The Effectivity of the Priority Policy of Natural Resources Management by Village-Owned Entities in the Coastal Areas of Mount Kidul Regency

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Abstract — Villages, which exist as the smallest units within the government as well as the supporting pillars of cities, deserve more attention than they have garnered. Since 2016, the Indonesian Government has prioritized villages development from 3 main aspects i.e., infrastructure, village social services, and improvement of village economic certainties. This research is focused on the coastal area of Mount Kidul Regency, which has undergone economic development due to its geographical location. The village’s leading programs focus on improving coastal tourism, developing home-stays offering rich local experiences, clean water processing, and green spaces in residential establishments. In seeking to determine the effectivity of regulation which prioritizes abiotic natural resources management by Village-Owned Entities on the coastal area of Mount Kidul Regency, this research discovers and will elaborate the effect of legal understanding, in addition to the motivation of Village-Owned Entities in achieving effective village governance.

Keywords: effectivity, natural resources management, village-owned entities, coastal area, Mount Kidul

I. INTRODUCTION

Since the enactment of Law No. 6 Year 2014 concerning the Village, villages have been perceived as a strategic place and come to become the main support of the urban population. The Ministry of Villages has assumed that if 60% of the village fund can be realized properly for village infrastructure development, then 24,500 km of village roads would have been constructed since the nation’s independence, in addition to 16,800 units of village bridges and 4,900 km of village irrigation network. Pursuant to the Ministry of Village Regulation No. 21 Year 2015, the Government prioritizes the utility of village fund in 3 ways, namely infrastructure, basic social services, and the improvement of village economics capacity. Therefore, the Government advised the people to supervise the utility of village fund in order to prevent any abuse of power from within. The village fund has brought positive impacts towards the villages, indicated by the decrease of the village gini ratio from 0.33% to 0.27%, which effect should have been directly felt by the village population. The success of the annually distributed village fund in improving the people’s welfare prompted the Central Government to increase the budget allocation for the village fund [11].

The Ministry of Village for the Development of Underdeveloped Region and Transmigration (Kemendes PDTT) reported that 41,000 Village-Owned Entities (Badan Usaha Milik Desa/ BUMDes) has been established out of a total of 74,957 villages in Indonesia, which means close to 70% of the villages own BUMDes. It remains, however, that a lot of them need further guidance, leaving only 6,000 that have so far
operated effectively [2]

This calls for the needs to instill an understanding among the people that BUMDes are expected to grow and develop following its establishment [3]

BUMDes are bound to conduct various kinds of business activities, but the greatest development has thus far occurred in the tourism sector. Most BUMDes are inclined to form tourism business units considering the natural conditions of their respective villages. In fact, these has accelerated the development process of BUMDes. However, the lack of human resources possessing adequate competence in managing BUMDes has impeded its optimum development.

The Central Government took a mitigative step by establishing parent/holding companies above BUMDes such as PT. Mitra BUMDes Nusantara in order to provide assistance for BUMDes. The holdings coordinate among BUMDes with an equity ownership of 51%, while the remaining is owned BUMDes. In the past, Kemendes PDTT and Perum Bulog have also formed BUMDes Partnerships purported to accelerate the villages economic development so that subsidies will no longer be needed and the available funds can be directed to support more targeted efforts. The partnership was limited to outreach the institution was capable of doing, especially with regards to the agriculture land and post-harvest process [3]

It is deemed necessary to establish or reactivate the financial institution at the sub-district or village level such as BUMDesa, which existence is acknowledged by the local people to fulfill the needs for capital as well as the source of village income [4]. The selection of Mount Kidul Regency as a model case is justified based on the consideration that the Regency has undergone significant development in improving the common welfare. In the past, it was infamous for the incapability to manage the potential natural resources, which resulted to the people being trapped in poverty, surviving with corns and cassava as the primary food while the natural condition was barren due to it being karst area (limestone mountain).

Due to the continuous coaching pioneered by Universitas Gadjah Mada (UGM), efforts for people empowerment were initiated in order to counter the environmental limitations as well as to draw inflow of international and domestic aids. It followed that many colleges from various provinces joined forces in contributing to the development of the region. The natural potentials were gradually being managed and developed by the locals into national tourist destinations with increasing international acknowledgment.

The condition prevalent in Mount Kidul Regency has significantly changed. The village roads connecting hundreds of tourist destinations has been fortified with smooth asphalt. Many villages have turned into self-declared tourism villages, flattering their respective unique characteristics such as underground waterways, exotic beaches, ancient caves, megalithic and ancient sites which were the remnant of the Kingdom Mataram Hindu, the local culinary specialties, etc. The current income generated from one tourism destination can even surpass that of the Original Regional Income (Pendapatan Asli Daerah/PAD) of the Regency, thanks to the creativity emitted by the local people in managing the available potential natural resources under the guidance of various colleges.

II. BUMDes: Its Challenges and Hopes

The political history of the natural resources possession in Indonesia is characterized by the transformation of the indigenous property possession which was once possessed by the indigenous people (indigenous common property) into possession and ownership by the State (State property) as well as private property. The empirical facts shown and reiterated the significant existence of State control in the strategic development with or without involving the private sector [4]

The issue of natural resources management can no longer be assessed from the academic perspective considering that the transformation of development control which once was under the
management of the indigenous people into a State-controlled development have removed the local wisdom and weakened the capacity of monitoring and control by the State institutions. Furthermore, the benefits of resources are trapped in de facto open access or the inclination towards natural resources utilization competition for their respective interests [4]

According to Gibbs and Bromley, the management of natural resources as common property shall be led by a set of social norms and regulations, which will ensure the resources ability to provide continuous services to all the stakeholders who are dependent on such resources. Each group members are endowed with guaranteed access based on the regulations which are mutually created and approved.

The characteristics of management ideal for natural resources in the form of common property shall exhibit [4] minimum to no discrepancies among the members and requires only reasonable efforts to preserve the resources, so that the regime can become efficient.

A. huge capacity to adapt through progressive dynamics, such as the emerging new techniques, in order to stabilize the regime.

B. the capacity to accommodate unexpected events or sudden shake-ups, so that the regime becomes resilient.

C. the existence of common perceptions among the members, taking into account all the inputs and outcomes, so that a just and equal regime can be created.

The implementation of natural resources management including that of the common properties, is not simple to execute since it involves huge shift in the role of agency (the Government) as the manager of natural resources as well as the bureaucracy which has so far not been familiar with power sharing. This must be reflected in each policies and the administration, as well as the need for a more decentralized participative or administrative approach. Policies regulating natural resources management should be nurturing, not only being in favor of economic growth as the engine of growth which is exploitative in nature, but also needs to be geared for the people's best interests [4]

To add to the complexity, the laws and regulations governing the Indonesian natural resources are in general inclined to be capital-oriented and exploitative. They ignored the social and institutional aspects which are essential in achieving a sustainable management. Only the Land Law, the Law on the Conservation of Natural Resources and the Ecosystem, and the UPR remains relatively proportional in including the aspects of conservation [4] A sustainable management of natural resources demands a different mental attitude and perspectives for various characteristics of natural resources. Non-renewable natural resources or the stock resources such as metal, oil, mineral, and gas are exhaustible and only available in limited stock. Exploitation will only lower its reserve and future availability [5] While conservative perspective (pessimistic or Malthusian) results to a very careful attitude in utilizing the natural resources since human is faced with the uncertainties the future holds [5]

With regards to the above, it is considered necessary to improve the capacity of natural resources and environmental management, both in the central and in the regions, including the adat society institution as well as increasing society involvement through partnership with good governance based on the principles of transparency, participation, and accountability [6] The provision in Article 90 of the Village Law stated that:

*The Government, the Provincial Government the Regency/City-Level Government, and the Village Government shall encourage the development of BUMDes by:

1. giving aid and/or access to capital;
2. providing technical accompaniment and market access; and
3. prioritizing the BUMDes in the natural resources management in the villages.*

In realizing Article 90 (C) above, the Law assigned the Ministry of Home Affairs to stipulate the general regulations, technical
guidelines, and facilitations to achieve the implementation of professional, efficient, and effective, transparent, and accountable village governance, village development, coaching of the village society, and the empowerment of the village society, all the while preserving and advancing adat/tradition and culture of the village society.

A. Potentials of Mount Kidul Regency

Mount Kidul has superior natural tourist attractions, among others, 46 beaches stretching 70 km in length. Each tourist destination located in the area possess their own characteristics and uniqueness. There are 400 underground caves with rivers flowing towards the southern coast, with Pindul Cave and Kali Suci Cave being the primary natural tourist attractions. The benefits garnered from tourist attraction management carried out by the locals are used to improve the common welfare. The Village Government is further expected to be able to improve the human resources in order to be able to manage the tourist attractions located in the regions in a professional manner [7]. Various efforts aimed to empower the people residing on the coastal area in terms of economic welfare have been carried out by the Government to counter the social, economics, and ecological issues encountered by the people in the coastal areas. The Department of Maritime and Fisheries (Departemen Kelautan dan Perikanan/DKP) developed the Coastal People Economic Empowerment program (Pemberdayaan Ekonomi Masyarakat Pesisir/PEMP), meanwhile the Ministry of Environment has developed a civil society program in the effort to increase awareness of the rights to a good and healthy environment. However, such efforts have yet to be proven effective in encountering the said issues[6]

As an example, Mount Kidul area has the potential of producing the largest quantity of pandan raw material in Daerah Istimewa Yogyakarta (DIY). There are around 200 varieties of pandan leaves in the mountainous area and along Kukup Beach, which have not been optimally managed. Meanwhile in other areas, the same has been processed into various crafts, such as bags, baskets, mats, chairs, and tables. The surrounding population hopes that the Government roles in improving the human resources quality in order to realize the people’s welfare through BUMDes [8]

B. The Role of BUMDes in Welfare Improvement

In order to realize the village economic independence, the village economic institution plays important role in the village economic growth. The establishment of BUMDes as set out in the Ministry of Home Affairs Regulation No. 39 Year 2010 was a novel approach aimed to improve the village economy by considering the local characteristics and needs [9] as well as economic capacity[10] of the respective villages.

The distinctive feature that differentiate BUMDes from other commercial economic entities is the capital sourced from the village (51%) and the people (49%) through capital injection in the form of equity and share. The substance and philosophy of BUMDes is that the institution shall be infused by the spirit of togetherness to strengthen its economic aspect, with activities conducted using the principle “from, by, and for the village”. The labors come from local villages and the resulting benefits are designed to improve the welfare of both the village people and the investors. [10] BUMDes is expected to be able to support the reappearance of social democracy at the village level through sustainable improvement of the population capacity. Accurate targets shall be set so that the limited available resources can be harnessed effectively and efficiently.

The aims of BUMDes establishment [11] are, among others:

1. Preventing the village population members against the trend of borrowing high-interest loan;
2. Increasing the role of village population in managing legitimate sources of income;
3. Preserving and increasing the indigenous traditions such as mutual cooperation, keeping a
discipline of routine savings;
4. Encouraging economic activities among the village population;
5. Encouraging the development of informal business activities to create employment among the village population;
6. Improving entrepreneurial creativities of the low-income population members.

BUMDes are carried out based on the principles of kinship and mutual cooperation stemmed from the value system that remains living and developing within the society. Within a BUMDes, decision-making process is made through deliberation carried out by the village population. BUMDes Regulation is carried out as a village policy which was facilitated by the Government, Provincial Government, Regency, and Village Government.

With regards to the implementation of activities, it is being carried out and supervised collectively by the Village Government and the Regional Development Institution (Badan Pembangunan Daerah/BPD). BUMDes has been the third most popular village policy following the Village Fund Allocation (Alokasi Dana Desa/ADD) and the Medium Term Village Development Plan, which is intended to serve as the village medium for business activities operated in the spirit of independence, togetherness, and mutual cooperation between the Village Government and the people who develop the local assets to provide services to the people and increasing the economic income of the people and the village. BUMDes has answered a lot of village issues, especially those related to declining trend of the small-medium industries.

III. Provisions Concerning the Priority of Natural Resources Management by BUMDes

A. Effectivity of The Relevant Provisions

The establishment of BUMDes is expected to inspire the creation of various premium village products and village tourist destinations highlighting local wisdom. One indicator that affects innovation and people’s awareness is the fact that the initial occupations of most of the population of Mount Kidul Regency is farming. The shift of profession where the society started being aware of the tourism and natural resources potentials, resulting to the farming sector being gradually considered generating insufficient profits and therefore started to be left behind. Moreover, a large amount of the population have not mastered foreign languages, impeding clear communication with international tourists. Tourist attractions have not been professionally managed and the location of micro businesses are poorly administrated. These issues call for a thorough effort to optimize the quality of available human resources. Based on the team’s investigation on the research locations, not every village in the Mount Kidul Regency has at least a BUMDes, which resulted to the differing levels of common welfare level in the 5 villages.

The villages that have had actively operating BUMDes such as one in Kemadang Village, the rate of urbanization has undergone significant decline compare to the other villages which has yet to establish any BUMDes and/or has established one but has not been operating effectively. Along with the decline of urbanization rate came a positive implication to the village economy, evidenced through the statistics that showed the highest educational degree of most of the population being at high school level (Sekolah Menengah Atas/SMA).

The Vice Regent of Mount Kidul, Immawan Wahyudi, stated based on the data made available by the Statistics Centre Institution (Badan Pusat Statistik/BPS), that the poverty rate in 2018 was at 17.12%. This has undergone 1.5% reduction as compared to the previous year, i.e. 18.65%. Despite the continuous poverty reduction, it remains a region with the largest number of poor residents within DIY province. The region’s poverty rate reduction is affected by multiple factors, among others the development of tourism which reduced unemployment rate and increase the society income.[12] resources in an efficient and effective manner in the effort to achieve the objectives of the business. Under a people-based BUMDes management, the village...
population endeavors collectively to fulfill the organizational objectives to achieve the improvement of decent quality human resources who understand the regulations and the management of natural resources. Human resources is the most important component to effectivity, although based on the observations and interview, us researchers saw that the achievement of objectives in the BUMDes management which is operated on the basis of people’s economy, has yet to become effective and efficient [16]

Along with the decent concept it present, the position of BUMDes in facing the intervention of national and foreign capital pose villages as hardcore targets of development. BUMDes only possess decent amount of capital as compared with the large capital private entities but is expected to be able to drive the village economy dynamics. Looking at the villages condition, running thus far with minimum budget and realizing the village plans will render the realization of plans more difficult, as well as increasing the society apathy [14]

The existence of BUMDes di Mount Kidul Regency is expected to be able to support the reappearance of social democracy in villages through a sustainable capacity improvement and the participation of the village population within the BUMDes management framework. Through the ownership of BUMDes, the Village Governments are enabled to be creative and innovative in establishing the village economy to create work opportunities, produce substitutive local goods and services, increase trade among the Regional Governments, and provide optimum services for consumers. BUMDes will further be able to stand with the aim of becoming the region’s development agent and the driving force of the creation of corporate sector in villages, despite with not so high production and management costs.

B. The Factors Affecting the Effectivity of Provisions Concerning The Priority of Natural Resources Management by BUMDES

1. Human Resources

The village economic development has long been carried out by the Government through various programs. Management by BUMDes is a relatively new approach which is expected to be able to stimulate and drive the village economic cycle through the establishment of economic entity managed by the village population. BUMDes functions as both social and commercial institution which favors the people’s interests. It has the commercial objectives of aiming for profits through the promotion of local resources (goods and services) with the principles of efficiency, stability, resilience, and fairness.

Natural resources and environment management insofar as possible shall be carried out through partnership conducted with good governance based on the principles of transparency, participation, and accountability. According to Maria S.W. Sumardjono, et al. as well as Koesnadi Hardjasoemantri,[17] the above has not garnered serious attention from the Central or the Provincial Government, which are stipulated as the administrator for governmental matters in the field of forestry, maritime, energy and mineral resources, according to Article 14 (1) Law No. 23 Year 2014 concerning The Municipal Government. Meanwhile in accordance with Article 18A (2)

Constitution 1945, such authority is to be divided proportionally between the the Central Government and the Regency/City Government.

The existence of a village institution with the function that enables cooperation among all the components as the internal strength will counter the issues and eventually leads to development. The roles of the institution is crucial in governing resources. Therefore, the elements of institutions shall be given due attention in order to improve the village potential to sustain village development. This perspective is strengthened through the policies setting out the orientation towards village advancement, assistance for the Village Government and the society in carrying out activities for the development of certain villages.

The objective of BUMDes establishment is essentially to encourage the people’s economy, whether growing and developing through indigenous traditions, local culture, or
economic activities entrusted through to be managed by the people. Despite such original objective, however, BUMDesis not excluded from the possibility to encounter such issues as encountered by the BUMDes in the 5 villages observed in this research, among others, low quality human resources, inadequate tourism infrastructure, and not every village in Mount Kidul Regency has established a BUMDes.

The execution of a program requires human resources with decent quality. In addition, the needs for other resources are inescapable to such project execution, among others, financial resources, natural resources, and other potentials which will enable the success of certain program. During the execution phase, the effectiveness of BUMDes is affected not only by the active participation of the Regional Government and the BUMDes management board, but also the society active involvement through various means, such as tourism awareness group, farmers group, etc.

Human resources management shall be given proper attention since each humans possess creativity, taste, and initiatives to build up certain attitude, which eventually set the course in their everyday actions. We can see that in fact, a company can possess the same technology, working procedure, and organizational structure, however the management differs from one to the others [18]. Developed or advance human resources, formally-educated or otherwise, are able to contribute in building up the society. The development of human resources is aimed to create development-oriented men and women who are of noble character, tough, intelligent, competent, independent, loyal, hard-working, productive, creative, innovative, disciplined, and is future-oriented [19].

In relation to the above, human resources development activities can be defined as an effort to shape the employees to master various skills necessary for the organization to complete certain tasks in an efficient and effective manner, with the focus in the endeavors to defend and increase the existence of the organization. Education within the context of an organization is a process of skills development towards an end envisioned by the concerned organization. Meanwhile, training is a part of an educational process, which aims to improve the competence or special skills of a person or a group of people. Human power combined with technology can be utilized to produce the goods and services necessary to fulfill human needs. The State Guidelines for Policies (Garis Besar Haluan Negara/GBHN) has signaled that the extension and equality for work opportunities, as well as quality improvement and protection in work shall be the main policy.

The effectiveness of human resources also heavily depends on the individual selves, which essentially, in psychological order, focus on the motivations. It is difficult to generalize the human needs since there are no 2 people having the exact same needs and motivations. According to Maslow, the most basic needs is the physiological needs such as the needs for foods and drinks, oxygen, rest, etc. which are physical in nature. Insofar as these have yet to be fulfilled, the other needs will be dominated by these. High quality and protected human resources will possess high self-confidence and are more productive than their counterparts.

Village human resources development and empowerment is essentially a form of collective actions purported to improve the living standards of the village society, both in material and spiritual terms. In addition to such main objective, it also pose another aims which potentially enable the acceleration of village development process [19] among others:

1. Creating livelihood and removing the monotonicity of village life, so that the village people will not get bored by the living environment.

2. Increasing social-economic welfare of the village people which can hold back against the urbanization trend.

3. Improving education equally among regions so that the flow of students into cities can be reduced, and educated workers can remain
in the villages to educate the other village people.

4. Gradual modernization in logistics to remove the isolated nature of villages.

5. Modernization is the pedestal for a technology-intensive development in villages and the people’s development process shall be included.

In general, our research concludes that the human resources condition in Mount Kidul Regency, more specifically in the 5 villages where this research was conducted, is relatively decent, despite of the many issues that remains necessary to be addressed to achieve an independent society.

2. Leadership of The Village Head

Along with the specifically budgeted village development fund which from time to time continues to increase in amount, the villages had essentially received funding sources large enough to improve welfare. Such fund has so far been focused to develop the infrastructure, which enable most villages in the Regency to obtain new sources of income from the increasingly convenient journeys by local and international tourists who seek to experience the natural beauty the region has to offer.

Prior to the initiation of the village development fund by the Central Government, villages in Mount Kidul Regency have been able to catch the opportunities arising from the region’s diverse potentials, creating opportunities for the surrounding village population. Pioneered by the young generation through coaching clinics held by colleges, creativity and innovation are cultivated among the people to manage and develop potentials.

Greater success can be achieved if the village head possesses superior personality and is capable of building up mutual trusts among the village people and the village officials. Successful villages have enabled its residents to gain access to and utilize the many opportunities available, for example the micro business activities such as warung (small scale restaurant), processing the earth resources, preserving cultures such as traditional performances which can be enjoyed by visitors, etc.

Ideally, the increased spending of village development fund by the Central Government should have been able to fund various tourism facilities insofar as the village head and his officials are able to cultivate the entrepreneurial spirit in their village population to be able to respond to the various business opportunities potential for development. External investors shall not be endowed with overly significant roles in utilizing the available natural resources; it is more fitting if the local people are able to become entrepreneurs.

Therefore, more cooperation can be entered into with the many available colleges to improve the competence and capacity of the village population in Mount Kidul Regency through coaching and empowerment, such as holding training sessions, workshops, consultations, etc. relevant to the utilization of the natural resources and human resources development, which implementation can be integrated in such a manner through college activities embedding tri dharma principles.

3. The Development of Legal Culture

Indonesian villagers have long been known to display hospitality and friendliness, courteousness and politeness, as well as enjoying the culture of mutual cooperation in constructing public facilities, even having empathy towards other people displayed in the form of tolerance and helpfulness. Such characteristics become an added value in the development of village tourism activities. Therefore, efforts should be made to preserve the local wisdom which will bring about a feeling of safety and comfort to both the local and international tourists visiting the various tourist destinations within Mount Kidul Regency.

It remains undeniable that the rapid information technology and transportation development have affected the value systems
long existed much before, from which the people of Mount Kidul Regency is not immune. However, through incognito visitations or during the research, it is evidenced that those values were still relatively preserved among the people of Mount Kidul. What is left is to keep the local wisdom ingrained in the conscience of the population which can be the basic capital in attracting people to visit the region’s tourist destinations and enable them to provide prime services to every visitors.

IV. CONCLUSION

Relatively speaking, the village apparatus and few number of the population has gained increasing understanding of the provisions which prioritize the utilization of potential natural resources by villages in Article 90 (C) Law No. 6 Year 2014 concerning the Village, although in autodidact manner, as evidenced by the development of tourism potentials available in the villages. Limited conflicts oncearose between the youth group and the village, sub-district, and the regency Government officials with regards to the management of potential natural resources in Pindul Cave, which led to a temporary decline of tourism service activities in the area. Fortunately, the parties involved were finally able to meet their respective interests. The ideal establishment of BUMDes should no longer be top-down in nature, but shall reflect the aspirations of the village population (bottom-up) in order to deliver benefits for every parties concerned.

The most significant factor affecting the effectiveness of provision concerning the priority of natural resources management by BUMDes is the leadership capacity of the village head. Since the financing element has been covered by the village development fund, human resources issue is the next most determining factor in providing premium services which results to the build-up of constant inflow of tourists. In addition, the legal culture of the population also becomes a determining key of success for BUMDes, which are given the priority in the management of natural resources in the concerned villages.

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