

Optimizing the Role of the Village-Owned Enterprise (BUMDes) Mitra Mandiri Sajau in Efforts to Improve Community Welfare (Case Study in Sajau Village, Tanjung Palas Timur District)

Eri Suparjan¹, Widwi Handari Adji²

Accounting Computerization Study Program, Faculty of Economics and Business, Piksi
Ganesha Polytechnic

Email : erisuparjan1112@gmail.com¹, widwihandari@gmail.com²

Abstract.

Sajau Village established the Mitra Mandiri Sajau Village-Owned Enterprise (BUMDes) to support village development and community welfare. This study aims to assess the effectiveness of the services offered by the Mitra Mandiri Sajau Village-Owned Enterprise (BUMDes) for the Sajau village community. This research method uses qualitative data through in-depth interviews with BUMDes management and observational data collection. The findings of this study indicate that the Mitra Mandiri Sajau Village-Owned Enterprise (BUMDes) has contributed significantly to improving community welfare, but its implementation is still imperfect. Several factors have made BUMDes management a challenge, such as the lack of management competence and the lack of management involvement in the process. Therefore, the government's role is needed to provide support and training to the Mitra Mandiri Sajau Village-Owned Enterprise (BUMDes) management regarding BUMDes management so that it runs smoothly and professionally.

Keywords: *Optimization, BUMDes, Community Welfare, Village Development.*

I. INTRODUCTION

The village is the most basic governmental unit in Indonesia, yet it is crucial to national development because the majority of the Indonesian population chooses to live in rural areas. This means that villages have a significant influence on how the country is governed. Village Law No. 6 of 2014 offers a new perspective and framework for village government strategies in Indonesia. With the passage of this law, villages will be elevated from their current status as an insignificant part of Indonesia to a prominent part of the country. From now on, we will refer to regulations relating to Village-Owned Enterprises (BUMDes) as BUMDesa because that is one of the legal provisions. Through direct involvement and utilization of village assets, BUMDesa are owned by the village. The purpose of this independent business entity is to maximize the welfare of village communities through asset management, service delivery, and other activities.

The main objective of establishing BUMDes by the government is to promote and support village economic activities to improve community welfare, with management entrusted to village communities, supplemented by government assistance for business development. In accordance with the Republic of Indonesia Government Regulation No. 11 of 2021, namely "The Government has established regulations for the establishment, management, and development of BUMDes in the community." This government regulation aims to empower BUMDes so that they can play a more active role in village economic progress, improve community welfare and encourage sustainable economic growth.

Optimizing the role of Village-Owned Enterprises (BUMDes) in improving the welfare of village communities is a crucial issue in the context of local economic development. BUMDes are expected to serve as a driving force for the village economy, generating Village

Original Income (PAD), and reducing poverty through the development of businesses based on local potential. With BUMDes, villages are no longer solely dependent on government transfers but are also able to create new sources of income that can improve the community's standard of living.

In practice, village-owned enterprises (BUMDes) face various challenges, such as a lack of managerial capacity and a lack of understanding of entrepreneurship among administrators. Therefore, appropriate strategies are needed to optimize the function of BUMDes so that they can contribute maximally to community welfare. Research shows that good management and active community participation in BUMDes can generate positive impacts, such as increased income and job creation.

Several studies support the important role of BUMDes in village economic development. For example, research by Yulinartati (2021) states that with the issuance of a law granting village governments authority to manage the village economy and improve community welfare, particularly in rural areas, by optimizing existing resources. Therefore, village governments need to establish Village-Owned Enterprises (BUMDes).

BUMDes are seen as social capital because they are expected to contribute to village development and provide community services. Nearly two years ago, in 2023, the residents of Sajau village began creating a BUMDes; they named it BUMDes Mitra Madiri Sajau. Although this group had good intentions, its management was still substandard, and the Sajau village community had not received maximum benefits. In this case, the Sajau village government and the PT PKN Company collaborated to maximize the role of BUMDes for Sajau Village. Where in previous years the Sajau village government had established BUMDes, but in its implementation it always experienced failures due to a lack of understanding of human resources in BUMDes management and a lack of Business Analysis, community needs analysis, and exploring the potential of the Village in running BUMDes businesses. Related to this, the Sajau village government felt the need to provide more training on how to manage BUMDes. The purpose of this study is to determine how much BUMDes Mitra Mandiri Sajau has helped the Sajau village community. The description above forms the basis for this objective.

II. RESEARCH METHOD

The research methodology used was a qualitative method. Descriptive data collected in this study came from written or oral reports provided by the individuals observed (Hasan, 2022). The village head, director, treasurer, secretary, and head of the business unit of the Mitra Mandiri Sajau Village-Owned Enterprise (BUMDes) were some of the informants interviewed by the researcher. The researcher also visited the location of the Mitra Mandiri Sajau Village-Owned Enterprise (BUMDes) to conduct direct observations. Sajau Village and Tanjung Palas Timur District are the research locations located in Bulungan Regency, North Kalimantan. This location was chosen because the researcher had interned for approximately two semesters at the Mitra Mandiri Sajau Village-Owned Enterprise (BUMDes) during her MBKM education. Furthermore, the researcher reached this conclusion because the existing BUMDes has not done enough to improve the standard of living of the Sajau Village community.

III. RESULTS AND DISCUSSION

The Existence of Village-Owned Enterprises (BUMDes) in Sajau Village

A village meeting was held on March 8, 2023, as the first stage in developing the Mitra Mandiri Sajau Village-Owned Enterprise (BUMDes). Attending the meeting were members of the village government, representatives from several institutions, prominent community members, the traditional head of Sajau Village, and experts in the field of village empowerment. The Village Meeting participants finally selected Mr. Kornelius Ding as the best candidate to

lead the 'Mitra Mandiri Sajau' BUMDes from 2023 to 2028 after going through a fairly tough process. Because everyone agreed, the decision was made. In accordance with Article 87 of Law Number 6 of 2014 concerning Villages, which stipulates that (1) Villages can establish Village-Owned Enterprises known as BUMDes, (2) BUMDes are managed with a spirit of mutual cooperation, and (3) BUMDes are permitted to conduct business in the economic and/or public service sectors in accordance with the provisions of applicable laws and regulations, the Mitra Mandiri Sajau BUMDes was then established. This method was carried out in compliance with legal provisions. The establishment of the Mitra Mandiri Sajau Village-Owned Enterprise (BUMDes) aims to actively participate in village development and provide services to the community. Village Regulation No. 4 of 2023 addresses the establishment of the Mitra Mandiri Sajau Village-Owned Enterprise (BUMDes) and outlines the related procedures. The establishment of Village-Owned Enterprises is regulated by Government Regulation No. 11 of 2021, which is a derivative of this regulation.

In its management, BUMDes Mitra Mandiri Sajau has an organizational structure, namely: 1. Muren Siin (Advisor), 2. Karim Njau (supervisor), 3. Kornalius Ding (Director), 4. Uda Impung (Treasurer), 5. Rudi Anvil (Secretary) 6. Bintang (Business Unit Manager) and 4 MBKM students assisted by PT PKN including Bintang who is the BUMDes business unit manager. Activities carried out by BUMDes Mitra Mandiri Sajau in its first year in 2023 have not carried out business activities because they are still focused on completing administration or Legal Entities. Entering the second year, BUMDes collaborated (cooperated) with the PT PKN Company in the form of students assisted by PT PKN conducting MBKM (internships) to assist in completing administration/Legal Entities and establishing Business Units for BUMDes Mitra Mandiri Sajau for approximately 2 semesters (1 year). The collaboration was carried out in writing in a Memorandum of Understanding with Number: 001/MoU/BD-MMS/VII/2024 which was made on Monday, August 12, 2024. In completing the administration until obtaining a Legal Entity, the researcher was directly involved, according to the researcher during the process of completing the administration of BUMDes Mitra Mandiri Sajau, it still relied on MBKM Students (Interns) because the BUMDes management was still less active in managing BUMDes.

Initial Capital Participation by the Sajau Village government to the Mitra Mandiri Sajau BUMDes is based on Government Regulation No. 11 of 2021 Article 40 Paragraph (3) "Village capital participation as referred to in paragraph (1) letter a comes from the Village APB or the Village APB of each Village, which is determined by Village Regulations or Joint Regulations of the Village Head". Paragraph (4) "Village Community capital participation as referred to in paragraph (1) letter b can come from legal entities, non-legal entities, individuals, a combination of people from the Village and/or local Villages". The Sajau Village Government provided initial capital to the Mitra Mandiri Sajau BUMDes in 2024 amounting to IDR 50,000,000. This capital was provided in November 2024 and was used by the BUMDes management to open a Business Unit for the sale of Agricultural Production Facilities (Saprodi). According to the advisor and Director of BUMDes, the reason for choosing the saprodi sales business unit is because the majority of the people of Saprodi Village work as farmers and also in Saprodi Village itself there is no special shop for selling Saprodi so that BUMDes is present as a service provider for selling agricultural production facilities (Saprodi). In running the saprodi sales business, the place used is the village head's house which is no longer occupied, the reason for using this place is because BUMDes does not yet have a place/secretariat and also in this case as a form of support from the head of Sajau Village to BUMDes.

Based on the explanation above, the Mitra Mandiri Sajau Village-Owned Enterprise (BUMDes) has been operating in Sajau village for approximately two years. However, its implementation has been less than optimal due to the lack of enthusiasm of BUMDes

administrators in managing it and the continued reliance on MBKM (Internship) students. Therefore, the village government must play its role in educating and supporting BUMDes management.

The role of BUMDes Mitra Mandiri Sajau in the economy of the Sajau Village Community

Based on direct observation and interviews with the Director of BUMDes Mitra Mandiri Sajau, the role of BUMDes in improving the economy of the community has been quite good, as evidenced by the existence of a Business Unit for the sale of Agricultural Production Facilities (Saprodi) managed by BUMDes. The reason for BUMDes Mitra Mandiri Sajau in running the Saprodi sales business is to see the existing potential where most of the Sajau Village community is farming and there is no special shop selling fertilizers and agricultural tools so that BUMDes takes a role to help the community, especially the farmers of Sajau Village in the provision of fertilizers and agricultural tools. although the saprodi sales business is still on a small scale, the community, especially the farmers of Sajau Village, feels very helped by the existence of this business, where previously farmers had to buy fertilizers and agricultural tools in the neighboring village, now it is no longer because BUMDes has provided a shop selling Agricultural Production Facilities (Saprodi). Compared to surrounding shops, BUMDes Mitra Mandiri Sajau offers lower prices.



Figure 1 Launching of the Saprodi Business Unit

Obstacles of BUMDes Mitra Mandiri Sajau in improving community welfare

Problems arose when attempting to implement the mandate of the Sajau Village-Owned Enterprise (BUMDes) Mitra Mandiri Sajau to improve the welfare of the Sajau Village community through its administration. Researchers encountered challenges stemming from several factors, including the passive involvement of human resources and management within the Village-Owned Enterprise (BUMDes).

The second obstacle is the low managerial capacity of the Mitra Mandiri Sajau Village-Owned Enterprise (BUMDes) management, particularly regarding business analysis. Every business unit established must have a sound business analysis to help minimize losses. In preparing the business analysis, the Mitra Mandiri Sajau BUMDes management still uses a simple SWOT method. This is because the management has not received in-depth training in conducting business analysis. Business analysis is a crucial aspect in developing a business unit because it provides a benchmark for assessing the company's viability. If village enterprises are to develop in a healthy manner, it is essential for the managers assigned to run them to improve their professional management skills.

Optimizing the Role of BUMDes Mitra Mandiri Sajau in Improving the Welfare of the Sajau Village Community

Despite improving community welfare, the management of the Mitra Mandiri Sajau Village-Owned Enterprise (BUMDes) is not yet optimal. This is because the Mitra Mandiri Sajau BUMDes business unit is still relatively small, consisting of only one business unit. Therefore, several steps need to be taken to maximize the potential of the Mitra Mandiri Sajau BUMDes so that the Sajau Village community can experience its benefits fairly. One step that the village government can take is to provide support and training to the Mitra Mandiri Sajau BUMDes management team to improve BUMDes management. The target of this initiative is to improve the understanding of the company's operations by the Mitra Mandiri Sajau BUMDes management team.

The next step is to provide training for the managers of the Mitra Mandiri Sajau Village-Owned Enterprise (BUMDes) to improve their managerial capacity, particularly regarding business analysis, so that the BUMDes can run optimally. The villagers of Sajau have not had the opportunity to fully realize their potential, and our initiative aims to change that. The goal of this program is to make the management of the Mitra Mandiri Sajau BUMDes more creative, innovative, and professional. This is because the Mitra Mandiri Sajau BUMDes has enormous potential to benefit the community if managed properly.



Figure 2 Sales of Agricultural Inputs to Farmers 1

IV. CONCLUSION

The Mitra Mandiri Sajau Village-Owned Enterprise (BUMDes) has made a significant contribution to improving the welfare of the Sajau community, particularly through the provision of a Business Unit for the sale of Agricultural Production Inputs (Saprodi). Although only operating for about two years, the BUMDes' existence has helped farmers in Sajau Village by providing easier access and more affordable prices for agricultural needs. However, the implementation of the BUMDes management still faces various challenges, such as a lack of managerial competence and active involvement of administrators in BUMDes operations.

The suboptimal management of BUMDes is due to the administrators' limited understanding of business analysis and financial management. Therefore, government involvement is crucial in providing appropriate support and training to ensure better and more professional BUMDes management. Through managerial capacity building, such as training in business analysis, it is hoped that BUMDes Mitra Mandiri Sajau can develop more business units that benefit the community.

Overall, although the Mitra Mandiri Sajau Village-Owned Enterprise (BUMDes) has provided initial benefits to the Sajau community, its immense potential has not yet been fully

tapped. With the right support, the BUMDes can be more effective in improving community welfare and driving more sustainable village economic growth.

REFERENCE

- Fauzi, A., & Suryani, E. (2016). *Business Decision Making and SWOT Analysis*. Bandung: Alfabeta.
- Hasan, M. (2022). *Qualitative Research Methods: A Practical Guide to Field Research and Report Writing*. Jakarta: Bumi Aksara.
- Ministry of Villages, Development of Disadvantaged Regions, and Transmigration. (2020). *General Guidelines for the Establishment and Management of Village-Owned Enterprises (BUMDes)*. Jakarta: Ministry of Villages, Development of Disadvantaged Regions, and Transmigration.
- Memorandum of Understanding between PT Energi Nusa Mandiri and BUMDes Mitra Mandiri Sajau. (2024). No: 001/MoU/BD-MMS/VII/2024.
- Novita Riyanti, & Adinugraha, H. (2021). Optimizing the Role of Singajaya Village-Owned Enterprises (BUMDes) in Improving Community Welfare. *Al-Idarah: Journal of Islamic Management and Business*, 2(1), 80–90.
- Sajau Village Regulation Number 4 of 2023 concerning the Establishment of the Sajau Independent Partner BUMDes.
- Government Regulation of the Republic of Indonesia Number 11 of 2021 concerning Village-Owned Enterprises.
- Republic of Indonesia Law Number 6 of 2014 concerning Villages. *State Gazette of the Republic of Indonesia* 2014 No. 6.
- Wahyudi, D. (2022). The Role of Village-Owned Enterprises in Improving the Community Economy. *Journal of Village Economics and Public Policy*, 5(2), 112–119.
- Yulinartati. (2021). Optimizing the Management of Village-Owned Enterprises (BUMDes) to Create Independent Villages. *Journal of Community Service Management*, 1(1), 45–56.