Rural Community Economic Strengthening Model Based on Village-Owned Enterprises in Central Maluku Regency

Maryam Sangadji

1 Economic and Business Faculty, Pattimura University

ABSTRACT

Village-owned enterprises (BUMDes) in Indonesia, as village economic institutions can drive village potential, by the Central Maluku communities BUMDes is called as a BUMNeg which have the same meaning. BUMNeg becomes village income (Village Law, No. 6 of 2014). Objectives of the study: (1) Knowing the Role and Development of Village-Owned Enterprises that have been intervened through capital participation from the Village Fund, (2) Understanding the potential and capacity of villages constraint factors and main supporters in supporting the activities of Village-Owned Enterprises, (3) Obtaining a management model of Village-Owned Enterprises that is in accordance with the local conditions of the village community. The study used a qualitative approach. The results of the study illustrate (1) the role of BUMDes in the sample villages having different results. In Waai Village the existence of the BUMDes has been carried out in accordance with the functions of the BUMDes, namely carrying out economic functions. Whereas the existence of BUMDes in Tulehu Village was not carried out, village funds were only embedded in goods purchased, and only functioned socially, not functioned to generate village income. (2) Obstacles and main supporters of the BUMDes are: (a) The existence of potential natural resources, but not yet managed, (b) Potential Number of residents not managed as a business unit management market in Tulehu Village, (c) Custom institutions do not function, (d) Village funds are not managed according to their functions in Tulehu Village, in Waai village according to function, (e) Location of Waai Village is very strategic with potential villages. (3) BUMDes Strengthening Model in Tulehu village will exist through three stages: activation, implementation and development. Strengthening the BUMDes in Waai village, namely: building a network with the village’s government / king to continue to maintain trust relations and build networks with other parties as a reinforcement of BUMDes development.

Keywords: Economic Strengthening, Bumdes, Qualitative

JEL Classification Code: C51, R11, P25

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INTRODUCTION

Maluku Province consists of 11 (eleven districts / cities). One of the districts is the location of this study is Central Maluku Regency, which is the oldest Regency in Maluku Province, with the condition of the villages are still in very lagging category in theirs Economic Resilience (Imperiale & Vanclay, 2016). As the oldest regency, the development should be more advanced compared to other districts in Maluku, because it has high potential natural resources, but has not been managed optimally.

All villages in Central Maluku have potentials; some are the same some are different, with a level of management that does not guarantee the increasing of added value at the village community level (Muryanti, 2020). There are numbers of problems that have become mines for the sustainability of rural poverty in Central Maluku, namely: (1) bonded labor system that regulates the dependence of farmers or fishermen on investors (Deng et al., 2020), (2) unreasonable prices (Forsyth, 2014), (3) lack of governance at the village level regarding marketing, price and production (Lopez & Winkler, 2018), (4) lack of village institutions that regulate community economic activities even if they are not running in the long run, even those institutions are just names, because they are constrained by governance (low trust Villageism, moral hazard) in other words the norms are violated (Abrahams, 2015). To bridge the economic strengthening of rural communities, one of the programs of the Ministry of Rural Affairs is the establishment of Village-Owned Enterprises (BUMDes), as a place for village businesses that can mobilize all the potential of the Village to be jointly managed.

The workings of BUMDes are by accommodating economic activities of the community in a form of institution or business entity that is professionally managed, but still relies on the original potential of the village. This can make community businesses more productive and effective. Since many programs have been promoted in rural communities as well as institutions such as cooperative that have the same function as BUMDes, but are experiencing congestion, this research study is important to find factors, constraints and opportunities in developing and strengthening existing BUMDes. Central Maluku has formed 49 BUMDes (Kasila & Kolopaking, 2018).

Thus, this study will examine the relationship of actors in the village to find out what the needs of Village-Owned Enterprises, or if indeed the BUMDes that have been formed but are still stagnant or are still limited to names or symbols will be known through the perspectives of the actors in the Village. So that the solution as desired through the interaction of researchers with actors in the Village will play an important role in strengthening BUMDes as a Business Institution or village Economic institution that can be a source of village income as well as the community.

The vision of development that prioritizes humans is very relevant because of the shift in the role of government in the context of development, which is essentially carried out by the community. From planning to implementation and utilization, the role of the community stands out. According to Korten (1988) argues, development itself must be a learning process, namely the intention of increasing the ability of the community (Khanifah et al., 2020), both individually and collectively not only adjusting to change, but also to direct the change so that it suits its own purpose (O’Donnell, 1993).

Midgley argues that there are several aspects in village development, including the importance of processes and intervention. These two things need to be highlighted because they are related to the concept of empowerment (Gnych et al., 2020). A development program that only

Source: (Databoks, 2017)
prioritizes the results to be offered to the community denies the dignity of the community, because it prevents the community from participating in the process. Whereas the intervention meant that in achieving social change with equal distribution of welfare for all residents, it could not be separated from government interference, because the government controlled various resources (Strategies for Social Development by Governments), one of the strategies was intervention through village funds (Midgley, 2017).

According to Mubyarto, what is meant by an institution is an organization or methods both formal and informal that regulate the behavior and actions of certain community members both in their daily routine activities and in their efforts to achieve certain goals (Barbier & Hochard, 2018). With the existence of BUMDes institutions, it is very helpful in terms of cross-linking relations between input owners in generating village economic output and in regulating the distribution of these outputs.

A good institution will determine the sustainability of a program, because in the institution regulates the relationship/interaction between one another as the strength of the shared network that exists in an organization. And the sustainability of one institution because each actor involved in respecting and adhering to existing norms or rules, will gradually lead to mutual trust between one another, in this institution it is called social capital.

Social capital according to Lyda Judson Hanifan (1916, 1920) in Hasbullah, 2006 that is a group of social units in which patterns of reciprocal relations take place based on the principles of mutual virtue to achieve common goals. The elements of social capital include networks, values, norms, beliefs (Cook, 2017).

The network is a form of cooperative group, because social capital is not built by only one individual, BUMDes is a collaborative group, in which there are people in the structure that have their respective functions and responsibilities, if one entity in the network stagnates, the organization will lame (Aldrich & Meyer, 2015). Because the community always socially interacts with other communities through a variety of interrelated relationships and is carried out on the principles of volunteerism, equality, freedom and civilization, the ability of group members in networks, such as BUMDes institutions must unite themselves in a synergistic relationship pattern.

Among the actors there will be a huge influence in determining whether or not the social capital of the Village is strong. The existence of a social relations network where the community participates, plans, implements, monitors and evaluates through the roles of the Saniri negeri Agency (local wisdom), so this study is referred to as rural development built through the functions of BUMDes. Village-owned enterprises or BUMDes are business entities which the entire 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 welfare of rural communities. Based on article No. 6 of 2014 87 paragraph 3, BUMDes can run a business in the field of economic funding or public services, which means that BUMDes can be a service, trade, microfinance that refers to the Law on Microfinance Institutions or the Financial Services Authority Act.

**RESEARCH METHOD**

Using a qualitative approach that aims to understand and reveal community interactions in the management of BUMDes. This qualitative data analysis used the Milles and Hubermen model (Aspers & Corte, 2019), through three stages, namely: (1) the data reduction stage (Ruel, 2017); (2) the stage of presenting the data and (McNabb & McNabb, 2020)(3) the stage of drawing conclusions and verifica-
RESULTS AND DISCUSSION

Village-Owned Enterprises (BUMDes), termed by rural communities in Central Maluku district as BUMNeg which have the same meaning (Negeri=Desa=Village), namely economic institutions formed by the public for economic development of the negeri or the public whose position is above the initiative of the local community, through public deliberations or Village affairs. To study the role of BUMNeg which has been formed by 49 BUMNeg until 2017 from 193 negeri in Central Maluku, it will be studied phenomena in two negeri sample, namely the negeri Tulehu and negeri Waai.

BUMNeg in Tulehu Village

The Tulehu Village-Owned Enterprise, which was formed on Thursday, December 15, 2015, was named the “Haturesi Tulehu” formed in accordance with the Decree of the Head of the Tulehu District Government Salahutu District, Central Maluku Regency through Tulehu Village Regulation Number: 431/01 / XII / 2015, decides three types of business units that will be managed by BUMNeg Haturesi namely: (1) Fisheries and Marine Development Business Unit; (2) Tourism Business Unit; and (3) Service Business Units. The three types of businesses are determined based on the potential possessed by the negeri Business units managed from 2016 to 2017 are service units. Two other business units have not been managed. With the inclusion of initial funds in the services business unit in the form of tent rentals, there are two tents. The initial budget in 2016 amounted to 20,000,000 all intended for the purchase of two tents.

The function of the tent above for leasing income is income for BUMNeg. In 2017, the budget for village funds intended for BUMNeg businesses is IDR 80,000,000. This budget is also used to procure 2 (two) Tossa (Transportation Tools) with purpose that Tossa Lifts resident garbage. With other languages, the inclusion of funds from village funds from 2016-2017 are all still used for service business units.

Phenomenon that shows up to 2017, Haturesi BUMNeg does not run optimally in accordance with functions, and the management structure is only a symbol that there is a Haturesi Village-Owned Institution. Institutionally related to the theory of “social capital”, in one element about “networking”; Network collaboration will experience paralysis if there is no interaction, over time it will only be a memory or name (Mutaruddin et al., 2017). Because the network is a social relationship, it is a bond between nodes (people or groups) that are associated with the media (social relations). Social relations are bound by trust, may be in a strategic form, and may be in the form of morality. Trust is maintained by norms that bind both parties.

Interaction intended in the institution of Haturesi BUMNeg: that is, the network between members must first be built or run, after that it can interact with other collaborative networks or wider social capital, as is the core of social capital (Nakazawa & Catsaros, 2019). Social relations among actors do not working, this phenomenon also makes the disbelief between members arise to the director, director to the management, the king to the director, and the community to the institution of the Haturesi Village Secretary. This phenomenon can be seen until 2017, the rental of “Tenda and Tossa” which functions as a rental tool is not carried out activities of economic value (goods are only stored in warehouses).

Since its establishment in 2015, and conducting business unit activities in 2016 and 2017, it is still focused on the service business unit. While the two business units (tourism and fisheries) have not been implemented, in other words the potential of natural resources owned has not been managed by BUMNeg, and the two tour-
ism and fisheries business units are the biggest potential, the tourism sector is hot springs, markets, etc. fisheries in addition to fish resources, also have a geographical area on the coast of the sea which is a transit point for ships anchored at the port.

In addition to the consideration of small capital through the inclusion of village funds from the beginning of the business unit (in 2016), it appears that there is no synergy from the management to accommodate the potential of natural resources that do not require an participation budget but only through management or asset management - Village assets that have not been managed to become a source of Village income, for example (a) there are labuhang (coastal marine areas), which currently have 50 (fifty) spits anchored; (b) The market is still managed by the saniri negeri (customary institutions) and market revenues have not been included in the Village treasury, while the market is a public asset. there are 100 units / blocks of various sizes on the market; (c) Nine locations of Hot springs, where visitors visit every day and visitors are very high on holidays. So far, there have never been levies on cars or motorbikes, planned by the Village, parking fees for motorbikes of Rp. 2000 and Rp. 5,000 for cars; (d) Hurunala Market, which currently has three buildings that have not yet operated because there has been no handover from the Central Maluku Regency government to the government of the negeri, this can be a part that can be managed by BUMNeg; and (e) Village-Owned soccer fields are planned to be levied every time playing on the field with a value of Rp. 150,000 (Interview result with the village acting King). While the presence of Village-Owned enterprises in accordance with the mandate of Law Number 6 Year 2014 is to move the village economy through the potential of natural resources and other resources owned for the welfare of rural communities. The most fatal lack of managerial from the BUMNeg leader is that up to two years the activities of BUMNeg have not taken place yet, so far the managing director (one man show) has not been held.

Hunimua BUMNeg in Negeri Waai

Waai Village Enterprises called Hunimua was formed on Thursday 31 July 2016 through a Village meeting, which was attended by 36 people, agreed on four things in the structure of the formation of BUMNeg, namely: (1) Advisors; (2) Supervisors; (3) Operational Executors and (4) business units. The business unit consists of (a) Savings and Loans business unit; (b) Fisheries Business Unit; (c) Tourism Business Unit. These three types of business units have been agreed upon for direct participation from the Village Fund Budget by 40%.

Based on the type of business that has been agreed since 2016, the Savings and Loans business unit that has been implemented since its founding in 2016, until now and has experienced a growing number of customers not only serving customers in Waai also expanding its network to neighboring Villages, namely Tulehu. Two other types of businesses until this research have not been carried out due to constraints on managers.

The total budget participation from village funds is 102,000. 000 in 2016, with details of the initial planning budget of Rp. 60,000,000 (Sixty Million Rupiah) intended for all three types of business. The constraints are two business units and cannot be implemented because of the inactivity of the chairman of the two business units. This condition was triggered by the political problem of choosing the king. As managerial, the head of the BUMNeg had called for a meeting, but after the meeting the chairman of each unit was also never active.

Daily savings and loan system is a system with withdrawals or payments / returns made by customers every day. This daily system has been carried out since
2016 or since the savings and loan unit was implemented. The entire budget of Rp. 20,000,000 from the initial funds is used for the daily system, with the customer area in Waai Village and Tulehu Village. Each month disbursed IDR 50,000,000. Interest is applied in the daily system of 15%, and repayment for 20 days. Until the end of this study there were arrears but did not exceed the three-day deadline to be repaid.

It has been explained about the savings and loan system both daily and monthly, with increasing turnover at the customer level and at the level of receipt of funds through revolutions. Existing success is strongly supported by: internal factors and external factors. Internal factors include: (1) Human resources in Village-Owned Enterprises are very adequate in managing BUMNeg institutions. BUMNeg leaders are visionay, coordinative and sensitive to existing changes. The Chairperson is an economics graduate and retired civil servant at the Maluku Province Tourism Office, the Secretary who has the ability to organize the entire administration of the institution.

The secretary is also a retired undergraduate civil servant at the Maluku Provincial Forestry Service, the treasurer of the accounting department and field members are high school graduates but have experience in managing savings and loans in the PNPM Mandiri program. As well as the participation of field members in strengthening their capacity carried out by the local government in this matter, the Central Maluku District Community Empowerment Service, as well as those carried out by NGOs; (2) Management systems that are transparent and neatly managed provisionally, (3) adequate office facilities and infrastructure for the ongoing activities of Village-Owned Enterprises. Facilities and infrastructure become a symbol or symbol of the ability of BUMNeg in the management of the organization.

This means that with customers knowing governance through work continuity in the office becomes a point to raise the level of customer trust in the institution (there is clarity). (4) Harmonious relations are maintained between the actors in the structure. The interaction that is built every day in the activity and then evaluates together makes all the people in the manager know transparently the income, the number of customers and the expenses made. Some of the income generated has been given to pay staff.

The situation is portrayed that staff have loyalty and commitment, because they are able to survive raising their Village employees when they are also not paid for six months. Of course this condition is a joint commitment because there is transparency, from the part that can improve the relationship of “mutual trust” between fellow administrators or staff. The pattern of this relationship according to Hanifan in Hasbulah because of the continuous interaction that gives rise to trust between them and giving birth to the network remains durable or sustainable, members believe in the common virtues of the actions taken to produce common goals (Poster & Aronowitz, 2020).

**The Village-Owned Enterprise Development Model at Tulehu and Waai**

By paying attention, the role, potential constraints for the development of BUMNeg, the model that can be developed as an effort to strengthen the institution of Village-Owned Enterprises in Tulehu Village, there are three stages that must be carried out, which if it is not carried out will have consequences for sustainability congestion / inactivity.

**Strengthening Model of Haturesi Negeri Tulehu**

This stage was carried out because since 2016 the purchase of two tents did not function according to the purpose, and in 2017 the purchase of two Tossa (trans-
portation equipment) also did not yet function where the goods have been available since September 2017. This means that capital is embedded in the goods. There is no economic movement so that the function of the Haturessy Village-Owned Institution needs to be activated.

The activation phase can be done through 2 (two) steps. The first step is focused on building the “reciprocal relationship” of the king and all Village staff with Village-Owned Enterprises (Directors, Secretaries, Treasurers, Unit Heads and members of the Saniri negeri), through limited meetings or small meetings, the purpose of meeting and management functions of Village-Owned Enterprises. Through hearings on programs that experience stagnation, small meetings will produce agreements, solutions for activating the institution of Village-Owned institutions (run when, who will run, what kind of operational unit procedure? Or what kind of mechanism, etc.). The second step is the results of the small meeting were then continued at a large meeting, which meant a large meeting because it included all Village staff, Village-Owned enterprises, the Saniri negeri and the community component, meeting in the second step, as well as socializing the 2016 and 2017 programs and hearings on the results agreed at a small meeting.

Village meetings so that all people know, there is a process that makes involvement in terms of planning, evaluating, and willing to participate in the implementation and control of the activities of Village-Owned Enterprises. The process of participation through joint dialogue so that the hope of strengthening the institution of BUMNeg with the aim of having village economic income (PAD), can really be generated from good governance management. Good governance certainly cannot be born if there is no process that accompanies it; because a good institution will determine the sustainability of a program which describes each actor processed (Mubyarto, 2000). From the second step to the output produced is the implementation of the 2016 and 2017 programs and there is strengthening of the implementation of implementation for the fisheries and tourism business units.

The stage of implementing the program can be carried out if two steps in the implementation period have been carried out. At the implementation stage the program is not only intended (market) in the Village but the market is also for “dusundusun” (remote/small villages), because so far they have never included dusun as their markets. So that in order to increase the effectiveness of program management it is necessary to involve the dusun also in the management of business units, this is related to ease of monitoring, and saving costs because dusun far from the main village, by subordinating the dusun to the management of business units specifically related to public assets namely natural resource management, where the SDA is located in the dusun will make it easier. So they will also feel involved in the development of Tulehu’s Village.

All activities of the Village-Owned Enterprises that have been carried out must be clearly documented, which can be accounted for through through coordination meetings internally delegated and then the results of internal business development meetings must be reported to the Village government every month or 3 (three) months, then become a reference for the government of the Village for further interference.

The fourth step is the development stage, where in addition to the 2016 and 2017 programs; two other business units can also be implemented, because from the government the government has a commitment to the management of public asset assets. At the development stage it will be easier to be associated with natural resource management, because there is
an optimizer of human resources in locations where the natural resources are located, through the role of each dusun as a field officer in the management of business units. Indeed, currently the ability of Village-Owned Enterprises cannot be financially independent so that in the development of two other business units, it still needs village fund participation (ADD), or it can also develop cooperation with other agents (if they have good capacity and work management). The use of village funds can be stopped if financially Village-Owned enterprises are able to support the institution and can provide income for the Village treasury, so that village funds can be allocated to development to improve community welfare.

The implementation phase up to the development stage must always be monitored by the Saniri negeri to ascertain whether the Village Legislation Body is running effectively and efficiently. The functions of this Saniri negeri can also be effective if they also have the investigative capacity to monitor and evaluate. The current obstacles are that they do not have adequate knowledge (need to strengthen capacity building) which can be done with various parties, in capacity building. If all stages are passed, it will increase trust between all actors involved, so that loyalty will increase, performance will increase, income will increase, and hopes of becoming an independent and prosperous village in the long term can be realized.

**Hunimua BUMNeg Development Model in Negeri Waai**

Hunimua Village Ministry has been run by the management since 2016 and 2017. The business unit has not been implemented. Village-Owned enterprises, as an effort to strengthen the direction of development, the expected development model is in accordance with the conditions and conditions in the Village.

Considering that the two fisheries and tourism business units have not been carried out since 2016 and 2017, due to constraints on networks with the government of the Village; so for the development of business units that have been carried out and to activate the other two business units, carried out with a process that must be initiated through establishing an active communication relationship between the chairman and management with the government in this case the king and staff, with the aim of strengthening relations and improving the trust of the government of the Village in the existence of BUMNeg, considering that BUMNeg was formed by former kings, who currently experience communication barriers with elected kings (political issues in choosing the king).

The results of communication between BUMNeg and the government, then become the raw material to be followed up through Village meetings, namely joint meetings between the government of the Village, Village-Owned Enterprises and all components of the community to socialize/inform the programs that have been implemented (savings and loan business units and activate two other business units), so that it can be taken into consideration to get ADD funding support by including 40%.

All programs carried out must be monitored by the Saniri negeri, so that the capacity of the Saniri negeri also needs to be improved, so that they will be able to advocate in terms of monitoring and documenting programs that are monitored and evaluated. At the level of Village-Owned Enterprises, they have carried out evaluations and monitoring of the program, but the results of evaluations from both Village and Village bodies must be reported to the government every month or 3 (three) months in the framework of increasing the level of trust. This trust will be strength in building cooperative relations with other development agents (NGOs, government and others) for Development of BUMNeg.
CONCLUSIONS

The potential of the two sample Villages has similarities, namely in the potential of fisheries and tourism, so that the Village-Owned Enterprises that are formed are also oriented to their potential, namely in the fisheries business unit, tourism business unit. And each has a service business unit in the form of savings and loans in Waai and a service business unit in the form of leasing goods in Tulehu’s Village in the implementation of Village-Owned Enterprises because they have potential and constraints. Each Village also has the potential to have the same and something different. The Management Model of Village-Owned Enterprises in both Villages has different characteristics in accordance with the potential and obstacles and characteristics of the community, so the model constructed according to the development needs in Tulehu includes four stages starting from: Activation, Implementation stage, the next stage is the development stage, while the development model of Village-Owned enterprises in Waai is more focused on internal strengthening of Village-Owned enterprises with the government so that the government will know the functions and responsibilities as well as program transparency.

REFERENCE


