



Effect Of BUMDes on Increasing PADes in Blawi Village, Karangbinangun District, Lamongan Regency

Erna Hayati¹, Khoirul Bariroh²

^{1,2}Lamongan Islamic University, Lamongan, Indonesia

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E-mail:

ernahayati@unisla.ac.id

ABSTRACT

To optimize village assets and the potential to benefit community welfare, the central government encourages the village government to form Village-Owned Enterprises (BUMDes). Blawi Village, which is located in Karangbinangun District, Lamongan Regency, is one of the villages that has owned BUMDes since 2014. If seen from the financial report data, Blawi Village's income from BUMDes has increased. This study aims to determine whether BUMDes has a significant effect on increasing Village Original Income (PADes) in Blawi Village. The data used in this research is the entry data from BUMDes and PADes Blawi Village data from 2015 to 2019. The method used in analyzing the data is linear regression analysis. The results of data analysis show that the income of Desa Blawi from BUMDes has a significant effect on PADes Desa Blawi.

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1. Introduction

Village-Owned Enterprises or abbreviated as BUMDes are business entities covered by the law that are managed by the village government. According to [1] and [2], BUMDes was formed based on the needs and potential of the village. In its planning and establishment, BUMDes was built on the initiative and participation of the community [3], so it can be said that BUMDes is a form of village community participation in village development. As a manifestation of village community participation, BUMDes is not a business model that is hegemony by certain groups. Village community participation is one of the determinants of the efficiency and effectiveness of BUMDes [4].

BUMDes is one of the government's policy strategies to develop Indonesia from the periphery through rural economic development by mobilizing strategic business units [5]. Law No. 32 of 2004 concerning Village Government explained that BUMDes was established to increase Village Original Income. Village Original Income (PADes) is village income generated from sources and community participation consisting of village business results, village wealth, self-help and community participation, community cooperation, and other legitimate village income [6]. The purpose of the existence of BUMDes is, among others, to increase village community income and village original income (PADes) [7]. Thus this can encourage village governments to establish business entities.

[8], [9], [10], and [11] in their research stated that BUMDes can increase village original income (PADes). [12] with his research on the impact of BUMDes in Aik Batu Buding Village, Belitung Regency, Bangka Belitung shows that BUMDes have an impact on improving the village economy. [13] in his research states that village entrepreneurship is a strategy capable of driving the economy of rural communities. [14] shows in his research that BUMDes not only increase PADes but also create opportunities for rural communities to improve their quality of life. [15] research results concluded that BUMDes has a significant effect on village welfare. From these studies, it shows that BUMDes has a very broad impact on village communities.

Blawi Village is a village located in Karangbinangun District, Lamongan Regency. Desa Blawi has owned BUMDes since 2014. BUMDes in Blawi Village have several business units, namely rental of market stalls, WARLA (Warung Lamongan), Sales of Organic Fertilizers, and Aquaculture. The majority of people in Blawi Village are farmers. With the existence of a business unit selling organic fertilizers, the farmers of Blawi Village have been greatly helped. Farmers get organic fertilizers at normal prices even though the prices of outside fertilizers are soaring as a result of the scarcity of organic fertilizers.

Before the establishment of BUMDes, the source of income from Blawi Village PADes only came from village treasury lands. For almost 6 years of existence, BUMDes Blawi Village has contributed a lot to Blawi Village, including increasing PADes Blawi Village. The purpose of this



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study is to determine how much influence the income from BUMDes has on the increase in PADes in Blawi Village, Karangbinangun District, Lamongan Regency.

2. RESEARCH METHODS

This study uses secondary data obtained from the financial statements of Blawi Village. Blawi Village’s financial report data used is data from 2015 to 2019. The data analysis method used is descriptive statistical analysis and simple linear regression analysis. The research variables used can be grouped into two, namely the independent variable and the dependent variable. The independent variable in this study is the income from village-owned enterprises (BUMDes) and the dependent variable is the Village Original Income (PADes). To make it easier to interpret the results of the regression analysis, the BUMDes and PADes entry data were transformed using natural logarithms (Ln).

3. RESULTS AND DISCUSSION

3.1 Description of Research Data

By the original purpose of its establishment, BUMDes in Blawi Village have contributed a lot to the welfare of the Blawi Village community and increasing Blawi Village Original Income (PADes). One of the factors that influence the performance of BUMDes is the type of BUMDes business [16]. So that in determining the BUMDes Village business unit in Blawi Village, it is based on the needs and potentials that exist in Blawi Village. BUMDes Desa Blawi has business units including rental of market stalls, selling organic fertilizers, WARLA (Warung Lamongan) which sells goods for the community, and fish farming.

As a village with the majority of its people making a living as farmers, BUMDes Desa Blawi has helped many farmers by providing organic fertilizer at a stable price. BUMDes also provides daily necessities that are sold at WARLA (Warung Lamongan). The income from BUMDes also contributes to increasing the original income of Blawi Village.

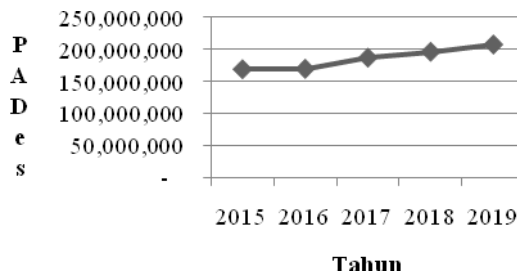


Fig 1. Blawi Village PADes Data 2015 - 2019

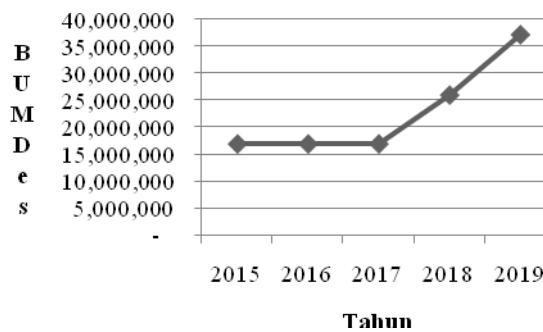


Fig 2. Blawi Village BUMDes Data 2015 - 2019



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From Fig 1 and Fig 2 above, it can be seen that the income from BUMDes in Blawi Village from 2015 to 2019 has increased as well as PADes. From 2015 to 2017, the revenue data from BUMDes was not well reported because BUMDes managers were still concurrently with village officials. According to [17], one of the factors that affect the performance of BUMDes is the transparency of communication between BUMDes managers. If there are concurrent duties in managing BUMDes and village management, it can result in not transparent communication, especially transparency in financial reporting. As a manifestation of the village government's commitment to improving the management of BUMDes, in 2020 the Blawi Village government will improve the management and management structure of the BUMDes in Blawi Village. The better the management of BUMDes, the more empowerment of village communities will be [18].

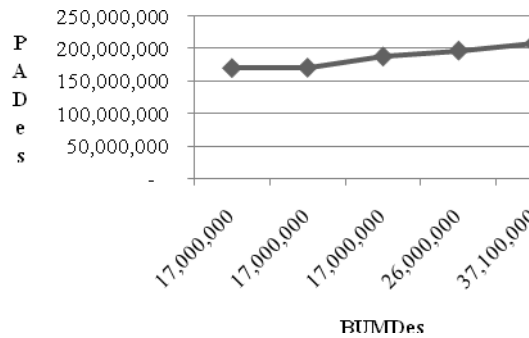


Fig 3. Data of BUMDes and PADes in Blawi Village 2015 - 2019

In Fig 3, it can be seen that the increase in BUMDes in Blawi Village was followed by an increase in PADes. This shows that the income from BUMDes Desa Blawi influences on PADes Desa Blawi. The shape of the upward trend graph shows that there is a positive relationship between BUMDes and PADes where the increase in BUMDes, the more PADes is.

3.2 Analysis of the Influence of Income from BUMDes on the Increase in PADes in Blawi Village using a linear regression method

To find out how much influence the income of BUMDes Desa Blawi on PADes Desa Blawi, an analysis will be carried out using a linear regression method.

Table 1.

Regression Analysis Results				
Model	Unstandardized Coefficients		t	Sig.
	B	Std. Error		
1 (Constant)	15,312	1,119	13,689	0,001
BUMDes	0,221	0,066	3,334	0,045

From the results of the regression analysis in Table 1, a regression model of the effect of BUMDes income on PADes in Blawi Village can be prepared as follows:

$$\widehat{PADes} = 15,312 + 0,221 BUMDes + e \quad (1)$$

The regression model shows that there is a unidirectional relationship between BUMDes and PADes Desa Blawi. If BUMDes increases by 1 unit, PADes will increase by 0,221 units.

The effect of BUMDes entry on PADes Desa Blawi is significant or will not be seen from the test results using the t test. The t-test results in Table 1 show that the t-count value is 3,334 with a significance value of 0,045, while for t-table at $\alpha = 5\%$ it is 3,183. The value of t count is more than t table and the significance value is less than $\alpha = 5\%$, it can be concluded that BUMDes income has a significant effect on PADes Desa Blawi. The results of this study support previous research conducted by [8], [9], [10], and [11].

Table 2.

Determination Coefficient				
R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
0,887	0,787	0,717	0,04678	1,796



The R Square value in the table above is 0,787 or 78,7%. This shows that the diversity that occurs in PADes 78,7% is determined by the diversity of BUMDes income, the remaining 21,3% is determined by other factors that are not present in this study.

3.3 Classic Assumption Testing

This classic assumption test is done to find out whether all the assumptions in the regression analysis have been fulfilled or not. Examination of classical assumptions carried out in this study included residual normality, heteroscedasticity, and autocorrelation tests. The multicollinearity test was not carried out because there was only one variable in this study.

a. Residual Normality Test

Following are the results of the residual normality test using the Kolmogorov-Smirnov test:

Table 3.

Kolmogorov-Smirnov Test Results		
		Unstandardized Residual
N		5
Normal Parameters	Mean	0E-7
	Std. Deviation	0,04051090
	Absolute	0,191
Most Extreme Differences	Positive	0,191
	Negative	-0,185
Kolmogorov-Smirnov Z		0,427
Asymp. Sig. (2-tailed)		0,993

Table 3 shows that the significance value is 0,993. This value is greater than the significance level (α) of 5%, so it can be concluded that the residuals are normally distributed. Thus the residual normality assumption is fulfilled.

b. Heteroscedasticity Test

In linear regression analysis, it is assumed that the residual variant must be homogeneous or it is called homoscedasticity. If the residual variant is not homogeneous, heteroscedasticity occurs. Heteroscedasticity testing in this study uses the Glejser test, which is to perform a regression analysis between the independent variables with absolute residual values.

Table 4.

Glejser Test Results					
Model	Unstandardized Coefficients		t	Sig.	
	B	Std. Error			
1	(Constant)	0,856	0,332	2,581	0,082
	BUMDes	-0,049	0,020	-2,488	0,089

The table above shows that the significance value is 0.089 and more than the significance level (α) of 5%. So it can be concluded that BUMDes has no significant effect on absolute residuals, so that the residual variants are homogeneous.

c. Autocorrelation Test

Autocorrelation is a condition where there is a correlation between the residuals in period t and the residuals in the previous period. In the regression model, no autocorrelation is required. The autocorrelation test in this study used the Durbin Watson test. Based on Table 2, the Durbin Watson value is 1,796. Because the Durbin Watson value is between -2 and +2, there is no autocorrelation. The assumption of no autocorrelation is fulfilled.

4. CONCLUSIONS

Blawi Village's income from BUMDes is increasing. This was accompanied by an increase in PADes Desa Blawi. Based on the results of the analysis using the linear regression method, it can be concluded that there is a significant effect of income from BUMDes on PADes in Blawi Village. As much as 78,7% of PADes in Blawi Village was influenced by the income from BUMDes, the remaining 21,3% was influenced by other factors.



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