

Behind the Joint BUMDes (Badan Usaha Milik Desa Bersama)

(Insight the motive for establishing joint BUMDes Danar Garut)

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Abstract—The issue of dependence and under-developed rural areas has positioned BUMDes in an important role, to be a part of the multiplier effect that could improve the welfare of societies in villages, thus become an adversary that must be prioritized by the government; however, some aspects will not be successful without the integration of other villages. In order to face the more complex problems, governments must intervene in a broader field. Joint BUMDes, a realization of village partnerships executed by local governments, offer a solution. One successful case was carried out by the Joint BUMDes of Danar Garut who were able to realize the multiplier effect, and example that must be explored. The goals of this research is to delve into the Joint BUMDes development as a form of village partnership. Our research method used in-depth interviews with key actors and stakeholders within the Joint BUMDes, as a result we found that the motive of forming BUMDes Danar Garut had 3 main motivations: political motivations from factors such as legal supports and technical assistance; spatial-economic factors such as economic resources and return of capital; social-culture factors such as traditional partnerships by involving communities in rural area.

Keywords— Joint BUMDes , partnership, rural area

I. INTRODUCTION

Partnerships have important roles in solving regional problems, especially towards supplying public goods. It raises capital efficiency; attains economic scale in supply services; internalizes spilled-over problems and accommodates interests of shareholders [1]. On community level, partnership should be reconsidered to attain consensus of goals in policy making, both of which are demonstrated by community asset. The asset's value has a strategic role for empowering village-society such as raising villages welfare, prospering the society through economic activities and reducing poverty [2]. The urgency of the role is evident through the revelations of The Minister of Villages, Underdeveloped Regions and Transmigration Indonesia (2016) stated that all villages, 32% are underdeveloped and 7 % are in serious conditions. Furthermore, the social capital of local people has been struggling to develop rural economy [3]. The establishment of Village Law 6/2014 (UU Desa) is expected to strongly motivate and elevate social-economy

welfare in Indonesia [4]. Since rural poverty is caused by the lack of capital, limitations in the utilization of technology, and inadequate human resources [5]. Therefore, it is important to conduct an effort for solving rural problems through optimizing villages as an autonomous region.

One of the embodiments of joint management in village development is that each would be motivated to institute a BUMDes. BUMDes, as defined by the law, is a unit formed by through local regulations with the spirit of kinship and mutual cooperation in optimizing all economic potentials, natural resources and human resources to improve the welfare of the village community (Village Law no 6 2014). [6] emphasized that the existence of BUMDes will help advance and optimize the potential of rural entrepreneur, thus the governance of BUMDes has become vital for improving welfare and reducing inequality among villagers.

Recent phenomenon that is done by some villages is establishing Joint-BUMDes as part of a partnership. According to [7], village partnerships will encourage competition in achieving goals and productivity, work effectively and efficiently, provide lower operational costs, enact harmonious relationships between parties and maintain sustainability and have better condition. Through this method, the well-being of rural life will improve [8].

BUMDes and Danar Garut, constitute the BUMDes in the Leles district that have decided to cooperate each other. The joint of 12 Villages within the BUMDes has been formed since 2014 through the village's regulation. This is chosen as the case study due to the good cooperation they have.

The cooperation factor synthesis is shown at table 2 [9]. It is viewed from 3 aspects: administrative-politic, spatial economy and social culture. Certain aspects are strengthen, first and foremost is the additional parameter towards the social culture aspect [10], [11] and [12].

II. METHOD

The research was conducted by a deductive approach, establishing elaboration that started from an assumption or certain speculation towards data that would be explained [13]. The approach was assisted with case studies. Based

Table I. Cooperation Factor Synthesis

Aspect	Cooperation Factor	Joint-BUMDes Context
Administrative-politics	Government Ability and Authority	The market is limited by the Village administration
		Limited ability to conduct independent business
		Pressure on the authority above
	Procedure and Mechanism	Annual PADes competition
		The availability of legal support from the government in managing inter-village cooperation
Spatial Economy	Economic resources	Limitations of ability to independent finance
		Village strategic programs that cannot be independently funded
		Capital return
	Competition between regions	Prevent unwanted competition
		Enable better development
		synergy between complementary functions
		Issues that are resolved only by village partners
		maintain and improve the quality and quantity of public services
	Strategy and Purpose	The minimum amount that needs to be produced
		Efforts for the emergence of various innovations
Socio-culture	Knowledge	Exchange of knowledge and expertise
		Cultural influences and habits
	Cooperation as tradition	The number of locals who wants to be involved
		Awareness towards the village's disadvantages
	Justice	Construction of inter-village trusts
Impact on improving village welfare		

on [14], case study, proposing ‘what’ as the research question was insufficient, but rather by exploring ‘how’ and ‘why’ as well. This research was also aided by descriptive-qualitative. From [15], qualitative research emphasizes reality and social phenomena as holistic, complex and dynamic.

The primary data was obtained by interviewing informants based on sampling. Although, certain basic data were from secondary sources collected comprehensively; and became parts of data triangulation, but the collection of primary data relied on in-depth interview. The interview provided open questions and reviewed key words that had been compiled previously [16]. The respondents were selected through the Purposive Sampling method, a method of selecting samples that were chosen intentionally or done to explore information or knowledge possessed by the sample for specific reasons and purposes. Due to expected dynamism in the field, it was more convenient to implement Snowball techniques to have the informants.

Based on [17], the method for determining the samples of stakeholders as informants considered the following criteria:

1. The knowledge level of informants. In the context of the Joint BUMDes, the informants had involved since the beginning of the establishment of this unit and had a good understanding.
2. Roles and positions of interested informants. In the context of the Joint BUMDes, informants had strategic roles in determining the direction of the unit's movement.
3. Communication skills of informants. In the context of the Joint BUMDes, informants were resourceful because of their experiences

Stakeholders involved in this interview consisted of various stakeholders. They were village representatives through the village head, the directors of Joint-BUMDes, the Leles District and the communities in Leles District. Further, explanation of the informants can be seen in table 1.

For data analysis methods, this research used a descriptive-qualitative approach with content analysis. The data analysis process was carried out by reducing data a coding process based on the parameters and aspects that had been determined in the previous discussion. Descriptive approach was to find out the management of Joint BUMDes and the impact of BUMDes on the village economic activities.

III. RESULT AND DISCUSSIONS

A. Joint BUMDes Danar Profil

Village-Owned Enterprises (BUMDes) Danar Garut is an agreed-upon organization formed on September 12, 2014 through a joint Regulation of 12 Village Heads in Leles District, Garut Regency, West Java Province. Joint BUMDes is called "BUMDes with Danar Garut" which gives the essence of light. It is expected that this joint BUMDes can provide a boost towards the welfare of the people in the villages.

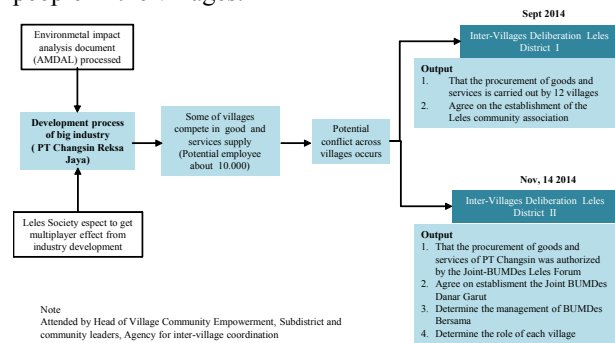


Figure 1. Forming process of Joint-BUMDes Danar- Garut

The history of its formation is pioneered by the construction of one of the foreign companies, PT Changsin Rekza Jaya. The development has not pocketed an AMDAL which requires a meeting with the surrounding community. The establishment of the factory is a significant opportunity for the people of the Leles District. People can compete to offer their goods and services to the company, the 12 village heads in Leles Subdistrict have decided to create a Joint BUMDes so that the profits will be part of the Village Original Income (PADes), which indirectly give a positive impact on the development of Leles. The chart can be seen in Figure 1.

The initial capital from BUMDes altogether is collected equally by each village with a total initial capital of Rp. 60,000,000 (sixty million rupiahs). The village head has provided Rp. 5,000,000 (Five million rupiah).

The visions of joint-BUMDes, Danar Garut are Increasing the initial Revenue of the Village, becoming a driving force for the economic growth of the village, and

expanding the distribution of development and its benefits. Then, the missions are written as follows

1. Providing services to the society
2. Developing the people's economy
3. Contributing to the original income of the twelve BUMDes villages in the Leles district..

B. Cooperation Factors

Some cooperation factors that motivate the village partnership through Joint-BUMDes are politic-administrative, Social-Culture and Spatial- Economy.

a) Politic-Administrative Aspect

In this factor, the analyzed parameters are the ability and authority of the government and the procedure and mechanism factors.

1. Factors of government capability and authority

Out of the 3 parameters on the capability and authority of the government, none of the factors drive the formation of Joint-BUMDes Danar Garut. They are their own initiative due to the lack of support from the government. The village heads, who have the highest authority in the village, coordinate with other village heads that resulted in the formation of Joint- BUMDes in Leles.

2. Factors of procedures and mechanisms

Out of the 3 parameters in the procedure and mechanism factors, only 2 parameters were the driving force, namely the legal support from the government and the technical aspect of inter-village cooperation. The parameters of annual PADes competition do not have special contribution, although each village receives monthly income from the profits of food ingredient sale to PT Changsin. The amount of income for each village is generalized. Thus, there is not any hostility and equality between villages.

As for the parameters of legal support from the government in regulating inter-village cooperation is considered to be a driving factor. Joint-BUMDes of Leles was formed through the joint village head regulation in the district in 2014, implemented by the law of the Leles District (SPC) Decision Letter.

In terms of technicality, the cooperation parameters are delivered through the second inter-village deliberation with representatives from the districts and the Village Community Empowerment Service (DPMD) of Garut Regency. At one of its sessions, representatives from the Garut Regency DPMD, Teddy Iskandar M.Si, enlighten the opportunity for the formation of inter-village cooperation through the establishment of Joint BUMDes both conceptually and technically in its operation regarding to the use of the Village Law.

b) Spatial-Economy Aspect

In this factor, the analyzed parameters are the reason for the limited ability to independent finance, the village strategic program that cannot be independently funded and the capital return of investment parameter.

1. Economic resources

Out of the 3 parameters on the economic resource factor, only one parameter is a driving force of cooperation: reason for the capital return. The initial capital is Rp 5,000,000 (five million rupiah) per village,

thus the initial capital collected is Rp 60,000,000- (sixty million rupiahs). From the results of business profits, each village gets an incentive of Rp. 2,000,000 (two million rupiah) per month. The total billing generated could reach 1.8 billion / 2 weeks. This makes it sustainable for each village to receive benefits to be counted as the village original income.

2. Competition between villages

Out of the 5 parameters on the factor of competition between regions / villages, there are 4 parameters that encourage inter-village cooperation that have significant and insignificant effects. These four parameters are established from the prevention of unwanted competition, provide higher progress and synergize roles between complementary functions and issues to be resolved only by partnering / collaborating.

The parameters for preventing unwanted competition and issues that can only be solved with village partners are the most important because according to Figure 1, the process of forming inter-village cooperation is that there are quite a number of people who have an interest in the presence of PT Changsin Reksa Jaya. villages in Leles District.

The parameter of the division of roles between villages and higher progress is a form of realization as well as the result of inter-village cooperation. To fulfill the basic needs of PT Changsin, it cannot rely on one or two villages. All villages, 12 villages in Leles Subdistrict, need to contribute to supplying raw materials or food as part of the utilization of local resources to be utilized by PT Changsin.

3. Strategies and Goals

In this factor, the parameters analyzed are due to economic scale, efforts to bring up various innovations and parameters that inter-village cooperation can support sustainable development. However, there is not any information that supports this factor.

c) Social-Culture Aspect

In this factor, the parameters analyzed are factors of knowledge-sharing, traditions for working together and factors of justice.

1. Knowledge-sharing

In this factor, the parameters analyzed are motivated by the exchange of knowledge and expertise. In the initial formation, it does not directly have motivation in terms of increasing knowledge and expertise. It is also known that skill enhancement is an impact of inter-village collaboration and current forms of activities include workshops, business training and administrative management for BUMDes.

2. Cooperation as tradition

From the 3 parameters on the traditional factors for collaboration, there is one parameter that triggers inter-village cooperation, namely the number of villagers who wants to be involved in submitting goods / services to PT Changsin Reksa Jaya. This has resulted in vast of interests to be involved and choosing deliberation between villages as a path.

3. Justice

Out of the 2 parameters on the justice factor, there are 2 parameters that induced inter-village cooperation, namely to build trust between villages and provide opportunities in the form of improving the welfare of rural communities.

IV. CONCLUSION

Based on the study conducted it can be seen that the driving factors of inter-village collaboration through BUMDes in Leles District are driven by political-administrative aspects in the form of procedural and mechanism factors namely the existence of legal support from the government in regulating inter-village cooperation and the technical explanation of inter-village cooperation. In the spatial-economic aspect in the form of economic resources, the parameters of capital reversal becomes a driving force for collaboration and also the factor of inter-village competition in the parameters of prevention of unwanted competition that can only be solved through village partners, parameters of role synergy between villages and also enable higher progress. whereas on the socio-cultural aspects, factors that are compelling enough to encourage inter-village cooperation are the traditional factors for cooperating together on the parameters of the locals who wants to be involved.

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