

Analysis of Funds Management Through the Village Owned Business Entity at Gudang Garam Village, Bintang Bayu District, Serdang Bedagai Regency

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Abstract-This study aims to find out how the analysis of village fund management. The village-owned business entity in Gudang Garam Village, Serdang Bedagai Regency includes planning, action, how the village-owned business entity process to manage the village. This study will also try to analyse whether the principles of village fund management. The village-owned business entity are by Law No. 6 of 2014 concerning villages, and analyse what factors are supporting and inhibiting the management of village funds through The village-owned business entity. By using qualitative descriptive method supported by data mining techniques through observation, in-depth interviews and appropriate literature use as data mining tools. From this study, it can also be concluded that the Gudang Garam Village Fund Budget in 2018 amounted to IDR 653,251,216.00 which was then included for The village-owned business entity. Capital of 50,000,000 capable of being managed properly. The village-owned business entity has successfully carried out four programs from of six programs, regulated in Law No. 6 of 2014, concerning Villages which includes (1) Social Business; such as the provision of mineral water and water piping systems to people's homes, (2) Rental Business (Renting); such as bus rental as transportation ;, (3) Brokerage Business; such as electricity payment services through BNI and BRI partners, (4) Businesses that produce (Trading); such as the sale of agricultural products. The results of the profits derived from the management of village funds. The village-owned business entity can contribute to The village-owned business entity's income of 7,912,200.00/months. However, there are still two programs that have not been able to run optimally, namely financial business programs (financial business) and joint business programs (holding) that still need much support from various parties.

Keyword-Village-owned business entity, Village fund management, Law No. 6 of 2014.

I. INTRODUCTION

So far, there have been many strategies and policies carried out by the government to strengthen and develop the village economy. One that is strategically carried out by the government is to "establish and develop" Village Owned Enterprises or The village-owned business entity. The village-owned business entity is a mandate of Law No.6 of 2014 [1] concerning Villages which is reinforced by Permendes and Development of Disadvantaged and Transmigration Regions Number 4 of 2015[2] concerning the establishment, management and dissolution of Village

Owned Enterprises. In NAWACITA, specifically the third *Nawacita*: "building Indonesia from the Outskirts by Strengthening Regions and Villages in the Framework of a Unitary State", the Jokowi-JK Government is committed to overseeing the implementation of the Village Law in a systematic, consistent and sustainable, to achieve a developed and strong Village, independent and democratic. One of the strategies that implemented is to develop and establish the village-owned business entity in every village in Indonesia

The Minister of Villages, Development of Disadvantaged Regions and Transmigration[2] often say that in 2018 at least every village has one The village-owned business entity. The establishment of The village-owned business entity is considered important because; (1) The village-owned business entity is one of the policy strategies to present state institutions (PDTT Village Ministry) in the life of the community and state in the Village (next referred to as the Village Tradition); (2) The village-owned business entity is one of the policy strategies for developing Indonesia from the periphery through the development of village economic enterprises that are collective; (3) The village-owned business entity is one of the policy strategies to improve the quality of life of Indonesian people in the Village; (4) The village-owned business entity is one form of village economic independence by moving strategic business units for the village collective economic business.

The village-owned business entity as defined in Article 1 number 6 of Law No. 6/2014 [1] concerning Villages, as: "Village-Owned Enterprises, hereinafter referred to as The village-owned business entity, are business entities that the Village owns all or most of their capital through direct participation from Village assets which are separated from managing assets, services service and other efforts for the maximum welfare of the village community.

A conception of village tradition is one of the fundamental ideas that accompany the establishment of the village-owned business entity. Village tradition parallels the wealth of social capital and political capital and influences the resilience and sustainability of the village-owned business entity. The main idea of the

village tradition in the establishment of the village-owned business entity is:

1. The village-owned business entity requires social capital (cooperation, solidarity, trust, and the like) for business development that reaches a more inclusive and broader social network.
2. The village-owned business entity develops in inclusive politics through the praxis of Village Consultation as the highest forum for the development of village economic enterprises which is driven by The village-owned business entity.
3. The village-owned business entity is a form of village economic business collectively between the village government and the village community. Economic business the collective village carried out by the village-owned business entity contains elements of social business and economic business.
4. The village-owned business entity is a business entity mandated by the Village Law as an effort to accommodate all activities in the economic field and public services managed by the Village and inter-village cooperation.
5. The village-owned business entity becomes an arena of learning for villagers in forging managerial capacity, entrepreneurship, good village governance, leadership, trust, and collective action.
6. The village-owned business entity transforms government-initiated programs (government projects) into "Village-owned."

The focus of this research is Gudang Garam Village, Bintang Bayu District, Serdang Bedagai Regency. The results of the early assessment have been done; the village has success to exploit Gudang Garam village funds provided by the government in the form of the village-owned business entity. The village-owned business entity in Gudang Garam village won national level awards as a category of the village-owned business entity innovative in 2016 by relying on a superior program of clean water business to overcome the difficulty of clean water to prosper the people of Gudang Garam Village.

The interesting thing to examine in the analysis of village fund management in Gudang Garam village is how the village can utilize village funds managed by the Mandiri village-owned business entity so that it is beneficial to the village community. However, the village fund program that will be managed through the village-owned business entity will not only focus on the clean water business alone. The village-owned business entity Mandiri Gudang Garam Village should be able to innovate to move other business units, such as services, as well as creating economic efforts that involve the participation of the village community.

II. LITERATURE

1. Village Government

The village can be said to be the smallest government unit in the administration of government in Indonesia. However, the concept of the village has several variants

of concepts that can be seen from its purpose. According to Maschab [3], the concept of the village can be divided into 3 (three) parts. First, in the sociological concept, the village describes a form of community unity or community of residents who live and settle in an environment, where among the brands know each other well and their lifestyle is relatively homogeneous and depends a lot on the goodness of nature. Second, in the economic concept, the village can be said as a community environment that seeks to fulfil their daily needs from what is provided by the natural surroundings. Third, politically the village is a government organisation or power organisation that has certain political powers because it is part of the state government.

According to the 2014 Law on Villages [1], it is said to be a legal community unit that has a regional boundary, it is authorized to regulate and administer the government, the interests of the community, the right of the origin, traditional rights recognized and respected in the government system of the Republic of Indonesia. It seems that Law No. 6 of 2014 [1] is a recognition of the traditional authority of village communities, improving weak governance, and empowering communities [4]. Another definition of the village was also expressed by Kartohadikoesoemo who said that the village was a legal entity in which lived in a community that had power and the community held its government [5].

According to that definition, it can be said that the Village is the smallest government unit, where the village is given the authority to regulate itself. Therefore, the concept of the village contained in Law No. 2016 concerning villages according to Maschab [3] has fulfilled the basic requirements of an autonomous government because it has several basics.

1. The apparatus itself, where the village head and other village officials are selected/appointed from among the residents and by the villagers themselves, and they are not part of the sub-district or district government units.
2. Villages for generations have affairs, households in the lives of their citizens and the law give authority to manage them based on applicable customs.
3. Villages have their sources of income from assets or village property (in the form like being in the form of agricultural land, ponds, forests). Moreover, buildings or other movable property, as well as those from villagers according to local traditions as long as does not conflict with the applicable laws and regulations.

If referring to Article 19 of Law No. 6 of 2014 [1] concerning Villages, the village has several authorities which include the following

1. Village-scale local authority;

2. authority assigned by the Government, Provincial Government, or Regency of City Regional Government; and
3. Other authorities assigned by the Government, Provincial Governments, or District or City Regional Governments by the provisions of the legislation.

From that law, it can be indicated that the Village is indeed autonomous regarding its administration. The authorities enshrined in Law No. 6 of 2014 [1] so that villages can organise their governments independently have innovations to drive the economy that can prosper the village community. The village must also be more creative to map out the various potentials of the village where the central government has disbursed funds ranging from 600-800 Million per year to be managed to increase the development of village infrastructure, provide excellent services to rural communities, and minimise the level of poverty in rural.

2. *The village-owned business entity*

According to Law 6 No. 2014 [1] concerning Villages, article 87 states that villages can own the Village-owned business entity. Article 87 has the spirit that the village-owned business entity can be categorized into three things. First, the Village can establish a Village-Owned Enterprise called the Village-owned business entity. Second, the village-owned business entity is managed with enthusiasm and cooperation. Third, the village-owned business entity can run a business in the economic field and public services by the provisions and legislation.

According to that law, the village-owned business entity is a legal umbrella for each village to be able to manage funds through the village-owned business entity. The village-owned business entity has become the frontline to drive the economy which aims to develop the economy that can prosper the village community itself, and alleviate poverty in rural areas.

The spirit of the village-owned business entity has been stated in Law No. 32 of 2004 and Law No. 6 of 2014 [1], [6]. According to Risadi [7], The village-owned business entity has two meanings by the law is implemented at its time. First, the Village-Owned Enterprise, as a derivative of Law No. 32 of 2004[6], explains that the village-owned business entity is formed/established by the village government whose capital ownership and management are carried out by the village government and the community.

Secondly, according to Risa [7] the village-owned business entity according to Law No. 6 of 2014[1] is a business entity that the village owns all or most of its capital through direct participation from village assets separated from managing assets, separated village services in order to manage assets, services, and other businesses for the highest welfare of the community.

Risa then added that the village-owned business entity could not be compared to other business entities such as CVs or cooperatives. The village-owned business entity is a village-based business entity which in addition to assisting in the administration of village governance in its activities, also the needs of the village community [7].

Hewarati said the same thing that the village-owned business entity is one of the economic institutions that are expected to contribute to the source of village income[8]. However, Herawati also added that the village-owned business entity is a business entity that the village owns all or most of its capital through direct participation from village assets which are separated from managing assets, services, and other businesses to the maximum extent possible.

III. METHOD OF RESEARCH

This type of research is qualitative research. Bogdan and Taylor [9] argue that qualitative methodology is research that will produce descriptive data in the form of written or verbal words from people and observed behaviour. On the other hand, Kirk and Miller in Moleong [9] assert that qualitative research is a tradition of social sciences that rely on fundamental human beings and regional supporters and personal relations with terminology. This study also uses fieldwork, which includes the work of observing, listening, feeling, collecting and capturing all phenomena, data, and information about the case under study.

This research was carried out within six months. Observation is the initial activity carried out to look for focus points in research such as the demographics of socio-economic, socio-cultural and governance life of the village-owned business entity *Mandiri*.

This study will use data search techniques, namely first, literature study; second, interview and third is observation. The first step to be taken is to study literature in the form of books, research results that are relevant to the theme raised. It is done to increase the theoretical and conceptual understanding of the object under study. Besides the literature, reading the object of research will also be carried out through media studies. With this media study, it is expected that researchers will get more information about the object under study, especially regarding events that have occurred.

IV. RESULT AND DISCUSSION

The commitment of the Jokowi-JK government (Jokowi Widodo-Jusuf Kalla), to build a village has been stated in NAWACITA specifically in the third part, namely "Building Indonesia starting from the periphery by strengthening regions, and villages within the framework of the Unitary Republic of Indonesia" to be the entrance for each - every village in Indonesia quickly, changed and immediately, improved to alleviate poverty in the village, improve village welfare, and accelerate economic development in the village. One of the efforts made by the government to implement the *NAWACITA*

program is by giving birth to Law No. 6 of 2014 [1] concerning villages and the issuance of Government Regulation No. 60 of 2014[10] concerning Village Funds sourced from the state's revenue and expenditure budget. The mechanism for allocating village funds according to Government Regulation No. 60 of 2014 [10]concerning village funds article 5 that village funds are given based on the number of villages and allocated by taking into account the population, poverty rate, area size and level of geographical difficulty.

To realize the mandate of Law No. 6 [1]on villages and Government Regulation No. 60 of 2014[10] concerning Village Funds, the Ministry of Villages for the Development of Disadvantaged Regions and Transmigration of the Republic of Indonesia also issued ministerial regulation No. 4 of 2015 [2] concerning establishment, management and management, and dissolution of village-owned enterprises. According to ministerial regulation No. 4 of 2015 [2] concerning the village-owned business entity article 1 that the village-owned business entity is a business entity that the village owns all or most of its capital through direct participation from village assets which are separatedfrom managing assets, services and other efforts for the maximum welfare of the village community.

The village-owned business entity in Gudang Garam village, Bintang Bayu sub-district, Deli Serdang District was established on March 31, 2014, through village regulation No. 3 of 2014concerning the village-owned business entity Mandiri. Initially, the establishment of the village-owned business entity was founded on the needs of the village community for the availability of clean water sources that are indeed difficult to obtain. The effectiveness of managing village funds through the village-owned business entity Mandiri starts effectively in 2015 which can be seen in detail in the table below;

TABLE I. VILLAGE FUND ALLOCATION THROUGH THE VILLAGE-OWNED BUSINESS ENTITY MANDIRI

Year	Village Fund (IDR)	Village-owned business entity (IDR)	Use	Total (IDR)
2015	264.933.825	40.213	water tank tower of the village II	122.106
		40.484	water tank tower of the village III	
		41.409	(Central Building)	
2016	586.005.000	264.425	Clean Water pipe 6048 m	291.425
		27.000	Equity participation in BUMDesa Mandiri	
2017	750.326.886	144.800	Clean Water pipe to household	34.759
		69.959	Water Tank Tower	
		120.000	Equity participation	
2018	653.251.216	50.000	Preparation of bottled water	50.000

Source (Simanjuntak [11] and interview with Gudang Garam village head)

From the tabulation above, it can be seen that the village fund allocation in Gudang Garam village has a significant effect on improving community welfare

through the village-owned business entity. Despite the decline of village funds provided by the central government in 2018, it turns out that Gudang Garam Village can still allocate village funds to The Village-owned business entity.

If it is examined more deeply the village funds are funds sourced from state revenues and expenditures destined for villages where the village fund allocation mechanism is transferred through the district/cityregional income and expenditure [12]. In 2018, the total income of Gudang Garam village was Rp. 902,346,376 consisting of several sources such as Village Revenue Village Fund, Regional Tax Revenue Sharing, Village Fund Allocation. The following is a tabulation of the total revenue of Gudang Garam village in 2018.

TABLE II. TABULATION OF GUDANG GARAM VILLAGE INCOME IN 2018

Year	Income type	Number	Details of the Use of Village Funds
2018	1. Village Income	7.912.200	1. Installation Paving Block at Village I
	2. DD	653.251.216	2. The opening of Production Roads
	3. BHP	29.760.456	3. Intensive Assistance (PAUD teachers, Madrasah Teachers
	4. ADD	211.422.504	4. carry out of Posyandu
			5. PAUD Teaching and Learning Implementation
Total		902.346.376	6. Village Equity Participation

Source: processed from the data of the Gudang Garam village fund income in 2018

The above tab gives an illustration that the village fund allocation in Gudang Garam village is very planned which has been regulated in the Village RPJM (Medium Term Development Plan) in 2018. Surely this gives a positive signal for Gudang Garam Village that the village fund allocation has been designed according to what the community needs in the Gudang Garam village.

After seeing from the research data shown above, village fund management through the village-owned business entity in Gudang Garam village went well, although it still left important records that had to be corrected for the following year. This indication can be seen from the lack of achievement of some of the agendas set by the village ministry regarding village fund allocations that can be managed by the village-owned business entity. The village ministry has determined six programs that can be developed by the village-owned business entity consisting of: i) social business, ii) rental business, iii) brokering business, iv) trading, v) financial business and vi) joint business (*holding*)

From the results of interviews and field observations it can be found that village fund management through the Village-owned business entity still touches on four priorities set by the village ministry consisting of:

1. Social Business; in this section, the village-owned Mandiri business entity has successfully implemented the program well. This indication can be seen from

the plan to provide refill drinking water and the piping system for water to the homes of the villagers. The people of Gudang Garam village have enjoyed the water that can be consumed by the villagers at a low cost of around 30,000/ month. It should be known that in previous years, around 2000 the water needs in this village were still complicated to achieve.

2. Rental Business (Renting); in this section, the village-owned business entity has been able to manage assets like minibus as transportation that can be used by villagers by renting with a nominal 10,000/km.
3. Service business; in this section, the village-owned business entity has collaborated with several mints such as BNI and BRI to make several payment transactions such as electricity token payments.
4. Trade Business; in this section, the village-owned business Mandiri entity has succeeded selling some of the products in the village, such as selling brown sugar, selling household handicrafts managed by housewives in Gudang Garam Village.

Still limited achievement of the programs managed by the Village-owned business entity has resulted in the small income managed by the village-owned business entity which we can see in the tabulation below.

Table III. INCOME THROUGH THE VILLAGE-OWNED BUSINESS ENTITY

Year	Total Omzet (IDR)	Total Net Profit (IDR)	Deviden to APBDES (10%) (IDR)
2014	13.299.800	2.211.800	1.329.980
2015	36.102.800	6.470.000	3.610.280
2016	64.436.550	19.797.575	6.443.655
Up to September 2017	56.300.035	-	-
Amount			11.383.915

Source: Simanjuntak [11] and financial bookkeeping of the business entity owned by the village of Mandiri.

The tabulation at above actually can be seen that despite the achievement of two priority programs that can be developed by the village-owned business entity Mandiri, there is some optimism that there is an increase in net profit managed by the village-owned business entity Mandiri. It is what Irawan [4] said with the Bottom Up approach will provide an excellent opportunity for every community of Gudang Garam village to be able to determine what is the needs of the village community itself.

V. CONCLUSION

Starting from 2014 to 2018, the village-owned business entity Mandiri has a significant contribution to improving the welfare of the community of Gudang Garam village. This indication can be seen from the effectiveness and efficiency of the village-owned business entity in managing village funds that have carried out four programs from the six priority programs that have been determined by the village ministry which includes social

business, rental business, brokering, business those who produce.

In terms of social functions, the village-owned business Mandiri entity has carried out its role well, this is evidenced by the award achieved by the Village-owned business entity from the Ministry of Rural Affairs as the village-owned innovation business entity nationwide because of the management of clean water business units which is very beneficial for the village community.

However, there are still two programs that have not been able to run optimally, namely financial business programs (Financial Busines) and joint business programs (holding) that still need much support from various parties.

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