; the road access to the tours is also good. *Sanggu village* has the potential for uniqueness and tourist attractions where the river water is colored like tea and the beauty of the forest is made as a tourist attraction, the forest is overgrown with plants such as orchids.

BUMDes "*Tetei Rajaki*" also manages tourism in collaboration with the Tourism Office, namely *Lake Malawen* tours. The BUMDes also cooperates with investors who own tourism objects to allow the community to rent out small boats with large (20 people) and small (2 people) capacities.

c. Retailer LPG Gas Supplier

BUMDes acts as an LPG Supplier for retail traders in the village and does not sell directly to the village community. This is done to make it easier for small traders to buy LPG directly from BUMDes without the need to go to LPG agents outside the village.

2. Village Market

The village market in *Sanggu Village* is only held every Sunday. This program is an effort to improve the economy of the village community and accommodate small businesses in the village. The existence of the village market is expected to increase the economic growth of the village community by creating jobs through the growth of entrepreneurs in *Sanggu village* in trade and service businesses.

The village market managed by BUMDes greatly benefits the village community, both for meeting needs as well as the opportunity to develop the community's economic turnover through the creation of opportunities for trade. The development of the village market is carried out periodically by increasing the number of market traders by expanding the market building.

3. The Role of BUMDes in Improving Spiritual Welfare

Spiritual well-being is a state of self that reflects positive feelings, thoughts and behaviors manifested through relationships with oneself, others, the environment and God, which can give individuals a sense of satisfaction, joy, love, positive attitude, inner peace, and purpose and direction in life. The waste management unit plays a role in keeping the environment clean so that solving waste problems in the village is well coordinated. BUMDes is instrumental in conducting routine waste transportation to all community houses where landfills have been made specifically to accommodate community members' waste. Prior to the waste collection program, residents had difficulty burning waste and burning waste also caused the air population around the village to be unhealthy.

New Source of Income for the Community

BUMDes represents an instrument of domestic economic trade through various types of potential. The main purpose of this potential trade is to improve the economic welfare of villagers through the economic businesses they develop. The presence of BUMDes also contributes to the development of pure sources of income that enable the village to optimally implement the welfare of the people both from development and development. From the observation, it was found that BUMDes "Tetei Rajaki" has basic principles of transparent management. The management of BUMDes "Tetei Rajaki" activities has complied with applicable regulations so that management and activities can provide results and benefits to the people of Sanggu village equally, therefore the community and management are expected to be active in the activity process.

DISCUSSION

With the existence of a BUMDes that is profitable (welfare of the community's economy) there is economic activity generated, namely the existence of employment, where people who are unemployed can work (economic activity generating). People who have an orchid flower business (black orchid seedlings) can sell their orchids outside the area, and for a large number of flower seedlings, several workers are needed. He gets income generating from the cost of selling the flowers and this is sustainable. Social Welfare as a science that has a variety of needs for social services, especially those who cannot fulfill them based on market criteria, then they become the target or attention of social welfare (Suhartono, 1993: 6), social action as an auxiliary method in an effort to realize social welfare can be through legislation. According to Segal & Brzuzny (in Suud, 2006: 90), social policy is also part of the social welfare system. The social welfare system consists of efforts and structures organized to provide community welfare. Social Welfare is the social effect caused by efforts that are generated or generate profits, for example, the existence of an orchid flower farmer can create a flower garden so that

it becomes a tourist destination for flower lovers. This can make the surrounding residents get jobs, for example, a place to provide parking or cold drinks and others. This creates economic activity and sustainable community income.

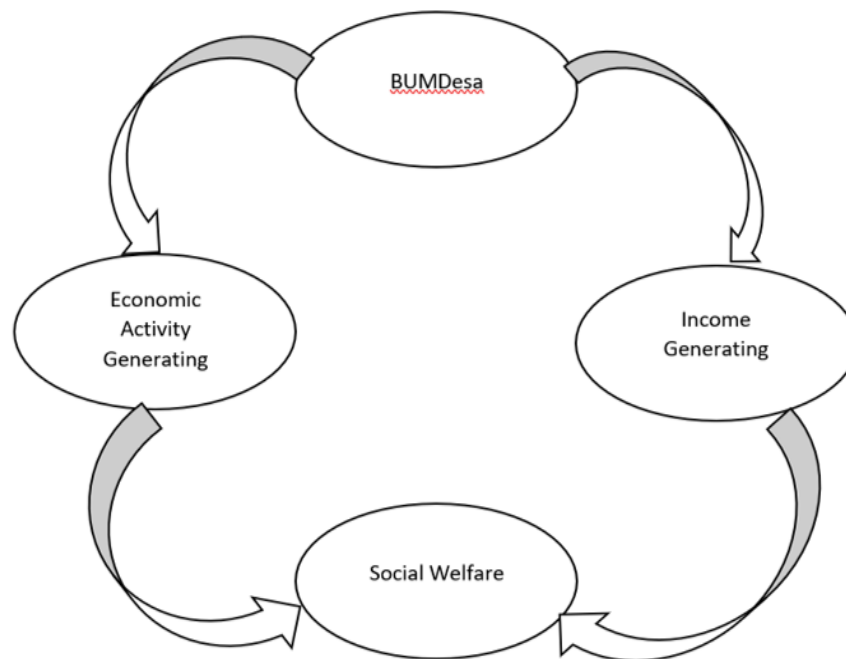


Figure 3: Research Findings

CONCLUSION

With greater opportunities for self-development provided or facilitated by BUMDes, the welfare of the community will increase and optimize social problems that can be managed by BUMDes. A sophisticated BUMDes encourages collaboration and collaboration; working together will result in a successful and realized BUMDes. The goal of building BUMDes with business units is to assess the village's local potential so that it can be designated as a community economic venture and supported by many stakeholders, including the government and the village community. The goal of building BUMDes with business units is to assess the village's local potential so that it can be designated as a community economic venture and supported by many stakeholders, including the government and the village community. Aside from that, BUMDes is also concerned with projects like as the tourist village program, which allows tourism to be refreshed every year, with tourist attractions growing more inventive and creative. In addition, human resources are critical to the success of village development and BUMDes administration. BUMDes' success goals will be easier to achieve with creative people resources.

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