



Community Service Article

**PERSUASIVE ASSISTANCE AND PROBLEM-SOLVING FOR THE
ESTABLISHMENT OF VILLAGE-OWNED ENTERPRISES**

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ABSTRACT

Background. Programs from local governments to develop and prosper village communities through Village-Owned Enterprises (hereinafter better known as BUMDes) are in line with Law No. 6/2014 article 1 paragraph 6. However, the establishment of BUMDes is still unknown to the village community and many problems make village communities unable to take advantage of BUMDes. The purpose of this activity was to 1) increase knowledge of Tanjung village communities about BUMDes, 2) determine village potential, establishment, and management of BUMDes.

Implementation Method. This community service activity was in collaboration with the Lamongan Government Sector and Indonesian Notary Association of East Java Regional Management through "Notary Masuk Desa" program. This activity was carried out in Tanjung Village, Lamongan Regency. This activity starts from providing seminars to village leaders and the Tanjung Village community on how to establish BUMDes until the establishment of BUMDes. Assistance related to all problems while managing BUMDes and providing legal or economic solutions.

Findings. BUMDes and Tanjung Village business units that were formed include village electricity businesses, electricity payment services, and agricultural production facilities, providing credit/loans that are easily accessible to the community. During the running period of 6 months, the business unit was running well and problems began when village capital was still used by the credit business unit and the legality aspects of the village business unit that had been formed.

Conclusion. BUMDes requires transparent, active, and integrity management to be following the purpose of its formation to improve the economy of the village and community.

Keywords: Business entity, Community, Economy, Village.

BACKGROUND

In the past, many rural communities preferred to urbanize or move from villages to cities to improve their economic lives. Cities are considered to have more potential because there are so many businesses that can be done. Whereas in the village they only worked as farmers and or farm laborers because they did not have agricultural land. Now there have been many changes, the government is now more equalizing the economic life of the community not only in the city but also in the economic life of rural communities. The potential for villages to advance and develop very rapidly through village business entities is preceded by the establishment of BUMDes.[1] By the mandate of Law of the Republic of Indonesia No. 6 of 2014 concerning Villages, Article 1 paragraph (6) explains that BUMDesa is a business entity that is wholly or partially owned by the village through direct participation derived from separated village assets to manage assets, services, and other businesses for the greatest welfare of the village community.[2]

Tanjung Village, located in Lamongan Regency, East Java, has a total area of 205 ha (2.05 km²), consisting of 108 ha of paddy fields; plantations, and the like totaling 82 ha and 15 ha of village housing. Tanjung Village is located in the lowlands and at an altitude of 4 m above sea level with rainfall of 2,000 mm/year, making it good for agriculture. The distance from Tanjung Village to Lamongan City ranges from 2 to 3 kilometers, so it only takes a short time. Tanjung Village is inhabited by 334 families with a total population of 1,765 people consisting of 887 men and 878 women. Tanjung residents mostly work as farmers and pond farmers.

This community service activity is a routine program of the notary association to participate in advancing village communities through BUMDes. The objectives of BUMDes include 1) improve the village economy, 2) optimize village assets to benefit village welfare, and 3) increase community efforts in managing village economic potential. 4) develop business cooperation plans between villages and/or with third parties, 5) create market opportunities and networks that support the general service needs of citizens, and 6) increase village community income and village original income. The implementation of this community service activity will improve community welfare through improved public services, growth, and equitable distribution of the village economy.

The results of the initial survey before the seminar activities, village leaders and many community members do not know BUMDes, how to establish it, and what village business units can be done as part of BUMDes. BUMDes is one of the good solutions to the problems of Tanjung Village to open up employment opportunities for the village community, considering that the community members are mostly men of productive age.

The initial capital for BUMDes comes from the Village Development and Expenditure Budget (hereinafter referred to as APBDes). The local government provides a village fund budget that is not small and the village community must be able to manage it properly. The wealth of BUMDes is a separate village wealth and is not divided into shares. BUMDes capital can also be organized into capital derived from village capital participation and community capital participation. BUMDes capital from APBDes can be sourced from fresh funds from central government assistance, regional government assistance, and village assets submitted to APBDes.[3]

Over time, BUMDes in Tanjung Village which has been formed and implemented for several months to years also have problems so that they are often inactive and less than optimal. Through BUMDes assistance activities by notaries, all problems that occur during BUMDes operations can be consulted online or face-to-face assistance to the leadership and community of Tanjung Village. This community service activity was in line with the result of the previous research when running a business, the principles of efficiency and effectiveness should be emphasized. A BUMDes is a legal entity established under the applicable laws and regulations under the agreement of the village community and a business entity established by and with the village to operate its business and develop productivity and investment, leverage assets, and deliver services. and other types of businesses aimed at maximizing the welfare of village communities.[4, 5]

This community service activity is a form of maintaining the spirit of alignment with the interests of the community but on the other hand, is a means of innovation for educators to creatively overcome problems in society specifically according to the expertise of educators. Providing information through seminars is very effective in increasing community knowledge and understanding of BUMDes.[6] The information that has been provided will greatly help social change in the community. The innovation of this community service

activity is not only seminars/education to the community but also assistance and consultation on all problems that occur in BUMDes management.

Currently, it is an era of digitalization that requires people to advance in the use of technology not only in social society but also in economic life.[7] The implementation of online consultation through the website is considered effective not only in terms of time but also in terms of the benefits obtained. Considering that Indonesia and other nations are also affected by the Covid-19 pandemic which makes online media an effective medium, not during the Covid-19 pandemic when everyone is required to social isolation by being in their respective homes so that work, study, and economic activities also optimize online media and the internet.[8, 9]

Therefore, this community service activity contributes to 1) facilitate the community members of Tanjung Village by providing information until BUMDes assistance is formed, and 2) overcome all the problems that exist while BUMDes is managed by the community.

IMPLEMENTATION METHOD

This community service activity is in the form of assistance in the formation of BUMDes and assistance in overcoming all problems that are carried out online through a website or assistance in visiting the village. The activity begins with providing information (seminar) to increase the understanding of the Tanjung Village community.[10] This seminar activity is a collaboration between the Indonesian Notary Association of the East Java regional board and the Lamongan regional government. The seminar was attended by village leaders and administrators as well as the Tanjung Village community. The explanation of the seminar material consists of the definition of BUMDes, the purpose of BUMDes, the stages of establishing BUMDes, BUMDes management, BUMDes capital by statutory regulations articles 17 and 18 of Law No. 6 of 2014 concerning Villages,[2] BUMDes legal entities, and various types of BUMDes businesses.[11]

The stages of activities for implementing this community service assistance are as follows:

- 1) Establishment of BUMDes in Tanjung Village, which first conducted a village deliberation meeting on the pre-establishment of BUMDes, discussed the socialization of BUMDes, and the formation of ad hoc BUMDes establishment.
- 2) The village meeting discusses the report of the ad hoc team on the preparation and potential of establishing BUMDes, discussing the bylaws, programs, and management structure of BUMDes.
- 3) The results of the village deliberation are used as the basis for drafting a village regulation on the establishment of a BUMDes.
- 4) Establishment of BUMDes is assisted by a notary office to process permits to the central government until the legality of BUMDes and its business units are established.
- 5) Problem-solving related to BUMDes management.

The implementation of assistance is not only carried out for 1 year but for many years until now. Assistance by direct visits to Tanjung Village. However, during the Covid-19 pandemic, online media was used through the LBH Prameswara website and representative contact persons.[12, 13] To measure the level of success of this community service, observations of initial conditions and comparisons with the latest conditions of BUMDes Desa Tanjung were made.

RESULT OF ACTIVITIES

The seminar "BUMDes and its Problems" was held on December 3, 2018, at the Tanjung Village Hall, Lamongan Regency, East Java. The seminar was attended by around 30 people including village administrators and the general public as shown below.



Before the seminar, many people did not know and understand BUMDes. However, after the seminar, many residents enthusiastically asked questions and increased their understanding of the Tanjung Village management about BUMDes. The interest of the community and village management was very high to establish a BUMDes. In the following month, a village deliberation meeting was held and a Village Regulation on the establishment of BUMDes was formed.

The types of businesses that have been determined through the village deliberation meeting include village electricity businesses, electricity payment services, agricultural production facilities, providing credit/loans that are easily accessible to the community.

DISCUSSION

The establishment of BUMDes takes a long time because it involves many people, and many ideas/thoughts. Determining village capital and drafting the Articles of Association and Bylaws requires intensive assistance because it is very sensitive. After the stipulation of PP 11 of 2021 related to BUMDes, many things can be done by a village to obtain its income by establishing BUMDes or revitalizing BUMDes.[5, 14]

BUMDes Desa Tanjung has been formed and the problem that occurred during the management of BUMDes for 1-2 years was that BUMDes did not run by the stipulated regulations. BUMDes is not managed professionally and the people who manage it are only ordinary people who do not understand economic management. Many community members in Tanjung Village are competent but are more interested in doing other work than managing the BUMDes. Although the BUMDes is led by a village management structure, the village management already has a lot of work to do in serving the village community so the workload is excessive for the village management so the BUMDes does not work optimally. Therefore, it is necessary to revitalize BUMDes by assisting the management of BUMDes and several types of businesses.

The next problem that occurs is that BUMDes is often not known by the Tanjung Village community so the credit business that originally aimed to facilitate the community in

accessing finance with easy and affordable terms is not optimal. This community service in line with the research that BUMDes savings and credit business is a micro-finance strategy.[15] Therefore, along with the increase in business online, online promotion through social media is very effective to introduce the types of businesses from BUMDes.[16] When many people know and utilize BUMDes, the BUMDes business unit will run and the basic capital from BUMDes will be effective to improve community welfare. This result similar with the research by Astri that found BUMDes analysis from basic and growth classification of BUMDes to improve community welfare.[17]

The purpose of this BUMDes community service is to understand how to explore the potential of the village, understand how to initiate, start, and determine the type of business and develop BUMDes as an institution that can answer the needs of the community in the village. Understand how to manage a BUMDes organization and how to manage it. Able to Design and Strategy development plans for BUMDes that have been formed. And Able to Understand how to market BUMDes Businesses that are run.

While the strategic benefits obtained from participating in this activity are that it can provide an introduction to potential-based village planning that can drive village development, provide an understanding of the procedures for forming and managing Village-Owned Enterprises that are participatory, innovative, educational, transparent, and accountable, besides providing entrepreneurial creativity in developing BUMDes in the village and introducing the diversity of BUMDes businesses that have an impact on improving village welfare.[1, 6]

Determining the legality of BUMDes business units is also a problem that must be resolved because it will make the community distrustful and afraid to utilize certain types of businesses. Therefore, determining the legality of business units with assistance from legal aid and notaries can be a solution so that business legality is well guaranteed.[4]

CONCLUSION & SUGGESTION

The establishment and management of BUMDes through active and passive assistance are very effective in improving the welfare of villages and their communities as mandated by the Law of the Government of the Republic of Indonesia. Cooperation from various lines starting from the community, village management, and government in empowering the economy of the village community through BUMDes makes BUMDes more optimal.

Conflict of Interest Statement

There is no conflict of interest regarding this community service and publishing this article.

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