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# Entrepreneurship Development of Beneficiary Families from Program Keluarga Harapan (PKH) through Village-Owned Enterprises Karya Mekar Sukajadi Cianjur

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Article Info	ABSTRACT
Article History Received: April 2021 Accepted: Sep. 2021 Published: Nov. 2021	This research discusses the entrepreneurship development of beneficiaries which is carried out through the BUMDes institution. The BUMDes chosen is BUMDes Karya Mekar, which is one of the BUMDes that involves the beneficiaries of the Family Hope Program in the BUMDes business. Located in Sukajadi Village, Campaka District, Cianjur Regency. This research uses a qualitative approach with a descriptive method. The research objective is to describe the input, process, and output in entrepreneurship for
Keywords: Entrepreneurship Development, Village- Owned Enterprises (BUMDes), Beneficiary Families (KPM), Family Hope Program (PKH)	beneficiaries through BUMDes. Data collection methods used are through interviews, observation, and documentation studies. The results showed that the entrepreneurship development of beneficiaries through BUMDes can be seen from the input (environmental factors, individuals, organizations), process (alignment of resources), and output (organizational, individual, and community benefits), the three of which are a series that are inseparable from one another. This research brings the benefit that the presence of Beneficiary Families (KPM PKH) has made BUMDes a pillar of economic activity in the village that can function as a social or commercial institution. Entrepreneurship development for KPM PKH through BUMDes has created KPM PKH entrepreneurs in the future. BUMDes is expected to be able to increase community efforts in managing the economic potential of the Village.

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#### INTRODUCTION

Poverty is one of the fundamental problems that have become the focus of attention for the government and society. Poverty turns into a serious problem if there is an impact of poverty, namely the existence of people who experience malnutrition, unsuitable housing, poor health services, low levels of education, and unfulfilled primary needs of a person (Alatas et al., 2012). Poverty is at the core of the mission of social work, most studies in various fields of social science

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including social work science, use various ways to measure the impact of poverty and its related problems on the health and socio-economic welfare of those who are below the poverty threshold (Feldman, 2019). Relational poverty analysis focuses on the socio-economic-political relationship between the poor and those who are in a position to influence their lives, which is an interesting issue to study regarding poverty (Elwood, et al., 2017).

The Indonesian government uses various methods in the process of reducing or reducing the poverty rate. In Indonesia, the population categorized as poor people in March 2020 reaches 26,42 million people or, 9.78 percent of the total population of Indonesia. If through comparison there are about 1 (one) out of 9 (nine) people in Indonesia who live below the poverty line (BPS, 2020). History records that the problem of poverty in Indonesia, both in urban and rural areas, appears to have occurred during the economic crisis from 1997 to 1998 which created a multidimensional crisis in various aspects of life in Indonesia. This condition causes many Indonesians to experience poverty problems. This phenomenon provides awareness about the vulnerability of the economic condition of the Indonesian people and the importance of social protection for all Indonesian citizens during a crisis of problems, which can threaten the economic condition of a country and society.

During the Jokowi administration, this policy changed to a more comprehensive social protection policy as described in the 2015-2019 National Medium Term Development Plan (RPJMN) (Habibullah, 2017). Various social protection programs are formed and developed by the government in the current era which is designed to complement one another to create great leveraging in improving the quality of life of the poor in Indonesia. Social protection programs, and education and health policies developed to reduce risk and deprivation and promote equitable and sustainable growth (Suharto 2015).

According to Ferreria and Robalino (2010), social protection programs are divided into two groups, namely social assistance programs and social insurance programs. Conditional cash transfer (CCT) programs have emerged as an important social welfare innovation around the world, particularly in southern countries in the last two decades. That poor mothers are typically the primary recipients of the grants renders easy, but not necessarily correct, the notion that CCT's empower women (Sugiyama & Hunter, 2020).

The conditional cash transfer program is translated into the Family Hope Program or Program Keluarga Harapan (PKH) in Indonesia. PKH is one of the programs designed and intended to improve the basic quality of life of the poor (Habibullah, 2017). As a conditional social assistance program, PKH opens access to poor families, especially pregnant women and children, to take advantage of the various health service facilities and educational service facilities available around them. The benefits of PKH have also begun to be encouraged to cover people with disabilities and the elderly by maintaining the level of social welfare by the mandate of the constitution and the President's Nawacita of the Republic of Indonesia (Ministry of Social Affairs, 2019).

Through the mentoring process carried out by PKH Human Resources such as social assistants and special duty social assistants, KPM PKH will be able to achieve the goals of PKH implementation. The implementation of the PKH program objectives can go well with the increase in the standard of living of KPM whom is marked by the withdrawal of KPM from PKH membership voluntarily or known as KPM PKH Graduasi Mandiri (Exit program). The KPM Graduasi Mandiri strategy launched by the Ministry of Social Affairs is carried out through various efforts, one of which is strengthening the family economy (Hikmat, 2019). The government is incessant in providing information to KPM PKH to be able to access various institutions and capital for economic and business improvement such as access to the People's Business Credit Program. President Jokowi, Minister of Social Affairs Juliari P. Batubara explained that the PKH social assistance distribution policy in 2020 is aimed at making KPM access business financing so that they are more productive from this capital financing (Media Indonesia, 2020).

Various institutions have become partners for the Ministry of Social Affairs to encourage KPM PKH in accessing entrepreneurial opportunities, however, there is one that has been missed and could be an opportunity to improve the KPM PKH economy, especially in developing its entrepreneurial, namely BUMDes. BUMDes as an economic and social institution can be a source of opportunity in entrepreneurship. The development of BUMDes has long been implemented by the government through various programs, in line with the birth of Law Number 6 of 2014 concerning Villages. BUMDes is an opportunity for KPM to develop its entrepreneurial through the involvement of KPM in developing the BUMDes itself. Opportunities for the involvement of KPM PKH in BUMDes are increasingly open, marked by policies from the regional government that open access opportunities for poor households to be part of efforts to develop business businesses in BUMDes. One of these areas is Cianjur Regency. As the region with the third-largest number of KPM PKH in West Java and the region with the 27th lowest HDI in West Java, Cianjur Regency is in fact serious about encouraging poverty reduction in rural areas by utilizing institutions at the local level such as BUMDes.

Cianjur Regency has regulations governing the establishment of BUMDes, this is stated in Regent Regulation Number 14 of 2018 concerning Guidelines for the Establishment and Management of Village-Owned Enterprises. BUMDes in Cianjur Regency gets the opportunity for capital assistance. Capital assistance for BUMDes was legalized through Regent Decree No.978 / KEP.234 / DMD-2019 which is specifically intended for financial assistance and strengthening of BUMDes capital in the context of poverty alleviation in Cianjur Regency.

The financial assistance and strengthening of BUMDes capital are specifically intended to involve the target of poor households, there are 64 villages involved in this capital assistance in 2019 with a regional budget allocation of up to 3.2 billion rupiahs. Each village that was selected to receive financial assistance and to strengthen BUMDes capital received the assistance of 50 million rupiahs which was earmarked for the development of poor household businesses and to increase the purchasing power of poor households (Rinaldi, interview, 11 November 2019). In 2019, Sukajadi Village had the opportunity to receive capital assistance for BUMDes.

BUMDes Karya Mekar is located in the Sukajadi Village Area, Cianjur Regency District. Sukajadi Village is located in the south of the capital city of Cianjur Regency, with a distance of  $\pm$  30 Km, has an area of 1047 hectares with a population of 7,094 people in August 2019 (Sukajadi Village Profile, 2019). Among the total population in 2020, 277 of them or the equivalent of 600 inhabitants are beneficiaries of the PKH or KPM PKH program. Poor households that are involved in BUMDes Karya Mekar activities are generally dominated by PKH Beneficiary Families (KPM) totaling 19 people, two of whom are involved as BUMDes operational administrators. This is also unique in itself, among the 64 BUMDes that received financial assistance and capital strengthening from the Cianjur Regency Government, the BUMDes Karya Mekar was the BUMDes that involved the most KPM PKHs. This can also be a distinct advantage where KPM PKH is generally encouraged to develop entrepreneurship and has received assistance from social assistants so that they will be more focused on carrying out business activities in BUMDes (Rinaldi, interview, 11 November 2019).

BUMDes is a place to develop entrepreneurship. Entrepreneurship plays an important role in the creation and growth of businesses (Hisrich, Peters, & Shepherd, 2017, p. 6), this requires the application of energy and enthusiasm towards the creation and implementation of new ideas that add value and creative solutions (Frederick, O'Connor & Kuratko, 2016, p. 14). The entrepreneurial activities of KPM PKH are inseparable from efforts to identify and exploit opportunities that KPM PKH develops in BUMDes. These efforts are carried out based on a strategy. One of the strategies in entrepreneurship is known as Strategic Entrepreneurship by using the Input-Process-Output model. This model is developed by combining environmental, organizational, and individual focus into the dynamic process of seeking opportunities and profit simultaneously in entrepreneurship. When used effectively, these behaviors create value for communities, organizations, and individuals (Ireland, Hitt, and Sirmon, 2003).

Strategic entrepreneurship identifies three dimensions in its implementation, namely the dimensions of factor input, process (resource orchestration), and output (Hitt, et al, 2011). The Strategic Entrepreneurship (SE) model they have developed combines environmental, organizational, and individual focus into a dynamic process of simultaneous opportunity-seeking and profit-seeking behavior. When used effectively, these behaviors create value for society, organizations, and individuals. Hitt et al (2011, p. 60) identify three dimensions: resource or factor input, resource orchestration process, and output. Thus, based on the input-process-output model of strategic entrepreneurship, it becomes the basis for research on the entrepreneurial development of KPM PKH through BUMDes.

Inputs related to environmental factors, individual resources, and organizational resources; processes related to resource orchestration and outputs related to the results of value creation concerning individual benefits, organizational benefits, and social benefits. The entrepreneurial development of KPM PKH through BUMDes is ultimately very beneficial for KPM PKH individually as well as the existing system around KPM PKH (BUMDes, Government, and Village community institutions). There is a question to formulate a problem in the research, namely "How is entrepreneurship KPM PKH developed through BUMDes?". The sub-questions raised in this study are how the input, process, and output in entrepreneurship for KPM PKH through BUMDes. While the research objective is to describe the input, process, and output in entrepreneurship for KPM PKH through BUMDes.

# METHODS

This research uses a descriptive research method with a qualitative approach. To collect the data and information needed to answer this research question, data collection was carried out in various ways, including primary and secondary data collection. BUMDes Karya Mekar is generally chosen as a research site because it is one of the BUMDes in Indonesia that involves Poor Households who are beneficiaries of the Family Hope Program as part of BUMDes business actors. Besides, other considerations made by researchers related to the research location were that BUMDes Karya Mekar was one of the BUMDes recommended by the Cianjur Regency Community and Village Empowerment Service (DPMD) because this BUMDes was in the process of developing and monitoring from DPMD as BUMDes that obtained financial assistance and capital from the APBD (Regional Revenue and Expenditure Budget).

Methods in data collection are documentation study, observation, and in-depth interviews. The selection of key informants in the study was carried out by considering the characteristics of the informants by using the purposive sampling technique. Neuman (2016, pp. 297-298) explains that purposive sampling is a non-probability sample type. Research-based on the characteristics of informants as people who know the running of KPM PKH entrepreneurial activities in BUMDes; Knows the rules contained in BUMDes, and contributes to helping KPM PKH in carrying out entrepreneurial activities in BUMDes. Qualitative data analysis activities consist of three streams of activities that occur simultaneously, namely data reduction, data presentation, and drawing conclusions (Miles, Huberman & Saldana, 2014).

## **RESULTS AND DISCUSSION**

The results showed that the BUMDes Karya Mekar was one of the BUMDes that involved KPM PKH (Beneficiaries) in business activities. The synergy of BUMDes and PKH is one of the attractions in efforts to develop BUMDes. BUMDes is one of PKH's complementary efforts to support the economic improvement of KPM PKH. Entrepreneurship is an effort made by BUMDes to carry out this economic improvement. Through the input-process-output, this research tries to describe the entrepreneurial development efforts that KPM PKH runs through BUMDes based on the strategy taken. The following is an explanation of the PKH KPM entrepreneurship development efforts through the strategies described in the flow-through input, process, and output:

#### Input in Entrepreneurship for KPM PKH through BUMDes

Inputs relate to the resources that can be found to achieve processes and outcomes in entrepreneurship. The study found various inputs consisting of five contributing aspects, namely 1) individual resources; 2) environmental factors; 3) village and district government support; 4) community support and 5) organizational resources. Inputs in entrepreneurial activities carried out at BUMDes Karya Mekar optimize the capabilities possessed by individuals and the availability in the system environment.

The first aspect that is part of the entrepreneurial input concerns the resources possessed by individuals, namely a set of individual abilities, knowledge, and experiences related to their duties and abilities during the life process (Hitt et al., 2011). Each KPM PKH that is part of BUMDes business activities has different abilities, knowledge, and experience, but basically, they are united

by one thing in common, namely wanting to learn entrepreneurship. Self-motivation, interests, experiences, and situations of poverty are an important part of realizing all abilities possessed by each KPM PKH, the urge to change the economic life of the family is a form of self-motivation instilled by KPM PKH, as stated below:

"Gaining skills in entrepreneurship I did on my own. I am inspired by myself because of the necessities of life, so it's not because I'm invited. Through experience. Economic factors are a strong impetus for me to become an entrepreneur, both initiatives are to find a business to personally help their husbands" (Head of Unit BUMDes, IM, March 2020)

The second aspect of entrepreneurial input is environmental factors. Environmental factors have valuable inputs for KPM PKH to carry out their entrepreneurial activities in BUMDes. The external environment of the company (in this case the context of BUMDes) and the ability of individuals to find or create opportunities affect entrepreneurship (Hitt et al., 2011). Some people depend on their livelihoods from soil fertility and agricultural products. Many springs can be used for irrigation of rice fields and for the needs of farmers to supply their crops, the people of Sukajadi Village depend on their soil fertility and water sources for their livelihood.

"If the area here has abundant water and continues to be fertile, it is suitable for farming, especially the Javan swamp area, lemur rice fields, subela, so the fertility of the soil makes it easy for the community for business opportunities if it is not fertile it may be difficult for cassava, soybean, and secondary crops" (Beneficiary PKH, MY, May 2020)

The third aspect of entrepreneurship input is Local Government Support. BUMDes and Villages have a relationship with each other, BUMDes itself is an institution in the village as a form of synergy between the village government and the community. The Village Government becomes a broker or access liaison between BUMDes and the district government in accessing capital assistance so that BUMDes can optimize the available assistance for the benefit of BUMDes activities, especially in entrepreneurship development.

"Support from the district government is in the form of assistance that we currently receive to facilitate us in obtaining capital assistance through program assistance from the DPMD (community and village empowerment office). The assistance is in the form of capital assistance in the form of money channeled through business capital from the management which is directly distributed to me as the manager" (Head of Unit BUMDes, RM, May 2020).

The fourth aspect is the input of entrepreneurship is the support of the surrounding community. Village community support is a part of the BUMDes external environment (Hit et al., 2011). The presence of the local community where Karya Mekar's BUMDes is located has a significant role. Neighbors who are close to the BUMDes location do not escape assisting in terms of food production matters. Village community support is realized in the form of labor assistance; providing advice and information to KPM PKH involved in BUMDes, and providing trust in terms of buying and selling transactions. This is one of the elements found and becomes one of the inputs for the entrepreneurship development of KPM PKH through BUMDes.

The fifth aspect in the input of entrepreneurship is Organizational Resources. In moving BUMDes there are resources, including leadership figures who become the driving force. In addition to leadership, the driving wheel of BUMDes is also not spared from various types of assistance that are beneficial not only for individuals but institutionally and communally. The types of assistance received by KPM PKH in entrepreneurship development through BUMDes are Financial Assistance from BUMDes, PKH Social Assistance along with non-profit assistance.

#### Process in Entrepreneurship for KPM PKH through BUMDes

The process is an orchestration activity (alignment) of available and useful resources for the implementation of entrepreneurial activities for KPM PKH. Resource orchestration is related to the actions taken by leaders (in this case the management and Head of the BUMDes Unit and PKH HR) to facilitate the efforts of KPM PKH in managing BUMDes resources effectively. Resource orchestration management is carried out with three main assumptions: structuring, bundling, and leveraging (Sirmon, et al., 2007). In the study, the three assumptions developed into several processes that were carried out in a more specific form and adapted to the entrepreneurial context carried out by KPM PKH through BUMDes which are described as follows:

#### The Process of Convincing the Individual

The process of convincing individuals is carried out through strengthening the key person who acts as a local leader, strengthening by PKH social assistants, socialization, and skills training to introduce BUMDes and entrepreneurial activities and important is strengthening family support. Strengthening family support is carried out by Program Implementing HR, namely social assistants, and social workers, as a conditional cash transfer program. Family support is provided, during the family is visited by social workers (or similar professionals) to make plans with the family in overcoming problems, the main problem that Families face in several areas, from domestic violence to access to public services, identity (identity cards), health ideas, and employment (Económicos & México, 2009). One of the mentoring roles is to strengthen family welfare, through entrepreneurial opportunities.

"At that time there was also a convincing companion to help strengthen this business product. I and other colleagues were given some kind of advice and reinforcement several times when we got together, the advice was a kind of motivation that we can't always depend on help, while there was help through BUMDes, they pretended to come along, finally, I joined, we were told to go to the village" (Beneficiary PKH, SS, May 2020)

#### Performing Financial Aid Management

Karya Mekar's BUMDes receive financial assistance from the Regional Government, this is what opens access for the involvement of KPM PKH in developing entrepreneurship through BUMDes. The assistance provided is in the form of money, the management of which is handed over to the Management and Members. In the process there are three activities carried out, namely distributing aid; spending aid received for business needs; and capital turnover. Management of financial assistance according to the board is very important in optimizing entrepreneurial activities through BUMDes.

"The use of aid is adjusted to the allocation of the assistance obtained, for example, at that time we received capital assistance, with an amount of 25 million rupiah, we bought goods that could be used for the production of processed tofu products. The basic food stall group is also the same according to its designation, but the basic food stall group is slightly different in its implementation, in that the allocation is only to buy eggs, rice, sugar. but it's not possible if only that's what is sold in the shop, so with an agreement with the unit manager, the items to be sold are added but still around basic necessities such as added oil, food, or other food needs items" (BUMDes Manager, AA, May 2020).

## **Determination of Business Classification**

By the results of the documentation study regarding Permendesa PDTT Number 4 of 2015 concerning Village-Owned Enterprises, there are business or business classifications that can be developed by BUMDes, namely social businesses, rental businesses, trading businesses, intermediary businesses, production/trading businesses, financial business businesses, and joint

ventures. BUMDes Karya Mekar runs production and/or trade business. Current business or business is based on group decisions; market segmentation; key person solicitation; and adjustment with government assistance. Basically, in determining the business classification carried out by BUMDes, it is adjusted to the financial assistance provided by the government and the provisions in it. BUMDes does not necessarily choose business activities that are not relevant to the current condition of the community but tries to mix and match the classification of types of businesses needed by KPM PKH and the community.

"We as administrators must also be able to map out the wishes of the BUMDes itself and government program assistance for BUMDes. Now after it is appropriate, then carry out the identification process, at that time also get input from PKH human resources and from the village head to try the BUMDes business in the trading (trade) field, because it is following the provisions of financial assistance that it aims for developing poor household businesses" (Management, AL, March 2020)

#### **Optimizing Business Activities Owned by KPM PKH**

The type of business run by Karya Mekar BUMDes is in the production and/or trading business. However, in addition to KPM PKH who are members of BUMDes, they follow business units in groups, some of them also have businesses or individual businesses that can support KPM PKH's efforts in entrepreneurship. Through BUMDes, KPM PKH builds collective awareness in building a business through BUMDes.

"Businesses run by KPM PKH are included in the types of activities, namely production and food stalls. The basic food stall is a group business unit to accommodate PKH KPMs who have a trading business, for example having a grocery stall at home or a snack shop that requires necessities for production, they are incorporated in the basic food stall business. So the food stall business is to accommodate people who have businesses. The case is different with the village's superior product, which is processed tofu which is indeed a group business where those who are involved have a division of tasks, some are produced and some are cooked" (BUMDes Management, AA, May 2020)

## Efforts to Increase Entrepreneurial Capacity for Individuals and Groups

Capacity building for PKH KPM administrators in conducting entrepreneurial activities in BUMDes is carried out through an individual and group system, among others through strengthening FDS (Family Development Session) activities as a monthly activity that must be followed by PKH KPM. Furthermore, team strengthening activities and self-motivation must be given to KPM PKH who are members of BUMDes. In addition, monitoring their business activities and skills training that supports businesses are important aspects found in the research to support the entrepreneurial development of KPM PKH. Entrepreneurship activities in each unit are managed and monitored by PKH Management and facilitators, these activities take place so that PKH KPM feels valued in terms of their business.

"In maintaining and developing the BUMDes business, the PKH KPM is visited by the management or even by the assistant, routinely they get a visit from the BUMDes management if the assistant is clear every month, if there is an FDS, please visit it. A visit to KPM PKH who are carrying out BUMDes activities is necessary so that KPM PKH feels valued and their efforts are monitored. This needs to be done to build cooperation as well as the spirit of motivation and effort if the PKH KPM is considered both morally and socially" (Social Worker at PKH, IS, May 2020)

A person's economic development does not only depend on internal characteristics (skilled, gentle, resourceful, confident, etc.), but also on the social environment that creates opportunities

for doing business and building networks through social capital groups (Bhukut, Terrany, & Wulandari, 2020). BUMDes builds a social environment for KPM PKH so that they can develop their entrepreneurial skills through group roles.

# Efforts to Maintain Business Activities

In developing entrepreneurship, there is a business activity carried out by PKH KPMs who are involved in BUMDes. Business activities that consist of two units, each of which has a strategy to maintain the business being carried out can develop and bring many benefits not only for individuals, organizations, and even for the surrounding community. Efforts to maintain the business carried out by KPM PKH involved in BUMDes are carried out through various activities such as: Maintaining customer trust; Active production of products; Have a savings account; There is additional business capital; Distribution of business profits; and the existence of a profit-sharing system.

"The existence of support from PKH also through its human resources in carrying out a continuous mentoring process for RTM is very helpful so that KPM can be directed at BUMDes, if it is emphasized on all of us, of course, we will be overwhelmed so there is synergy between us and PKH Human Resource, especially for PKH social assistants who like also often hold meetings to improve life skills for these KPMs in achieving behavior change which I know is called FDS, that's great so the role of PKH HR is very important and helps PKH KPMs, not only they are BUMDes, they are also helped by attendances such as PKH social assistant here" (BUMDes Management, UJ, March 2020)

Support through the mentoring process carried out by PKH Human Resource strengthens the ability of KPM PKH in maintaining entrepreneurial activities so far, those who are generally women feel more confident and autonomous in order to support the welfare of their families. According to Gusti Ayu Purnamawati et al. (2020) greater ability to manage companies is very important to overcome the obstacles faced by women entrepreneurs. Efforts are made to overcome obstacles to entrepreneurship through maximum control, increase self-determination to overcome obstacles, and have confidence in influencing company performance.

## Output in Entrepreneurship for KPM PKH through BUMDes

In entrepreneurship development, there are outputs related to the results of value creation concerning individual benefits, organizational benefits, and social benefits. Output in entrepreneurship is obtained directly and immediately after the entrepreneurial process for KPM PKH through BUMDes takes place. The output itself is not only focused on the benefits felt by KPM PKH but the BUMDes Karya Mekar institution and the Community in the Sukajadi Village Area also receive various benefits which are important values in efforts to develop entrepreneurship.

## Benefits for Individuals

As individuals, KPM PKH, who are generally housewives, get the benefits they can get when they are involved in BUMDes business activities. The entrepreneurial activities carried out by KPM PKH in BUMDes are sustainable activities. Directly the entrepreneurial process carried out by KPM PKH brings personal benefits. The benefits that are felt are not only related to the aspect of economic income but a change in the mindset of KPM PKH regarding welfare; increasing skills to become a tough entrepreneur; Increasing knowledge in financial management and strengthening ties between PKH beneficiaries are useful things to support the life of KPM PKH to become KPM PKH that can be prosperous in terms of economically and socially. The benefits are felt mainly in terms of economics.

"The perceived and significant benefit is of course an increase in income. The increased sources of income have also made some KPM PKH able to earn a significant income. From the origin, for example, they have no income for a week now because they are involved in the BUMDes business, for example, the KPM PKH women, the processed tofu product group. Then if the stall business group, I give an example, there is Mrs. AN who benefits from BUMDes, she can get cheap prices to buy raw materials for products at BUMDes food stalls at cheap prices, automatically the profit margin will be large, then she can also trade the products The chips are at the BUMDes was said to be only 500 thousand, but now it can reach 600 thousand to 800 thousand per week depending on the order. So in general, it can be seen from the increase in their income" (BUMDes Management, AA, May 2020)

## Benefits for the Organization

The presence of KPM PKH in BUMDes entrepreneurial activities is realized to provide benefits not only individually for each individual but also BUMDes institutions. The benefits felt by the organization with the presence of KPM PKH were product and service innovations and the running of BUMDes business unit activities, where at first BUMDes Karya Mekar had a vacuum and did not have any business activities.

"In terms of production, we have used electricity technology for the cracker drying process. However, we still use natural technology, namely using solar light and using wood (furnace) as a substitute for stoves because it is more efficient and saves production costs, because during summer we don't use drying equipment but use solar energy" (Unit Head, IM, May 2020)

Jabeen et al. (2017) define the entrepreneurial mindset as a specific state of mind, which orientates human conduct toward entrepreneurial activities and outcomes. Individuals with an entrepreneurial mindset are often drawn to opportunities, innovation, and new value creation (Lindberg et al., 2017). De Winnaar and Scholtz (2019) emphasize that the existence of an entrepreneurial mindset is necessary for firm performance. The dimensions of the entrepreneurial mindset are categorized into three topics, namely, entrepreneurial intuition, entrepreneurial alertness and entrepreneurial framework conditions (Ziyae & Sadeghi, 2021), this turned out to provide benefits for the organization with the innovation carried out by KPM PKH, various activities in BUMDes can run.

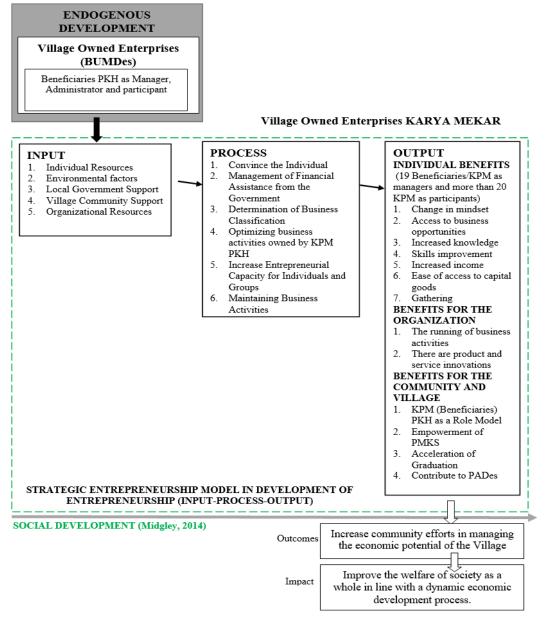
## Benefits for Community and Village

The entrepreneurship that KPM PKH runs through the BUMDes institution is not only beneficial for organizations and individuals but also for the surrounding community where the BUMDes is located. There are four benefits that the researchers encountered, the entrepreneurial development that KPM PKH does provide benefits as a role model for the community; a form of PMKS (people with social welfare problems) empowerment; Efforts to accelerate PKH Independent Graduation and Contribute to PADes (Village Original Income).

Improvements in the economic and social aspects are part of the empowerment efforts carried out by BUMDes and are one of the benefits for the community that are so significant. This empowerment process is carried out through entrepreneurial activities where KPM PKH has the responsibility to manage a business activity carried out in a group system. **SOSHUM** *Jurnal Sosial dan Humaniora* [Journal of Social Sciences and Humanities] Volume 11, Number 3, 2021 p-ISSN. 2088-2262 e-ISSN. 2580-5622

"This is one of the efforts to empower the poor, which is carried out in groups through entrepreneurship. In my opinion, this can provide great benefits and a change in mindset as well, especially among PKH KPM that we direct them to have a business, meaning they are not dependent on assistance. The important point is that by involving the KPM PKH, as one of the government's efforts in empowering the poor, there will be an improvement in their lives, especially in the business and economic fields, especially from a social perspective" (PKH HR, AL, May 2020).

Increasing focus on resources allocated for entrepreneurial activities can increase opportunities for women to pursue businesses (Hitt et al., 2011), this condition is used by BUMDes to take advantage of the potential of KPM PKH, almost all of which are mothers and women. Entrepreneurial activity is a major contributor to economic development and growth, creating new jobs and increasing market valuation (Baumol & Strom, 2007).



Picture 1: Analysis of Entrepreneurship Development for KPM PKH through BUMDes

# Utilization of BUMDes in PKH KPM Entrepreneurship Development Through Strategic Entrepreneurship

Entrepreneurship development carried out by BUMDes Karya Mekar pays attention to aspects of development from within (endogenous development) which tend to focus on local needs and community participation in development. BUMDes was born as a new approach in efforts to improve the village economy based on the needs and potential of the village. In this study, many field findings characterize the input, process, and output during entrepreneurship. However, it is slightly different from the context of previous research because the specificities of BUMDes in Indonesia are different from the nomenclature found in overseas research.

Strategic entrepreneurship in entrepreneurial activities allows an institution to apply its knowledge and abilities in the context of the current environment while exploring future opportunities by applying new knowledge and new or enhanced abilities (Hitt et al., 2011). Following what Midgley (2014) stated, social development is a planned social change designed to improve people's lives. Researchers provide a model on entrepreneurial development of KPM PKH through BUMDes which is adopted from the strategic entrepreneurship model, namely the input-process-output model. The researcher presents an empirical generalization model that connects the three research objectives based on the research findings.

Picture 1 (one) shows the results of a comprehensive research analysis related to the research objectives of KPM PKH entrepreneurial development through BUMDes, which produces stages starting from input, process, and output. The long-term goal of entrepreneurial activities for KPM PKH through BUMDes can increase community efforts in managing the economic potential of the village so that it will create independent and empowered entrepreneurs. Besides, KPM PKH will also be separated from their poverty status, it can improve the overall welfare of the community in line with a dynamic economic development process (impact or impacts that can be obtained normatively and ideally).

# CONCLUSION

BUMDes Karya Mekar is one of 64 villages that received capital assistance from the Cianjur Regency Government. The assistance comes from the Cianjur Regency APBD Fund. Through BUMDes, KPM PKH develops its potential and talents in the field of entrepreneurship. In the entrepreneurial activities of KPM PKH through BUMDes as many as 19 KPM PKH were included as BUMDes managers (two of the KPM PKH eventually became the head of the BUMDes business unit and had graduated from PKH). In developing KPM PKH entrepreneurship through BUMDes, there is a strategy known as strategic entrepreneurship. Strategic entrepreneurship identifies three dimensions, namely inputs in the form of resources/factors; the process involves the orchestration of resources, and outputs (benefits) (Hitt, et al, 2011).

Inputs in entrepreneurial activities carried out at BUMDes Karya Mekar optimize the capabilities possessed by individuals and the availability in the system environment. Processes in entrepreneurship related to various forms of activities such as convincing individuals; Financial aid management; Determine business classification; Optimizing Business Activities owned by KPM PKH and Enhancing Entrepreneurial Capacity for Individuals and Groups, one of which is through monthly FDS (Family Development Session) activities. In the end, the activities carried

out will produce an output in the form of benefits for individuals, organizations, communities, and villages.

The entrepreneurship development of KPM PKH is basically useful for improving the economy of KPM PKH individually, in groups, and as a community. BUMDes which was formed by taking into account the concept of development from within has provided opportunities for KPM PKH to be actively involved in entrepreneurial activities. The entrepreneurial development of KPM PKH through BUMDes pays attention to social development as an integral part of empowering the community. This is in line with BUMDes efforts to improve community welfare through entrepreneurial activities with a focus on holistic economic and social improvement, not only from the point of view of empowering KPM PKH but will expand to include all parts of society that need to be empowered, especially poor families.

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