

## THE ROLE OF VILLAGE OWNED BUSINESS ENTITIES (BUMDES) ON RURAL ECONOMIC DEVELOPMENT IN TANJUNGSARI DISTRICT, SUMEDANG REGENCY

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### Abstract

One of the dreams of the countrywide development of the Indonesian state as stated in the fourth paragraph of the Preamble to the 1945 Constitution, is to promote public welfare. There is a negative relationship between poverty and welfare, there is always a negative relationship (*redundance*), thus the lower the poverty rate in Indonesia, the higher the welfare of the population in Indonesia. BUMDES is a village business organization run by the community and village government with the aim of strengthening the village economy and creating social cohesion in the community formed by the needs and potential of the village. BUMDES contributes to the provision of social services as a social institution that pursues the interests of the community. BUMDES as a legal entity is formed based on contracts developed in rural communities based on existing laws and regulations. The establishment and management of Rural Business Entities is a manifestation of productive rural economic governance that is carried out in a collaborative, participatory, emancipatory, transparent, responsible and sustainable manner. Therefore, serious efforts are needed so that the management of these economic entities is carried out efficiently, professionally, and independently. To achieve its goals, BUMDES is carried out by meeting the needs of the local community through the distribution of goods and services managed by the local community and the village government. An institution is required to be able to show its services to non-members by setting prices and services that meet market standards, namely the existence of institutional agreements or laws to ensure that the business run by BUMDES does not cause economic distortions in rural areas. To achieve the national development goals of villages, they are the main agent of the government and the real target group that wants to develop, namely the economic entity, namely BUMDES through the establishment of BUMDES, the Ministry of Home Affairs. This agricultural organization is formed/established by the village government, the capital is owned and managed by the local community. In the context of development, based on research on the impact of BUMDes Control on village economic development in Tanjungsari District, Sumedang Regency, it is necessary to rebuild BUMDes in other villages besides the 5 villages studied that already have BUMDES but are still not running due to various obstacles.

**Keywords:** *BUMDES, Development, Income, Labor.*

### 1. Introduction

Development is an effort to improve people's welfare and the life of the nation as a whole in order to achieve the national goals stated in the Preamble to the 1945 Constitution. Considering that Indonesian society is a rural area, this has a significant impact on efforts to create national stability (Sa'dullah, 2016). ). In addition, the position of the village in state development is considered strategic because it provides a basis for identifying

community problems, which leads to planning and realizing state goals at the village level (Sidik, 2015);(Dinamis, 2018). Rural development is to realize the goal of resolving various inequalities by making the village a means of development. This city is considered far behind from the city in terms of economy, wealth, education and other facilities. The government has implemented many programs to accelerate rural development, but the results have not been

significant for improving the welfare of rural communities. One of the factors in the failure of rural development is massive state intervention which has an impact on the inhibition of creativity and innovation of rural communities in the management and economy of the village. (Adawiyah & Rahmah, 2018).

The goal of national development is to create a just and prosperous society that is materially and spiritually equitable based on the 1945 Constitution in one Pancasila state and the Unitary State of the Republic of Indonesia. The Unitary State of the Republic of Indonesia which is independent, sovereign, integrated, and sovereign over its people in an atmosphere of national life that is safe, peaceful, orderly and dynamic. National development as the practice of Pancasila which covers all aspects of national life is jointly organized by the local community and the government. Communities are key participants in the development process, and the government has a duty to guide, protect and maintain the enabling environment. Community and government activities support, complement, and each other in one step to achieve national development goals (Prasetyo, 2021).

The perspective of rural communities is the main obstacle to rural development. People's mentality towards rural areas is a scourge for ordinary people. Rural communities are underdeveloped and slow growing societies. This has implications for their economic. The rural economy has become a dichotomy of urban society. The main indicator is the undeveloped village development, especially the monotonous economic development in the life of rural communities. (Debarun Chakraborty, 2016).

Therefore, the definition of a village clearly provides an overview of a human group or community whose activities are related to elements of the natural, physical, or social environment and communicate with other areas, which are fluid, open, and less prosperous, isolated from and with other areas. According to Kompasiana, the characteristics that stand out in rural communities are:

1. The life of the village community still adheres to the religion or customs of their ancestors.

2. Rural residents are more likely to help each other
3. Most of the rural population work as farmers.
4. It is still difficult to find facilities in rural areas
5. People still find it difficult to accept new things or are closed to old things

After increasing human resources, community empowerment must be emphasized as a priority in development. Community empowerment is about motivating and supporting communities should be independent and empowered with their various potentials. The community can be said to be empowered if it is able to maximize the various potentials that exist in the community, potential for human resources, the potential for natural resources, and the potential for structural resources. The accumulation of all these potentials can create an emancipated society. Community empowerment will automatically affect the level of economy and welfare (Chikmawati, 2019).

One of the national development goals of the Indonesian state as stated in the fourth paragraph of the 1945 Constitution is to promote public welfare. We can describe the welfare of the Indonesian people, one of which is based on the poverty level of the Indonesian people. There is a negative relationship between poverty and welfare, there is always a negative relationship, therefore, the lower the poverty rate in Indonesia, the higher the welfare of the people in Indonesia. One of the main indicators of the success of national development is the decline in the number of poor people in Indonesia (Kementrian Perindustrian, 2016).

Villages need to be developed to improve the quality of life and the welfare of the population. One of the needs to accelerate the economic growth of the rural population is to use the establishment of a Rural Business Entity (BUMDES). BUMDES is a village business organization run by the people and the village government with the aim of strengthening the village economy and forming social cohesion among the people based on the needs and potential of the village. (Kushartono, n.d.).

BUMDES contributes in providing social services to become a social forum that fights for the public interest. On the other hand, as a commercial institution, the principle of efficiency & its effectiveness must always be emphasized in running a business because it seeks to make a profit by providing local resources (goods and services) to the market. BUMDES as a legal entity is established on the basis of: contracts that develop in rural communities based on regulations and the existing legislation. So that the form of BUMDES can be different in every village in Indonesia. The shape varies according to regional characteristics, capacities and resources of each village (Ridlwani, 2015). The establishment and management of Rural Business Entities (BUMDes) is a form of productive rural economic governance that takes place in a collaborative, participatory, empowering, transparent, accountable and sustainable manner and is implemented effectively, efficiently, professionally, and independently. Considering that BUMDES will become a village business with the majority of rural economic development. Meeting these needs does not burden the community. Institutions are also required to be able to show their services to non-members (outside the city) by determining prices and services that meet market standards. The existence of agency arrangements or laws that are mutually agreed upon by ensuring that the business run by BUMDES does not cause economic irregularities in the countryside (Arindhawati & Utami, 2020).

To achieve the national village development goals, it is the government agency that is responsible. The actual target group that wants to be developed is an economic entity, namely BUMDes through the establishment of BUMDes provisions of the Ministry of Home Affairs and Transportation Number 39 of 2010. Creating a village business that is in line with the needs and capabilities of the village to increase the financial capacity of the village government and increase people's income through various economic activities of the village people.

This agricultural organization is formed/established by the village government, and capital owned and managed by the local community. The establishment of BUMD also refers to Chapter II of

Permendagri Ordinance No. 2010 of 2010 concerning the Establishment of BUMD. Based on 39. This configuration is sourced from the Regional/City Government through the stipulation of regional regulations regarding the implementation and operation of BUMDES. In addition, the city government has established BUMDES with city regulations based on local regulations. This regional regulation will appear in line with the enactment of Law Number 12 of 2008, which has been amended using Number 32 of 2004 concerning Regional Government. Regional governments are directed to form regional leadership effectively by taking into account the principles of democracy, equality, justice, and budget certainty in the system of the unitary state of the Republic of Indonesia.

Law No. 32 of 2004 concerning regional government in article 213 paragraph (1) states that "villages can establish village-owned business entities in sync using village needs & potentials". The village-owned business entity (BUMDes) is a village business forum managed by the people and the village government in an effort to strengthen the village economy and is made from the needs and potential of the village. Village-owned business entities (BUMDes) from Law No. 32 of 2004 concerning regional government were established, among others, in the context of increasing village original income (PADes). For BUMDes, the main income is interest on loans and services provided to customers, while the expenses or costs that must be fulfilled are salary expenses, interest expenses, administrative and general fees, transportation costs and others. Village Community Development Programs, in this case Village Owned Enterprises (BUMDes) are programs based on the central government implemented by the village government and Village Owned Enterprises (BUMDes). Its operation uses a business philosophy rooted in local culture. The business field that is run from within the village potential and market news. The profits obtained are aimed at the welfare of members (capital equals) and the people through village policies at the facilitation of the provincial government, district government and village government. Its operation is under joint control with the BPD, village government & members (Arindhawati & Utami, 2020).

Village-Owned Enterprises, which are hereinafter claimed to be BUMDes, are village economic institutions/agencies with legal entities created and owned by the Village Government, managed economically, independently and professionally, using all or most of the capital, which is separated village wealth. In the end, BUMDes was created with the aim of making a profit to strengthen Village Original Income (PADes), promote the village economy, and increase the welfare of villagers. (Suprpto & Rahman Prehanto, 2020).

BUMDes is a business forum that is active in the management of village economic assets and resources in the framework of empowering rural people. The regulation of BUMDes is regulated in Article 213 paragraph (1) of Law no. 32 of 2004, that Villages can establish Village-Owned Enterprises synchronously using the needs & potential of the village. In addition, it is also regulated in Government Regulation Number 72 of 2005 concerning Villages, which regulates BUMDes, namely in Articles 78 – 81, Part Five concerning Village-Owned Enterprises, and the last is Minister of Home Affairs Regulation Number 39 of 2010 concerning Business Entities. Owned by the Village. The purpose of BUMDes is to optimize the management of existing village assets, promote the village economy, and enhance the welfare of villagers. With the presence of BUMDes, the village needs to be more independent and the community more prosperous. First, there is no underlying legal basis regarding the existence of BUMDes in the village. Even though the spirit to institutionalize BUMDes has been implicitly mandated and underpinned by the issuance of Law Number 8 of 2005 regarding amendments to Law Number 32 of 2004 concerning Regional Government, as mandated in Chapter VII section Fifth which states that Village Governments can establish Business Entities Synchronous Village Owned using the needs & potential of the village using the hope that it can increase the income of residents and villages.

As a follow-up, according to the application for the Provisions of BUMDes, Article 78 of PP 72 of 2005 concerning Villages, it is explained that the Regency/City Government needs to decide on a regional regulation regarding the Procedure for the

Establishment & Management of Village-Owned Enterprises. As a government agency, the city is at the forefront in serving the community. On the other hand, as a legal community, the village is the foundation of Indonesia's social system, and its very strong foundation can become a solid foundation for the development of a stable and mobile political, economic, social, cultural and defense system, as a result, the village is a miniature and a good example to observe the relationship between government and citizens (Kushartono, n.d.). Moreover, through this village, rural enterprises can be regulated by referring to rural conventions based on local conventions. BUMDES is also needed to be able to encourage and move the wheels of the rural economy. Village economic assets must be fully managed by the villagers. The essence & philosophy of BUMDES must be imbued with the spirit of unity and independence in order to strengthen the economic aspects of institutions. In this phase, BUMDES will continue to strive to increase the initial source of village income and revitalize community economic activities. This effort is very important in the context of the diminishing role of freeriders in increasing the transaction portfolio in people's economic activities through the practice of rent-seeking (Iksaningtyas & Rukiyah, 2018).

In 2015, the government announced a decision on the formation, management and liquidation of village shops as Minister of Villages No. 4 This regulation serves as a guideline for districts and villages on the establishment and management of BUMDES. Because BUMDES is an economic entity whose capital is all or most of the capital owned by the village through the exclusive inclusion of village wealth, the development of BUMDES is a form of strengthening the village economic system and a tool to empower the economy of the community in various regions. type. BUMDes is the backbone of the rural self-help economy, achieving increased welfare for its citizens.

BUMDES also has strengths, weaknesses, opportunities and threats. The strength of BUMDES is that it has a clear legal basis and local economic resources. If so, the weakness of BUMDES is the limited human and capital resources. Then the opportunity for BUMDES is to create jobs for the community

and increase people's income. Then the threat of BUMDES is business competition (Ridlwan, 2015).

In Indonesia, in December 2018, 61% of villages already had BUMDES, or 45,549 BUMDES units were formed according to 74,957 villages in Indonesia. This number is sharply higher than in 2014 which only had 1,022 BUMDes.

In West Java, there are 596 reactivated BUMDes and 272 newly formed BUMDes, from 5,312 villages in West Java, only 69.5 percent or 3,695 villages already have BUMDes. 2020 the West Java Provincial Government targeted the formation of 746 new BUMDes, this is because the West Java Provincial Government has a One Village One Company (OVOC) program which aims to create an independent village by optimizing resources, both human and natural one, through the utilization of the Village Owned Enterprise (BUMDes).

In Sumedang Regency, of the 270 villages in the Sumedang Regency area, up to now there have been 269 villages that have successfully formed Village Owned Enterprises (BUMDes) using this method. One more village has not yet formed a business entity in the village. BUMDes which is being intensively formed by the West Java Provincial Government is considered to have helped the government a lot in encouraging the improvement of the community's economy. In Tanjungsari Sub-district there are 12 villages that already have BUMDes and only 5 villages have BUMDes running, the most effective BUMDes units in Tanjungsari District are rental service units, trade and payment services, this is based on the potential of villages in Tanjungsari District. Currently, BUMDes actors in Tanjungsari are being trained to market their products online so that BUMDes in Tanjungsari District can maximize their results. The existence of BUMDes in Tanjungsari District is needed to boost the community's economy. Of the 5 BUMDes studied in Tanjungsari District, there are already those that have a fairly large asset value, namely the Mekar Bhakti BUMDes in Tanjungsari village already having building assets, savings, and business units which if the value of money is more than five hundred million, then BUMDES in 4 other villages

also have business unit assets and savings. If BUMDES is managed properly, then BUMDES can later become one of the most inclusive finances at the kelurahan level.

One of the efforts made by the village government, especially in improving the welfare and economy of the underprivileged people, is by establishing a Village Owned Enterprise (BUMDes). BUMDes is technically a forum that encourages increasing Village Original Income (PADes). Village-Owned Enterprises (BUMDes) are also village business forums managed by the people and village government, becoming a forum created to strengthen the village economy and based on the needs and potential of the village. However, in practice, there are still some disputes that arise (Octafiona et al., 2020).

In addition, there is still a lack of adequate Human Resources (HR) in the management of BUMDes, BUMDes have not been able to carry out their usefulness aphorisms, only one area is still running, and there is a lack of people's enlightenment in developing other business fields. So that in the current era of modernization, it is expected that tactics are to realize village independence and alleviate the struggles or obstacles to the application of BUMDes through an invention of improving the welfare and economy of rural people using the development of BUMDes inventions. (Autoridad Nacional del Servicio Civil, 2021).

Based on this, the village has been given the authority to regulate and manage its own government affairs. So it is very likely that there will be an initiative or pilot activity related to using village autonomy and related to using patterns of government regulation and management, and patterns of village development. In addition, the village is currently given the authority to increase the level of living of its community through Village Original Income (PADes). Village income as referred to still exists in Law Number 6 of 2014 Article 71 paragraph (2) sourced based on original Village income consisting of business output, asset output, self-help and participation, mutual cooperation, and other original Village income. Besides that, the village has the main function and role from an economic perspective, which is to function as a granary

for raw materials and work energy (man power). From this, the village can be an agrarian village, a manufacturing village, an industrial village, and even a fishing village.

## 2. Method

The research conducted is a qualitative research conducted with a descriptive approach. Descriptive research aims to interpret a situation, event, object, or everything related to a variable that can be explained by numbers or words (Kushartono, n.d.).

Stages of this research is a different test to find out whether there is income disparity before and after the existence of BUMDes. Dough research is a procedure of collecting, analyzing and. "unification" of quantitative and qualitative methods in a study or series of studies to uncover research problems. Respondents used in this study amounted to 50 BUMDes in Tanjungsari District. Characteristics of respondents are the most important part from the start of a study because by knowing the characteristics of respondents, we can get to know the object in our research better (Rosmita, 2018).

BUMD was formed by the village government and the community with the aim of improving the management of village potential in accordance with the needs of the community so as to increase the income and economy of village households. BUMD efforts to balance the village economy can be done. BUMD which acts as one of the dominant forms of village activities must not burden the community in order to encourage the village economy. BUMD was established according to the needs and potential of the village (Kushartono, n.d.). So that the research results have a high level of credibility and can be accounted for, especially by the present writer as the main tool of this research, the present writer triangulates the primary data—obtained in the field to be compared from data sources that have been selected, then compiled, analyzed and concluded. The results are then used to explain the problems that have been studied factually and objectively in accordance with the results obtained in the field (Simangunsong, 2019).

Therefore, the data collection technique used in this study was through a literature study or review of various sources or literature related to the issues discussed (Autoridad Nacional del Servicio Civil, 2021).

## 3. Discussion

The study of this legislation aims to find out the legal conditions or regulations governing the substances or materials to be adapted (Saw & Eden, 2013).

Law on Villages No. 06 of 2014 article 87 states that villages can establish Village-Owned Enterprises, and BUMDes activities are run by the community who has been given the responsibility to manage BUMDes in accordance with the main tasks and benefits of each. There is a lot of village potential that can be managed and as a source of income for residents. Therefore, the village government established the Bangai Jaya BUMDes to help the village community's economy in managing the existing potentials. Every village must have potential, if there are villages that feel they have no potential then they need to renew the sub-district. The district used is a consumer perspective (Ratna et al., 2021).

Village development is an effort to increase the level of living and welfare of rural people. In village development, strategies are needed to achieve goals that are progressive and of course sustainable. Each village certainly has different Natural Resources (SDA) potentials, this is in line with using the topography and contours of a rural area itself. Permanent natural resources as one of the primary supporting factors in village development. One of the indicators, namely that most of the people's work in rural areas is a farmer and farm laborer. The agricultural sector seems to be the biological foundation of the people living in rural areas. Nevertheless, because of industrial progress, it also reduces the number of farmers and farm laborers because many have changed professions. This is where the problem lies, where the potential of the village which is dominated by the potential of natural resources oriented in the agricultural sector seems "porous" using the progress of the times and seems non-adaptive. Thus, a traditional village area arises which is still not active in terms of development and progress of a village or can be said to be an

underdeveloped village, so a specific strategy is needed to produce an underdeveloped village as a progressive independent village (Autoridad Nacional del Servicio Civil, 2021).

Tanjungsari District is located in Sumedang Regency, West Java Province, with a population of 93,234 people and an area of 25.04 km<sup>2</sup> consisting of 12 villages, namely: Cinanjung, Raharja, Gunungmanik, Margajaya, Tanjungsari, Jatisari, Kutamandiri, Margaluyu, Gudang, Pasigaran, Kadakajaya, and Cijambu. The boundaries of Tanjungsari District are in the southwest, it is bordered by Jatinangor District, in the south by Cimanggung District, in the east by Pamulihan District, in the northwest by Sukasari District, and in the north by Subang District. The research location is located in 5 villages in Tanjungsari District, Sumedang Regency, namely Tanjungsari village, Cinanjung village, Kadakajaya village, Cijambu village, and Kutamandiri village. Because only these 5 villages already have BUMDes.

In Tanjungsari District, there are 12 villages and only 5 villages whose BUMDES have been running well, namely in Tanjungsari Village, Cinanjung Village, Kutamandiri Village, Kadakajaya Village, and Cijambu Village. "In Tanjungsari District, only a few BUMDes have been running, this is because not all villages have human resources to manage BUMDes, due to a shortage of human resources there are several villages whose BUMDes are vacuum, for example BUMDes in Margajaya village which is vacuum because there is no BUMDes chairman". Head of BUMDes Kadakajaya Village, Tahyudin. The type of business that exists in each village is influenced by the potential of each village,

For the type of business in each village, we can see from the location of each village, for the village of Cijambu, actually there is still a lot of village potential that can be explored and utilized by BUMDes. Many people in Cijambu village only think about the benefits of BUMDes, but not to want to help provide ideas and input, only thinking about profits, even though if they work together with BUMDes in Cijambu village, they can be more advanced. BUMDes Tanjungsari Village Located in a strategic location,

namely on the edge of the Tanjungsari road, so that the manager makes a type of business that is adapted to the location of the village.

In Tanjungsari village there are types of rental businesses, basic food trading, and transaction services, in Cinanjung village there are basic food trading businesses, transaction services, and party equipment rentals, in Kutamandiri village there are basic necessities and ATK trading businesses, in Kadakajaya village there are various types of Waste Bank businesses. Trade in basic necessities and stationery, and in Cijambu village there is a Garbage Bank, Camping Equipment Rental, and Fruit Selling. The BUMDes program in every village is very important because it will help develop BUMDes in every village.

For the management of BUMDes in Tanjungsari village, Kutamandiri village, Cinanjung village, Kadakajaya village, and Cijambu village, the BUMDes administrators in each village have managed well, this can be seen from the BUMDes in each village which is already generating profits and is continuing development. For the budget received by BUMDes in Tanjungsari Village, Cinanjung Village, Kutamandiri Village, Kadakajaya Village, and Cijambu Village in 2020 as much as Rp. 100,000,000, each BUMDES can apply to the government through the village every year to get a budget that will be managed by BUMDES, thus it is hoped that BUMDES can manage the potential contained in each village properly. In managing BUMDES, BUMDES administrators in the 5 villages studied the problems. The number of residents working in Tanjungsari District in 2018 was 48,304 people, the workforce absorbed by BUMDES in Tanjungsari District so far was 15 people, the workforce absorbed in Tanjungsari Village was two people, Cinanjung Village was three people, Kadakajaya Village was 3 people, 3 people in Kutamandiri village, and 4 people in Cijambu village, of the 15 people, 12 were men and three were women.

A paired t-test (should be small letter, T capital letter is a different formula). is a parametric test for the difference between two pairs of data. This test uses the same sample but different treatments. Researchers want to compare the income of respondents before and after the existence of BUMDES. The variables in this study include before and

after BUMDES.

**Tabel 1**  
**Other test results before and after**  
**BUMDES Existence**

	Mean	t	Sig (2 tailed)
Before	1401000.000	-19.618	0.000
After	1657000.000		

*Source: processed primary data*

Based on the table above, it can be seen that the t-score before and after BUMDES is 19.618 with a probability of 0.000 (Sig). The decision statement is a double statement of hypothesis testing, namely (1)  $H_0$  = There is no effect before or after BUMDES exists. (2) low = influence before and after the existence of BUMDES. It is known that the count before and after BUMDES exists is 19618 and the probability (Sig) is 0.000. Probability (Sig) 0.000 ; At 0.05  $H_0$  is rejected, then  $H_1$  is accepted, meaning that there is an impact before the completion of BUMDES. Based on the treatment output, it can be concluded that the existence of BUMDES has a very powerful impact on the economic development of the village.

#### 4. Results and Discussion

The results of the study on the influence of BUMDES on the economic development of villages in Tanjungsari, Sumedan, it can be concluded that the condition of BUMDES in 5 villages in Tanjungsari District has been running quite well and continues to grow. Moreover, BUMDES in Tanjungsari District has started to generate profits and have been able to absorb labor even though it has not been maximized. Then the statistical test results show 0.000, thus the result is that  $H_0$  is rejected which explains the income disparity before and after the existence of BUMDES, meaning that BUMDES has an impact on village economic development in Tanjungsari District. Furthermore, BUMDES in Tanjungsari District has been able to absorb workers and have been able to open up job opportunities, although not optimally.

In the context of development, based on research on the impact of BUMDes Control on village economic development in Tanjungsari District, Sumedang Regency, it is necessary to rebuild BUMDes in other

villages besides the 5 villages studied that already have BUMDES but are still not running due to various obstacles. It is hoped that the government can help by providing education to villages whose BUMDes are not yet running so that the BUMDes can run and develop and can develop the economy in the village. So there must be an educational effort about BUMDES to BUMDES members so that they can be better and optimal in managing BUMDES so they can get better profits and can absorb more workers so that BUMDES can prosper the community and can reduce unemployment.

BUMDes was created with the aim of increasing the welfare of local village people, increasing economic conditions and village original income, increasing village potential processing efforts (from human resources and natural resources) in accordance with the needs of village people and functioning as the backbone of village economic equality and growth. The advantage of BUMDes is to ease the burden on people who will borrow funds for businesses. This is because the interest on loans from BUMDes is lower than borrowing through moneylenders. BUMDes is also a place to accommodate the products of people's micro-businesses who have difficulty marketing their products. The BUMDes always carries out training and guidance related to the advanced processing of agricultural output and marketing to increase the skills and knowledge of the villagers in increasing their income.

Based on the research output related to the work of Village Owned Enterprises (BUMDes) empowering the people in the village, it was concluded that Bangai Jaya BUMDes had played a role in empowering the economy of the village people, especially the poor, BUMDes's role in empowering the community was through businesses that provided agricultural sensory equipment whose payments could be paid in stages. . The human resources contained in this BUMDes program application are very lacking in quantity, because in the determination of the BUMDes directors, they have not recruited a person in charge of the business unit . In terms of quality, the available resources are not very familiar with IT technology, as a result, bookkeeping is still done manually. The existing financial resources still do not fulfill the BUMDes event application, this is because the funds launched by the



government are not in accordance with the number of people in need. The lack of communication carried out by BUMDes implementers, that in their communication they do not have a good communication pattern, they only communicate during an emergency. The lack of socialization of the BUMDes program to the village community regarding the Bangai Jaya BUMDes program in Bangai Village so that there are still many people who do not understand BUMDes. The existence of democratization opportunities at the village level should also have a positive influence on the village to form initiatives and hopes to advance the village. The initiative must look at various aspects including service, democratization and participation and what is more crucial is enhancing the economic potential of the village. The improvement of the village economy should be started by putting in place perfect legality, so that BUMDes legitimately explains its work as one of the efforts to increase Village Original Income (PADes) and grow the village economy as a whole and comprehensively.

An independent village is a village that is able to meet its needs and if there are still donations according to the government, the donation is only a stimulus. Independent village development includes development planning activities that are participatory, transparent, accountable and detailed. The tactics that can be used to achieve self-sufficient villages are by implementing findings at every joint of the Village Owned Enterprises (BUMDes) business forum. In addition, optimization is carried out on every village asset and village potential to improve the welfare of the residents. There are 3 (three) sectors which emphasize the business of realizing the independence of a village, namely: (a) economic potential; (b) social potential; and (c) the potential of Human Resources (HR). Economic potential is the most important part in the business of increasing the living level of residents, it is hoped that business findings in the management of BUMDes are expected. One of them can apply information technology to the business development business carried out by the BUMDes. Social potential refers to the availability of original work energy according to rural residents who have skills and competencies in several sectors, as a result of which there can be empowerment and involvement of BUMDes residents to

build new jobs. The potential of human resources is a supporting factor in the management of BUMDes in a more professional direction, as a result, BUMDes can serve as a productive, creative, innovative, adaptive and accountable business forum.

## 5. Conclusion

Qualitative research with a descriptive approach, with a focus on research. The existence of BUMDes in community empowerment includes the establishment of BUMDes, mechanisms, forms of BUMDes and their development and capital, including sources of funds to increase village income, meet community needs and independent village development, inhibiting factors and supporting livelihoods rural communities to strengthen the village economy.

Based on the results of the investigation conducted, the researchers concluded that BUMDes has the following tasks:

1. Improved urban economy.
2. Increasing joint efforts in managing the economic potential of the village.
3. Creating job opportunities
4. Improving collective welfare through improving public services
5. Increase Village Original Income

Regardless of the limitations, this research will support new investigations to improve suggestions, the authors can determine as follows:

The role of Village-Owned Enterprises needs to be explored more deeply through several other broader views and a longer research time and the importance of approaching informants so that the data found can be more in-depth. In future research, it is hoped that it will not only focus on discovering the role of Village-Owned Enterprises but can also create new things and findings to improve Village-Owned Enterprises. Improve the management of BUMDes by using an accounting system so that the existing data is not scattered and stored neatly.

## 6. References

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