

Management Model of PD Wawo to Increase the Welfare of the People in Bima West Nusa Tenggara Indonesia

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Abstract—PD Wawo Bima is one of the Regional Owned Enterprises owned by the Bima Regency Government. It was established based on the Regional Regulation No.1 of 1966 which is engaged in the business of National Salt Production (Iodine Salt), land and sea transportation, workshops and the provision of cable TV services. So far, it only focuses on one business sector, namely the production of National Salt. Iodine National Salt production has not been able to meet the expectations and demands of the people of Bima Regency and has not made a significant contribution to the welfare of the people of Bima Regency. The aim of this study is to discover the PD Wawo Management Model in Bima Regency and the Prospects for the Type of PD Wawo Business in improving the welfare of the people of Bima Regency. This research is an empirical legal research at the PD Wawo Bima office in West Nusa Tenggara Province using statute, conceptual, and case approaches. The data used are primary data obtained directly through structured interviews with respondents using descriptive-qualitative analysis techniques. The findings indicated that the governance of PD Wawo in Bima Regency is not modern and it does not reflect a good company, does not produce sustainable economic benefits for the community, guidance and supervision of regional capital participation has not been carried out properly and sustainably. Meanwhile, the available crude salt (raw salt) is very prospective but has not been able to be absorbed optimally. Salt farming communities feel disadvantaged. Thus, it is necessary to restructure PD Wawo Bima so that its existence can provide benefits for the welfare of the community and the progress of the Bima Regency area. In addition, to increase national salt production, it is necessary to provide a salt processing industry that is able to cover the demands of the consumer or community needs.

Keywords— *community welfare, model, PD Wawo*

I. INTRODUCTION

In order to accelerate development and increase the welfare of the people in an area, the role of Regional Owned Enterprises is felt to be increasingly important to be a pioneer in a business sector, to give public services, to balance market forces, and to help to develop small and medium enterprises and those to improve the welfare of the

community. PD Wawo Bima is one of the ROE (Regional Owned Enterprises) belonging to the Bima Regency Regional Government which was established based on Regional Regulation Number 1 of 1966 concerning the Establishment of Land and Sea Transportation Companies and Workshop (Regional Gazette of the Province of West Nusa Tenggara 1966 Series B Number 1), intended as one of the sources of Regional Original Income in order to improve the welfare of the people of Bima. Therefore, the business sector that is managed includes several aspects, such as Land and Sea Transportation, Workshop, General Trading, Iodine Salt Manufacturing, Ice Block Making, and Cable TV Services. So far, PD Wawo Bima has just focused on the Core Business which is engaged in the production of National Salt (Iodine Salt) as an effort to maintain food availability in the form of salt that can be consumed by local and national people.

The potential source for salt in Bima Regency is located in tow sub-districts namely Woha and Bolo districts with an average area of land ownership reaching per person 0.20 – 1.00 hectare with average productivity, especially Bolo District reaching 35.55 tons/hectare [1]. PD Wawo Bima, as a company engaged in National Salt Production, has not been able to absorb the potential crude or raw salt in the district due to the limited capacity of the Company's budget and the lack of attention and support from the local government in supporting the salt production business developed by PD Wawo Bima. The President Director of PD Wawo Bima, Sudirman stated that PD Wawo Bima's production of Iodine Salt per day has only reached 3 tons and has not been able to cover the demands of consumers, especially in regencies or cities in West Nusa Tenggara.

According to Budhisulistiyawati, et al. [2], in general, the main problem faced by ROE managers is that not all ROE had implemented ROE systems and management based on the principles of good corporate governance or based on the principles of Good Corporate Governance. Tunggal explains that Good Corporate Governance is a system that regulates, manages and oversees the business control process to

increase share value, as well as a form of concern for stakeholders, employees and the surrounding community, by applying the principles compiled by the National Committee for Governance Policy [3] including: 1). Transparency, 2). Independence, 3). Accountability 4). Responsibility, and 5). Fairness. Another problem in the management of PD Wawo Bima, mostly lies in the issue of Human Resources and managerial management of ROE. Kunarjo in [4] stated that the relatively small revenue share of regional companies as a source of regional PAD is because most of their businesses are relatively medium and small in scale.

This research is felt to be important to observe the governance of PD Wawo Bima and the prospects for its business. These two aspects have never been examined by previous researchers. Although there has been research by Amril Rahman, et al. [5], dealing with the evaluation of the Business Performance of Small Salt Farmers in Bima Regency, West Nusa Tenggara, which focuses on examining the profit and loss ratio of salt farmers and the comparison of the income of salt farmers in Bontokape Village, Bolo District compared to salt farmers in Donggobolo Village, Woha District. While other research conducted by Ahmad Sandi and Ruslan, dealing with Iodine Salt Processing Technology through the Solar Thermal Salt House in Sanolo Village only focused on the use of Solar Thermal Salt House (STSH) technology in increasing the production and productivity of pond land. Thus, the focus of this research is different from the focus of the previous researches.

II. METHODS

This research uses empirical legal research which is centered in the PD Wawo Bima Office, West Nusa Tenggara Province, Indonesia. The approach used in this study is statute, conceptual, and case approaches. There are type of data used, i.e. primary and secondary data. Primary data were obtained through observation and structured interviews, while secondary data were obtained through an inventory of a number of documents in the form of policies and laws related to ROE management. Data collection techniques were carried out through:

- a. Conducting structured interviews, in the form of direct questions and answers between researchers and respondents or resource persons to obtain information or documents on the management of ROE at PD Wawo. Respondents interviewed including: Authorized official at PD Wawo, Regional Original Revenue Service of Bima Regency, Social Service of Bima Regency, and Expert (economist).
- b. Literature study (documentation) which identifies a number of legal bases or applicable laws and regulations related to the Management of ROE and other documents that govern the management of PD Wawo.

The data found were analyzed descriptively and qualitatively, i.e. by grouping and selecting data obtained according to the quality of the truth. Then the data were linked with theories and regulations obtained from document studies, thus this could answer the research problems of this research.

III. RESULTS AND DISCUSSION

Based on the research conducted from June to September 2020, the researcher had collected some data or information related to the ROE Management Policy of PD Wawo Bima as follows.

A. Model of PD Wawo Bima Management in Improving Community Welfare in Kabupaten Bima.

PD. Wawo Bima is one of the Regional Owned Enterprises belonging to the Bima Regency Regional Government which was formed by Regional Regulation Number 1 of 1966 concerning the Establishment of Land and Sea Transportation Companies and Workshop (Regional Gazette of the Province of NTB Year 1966 Series B Number 1). It is intended as one of the sources of Regional Original Income in order to improve the welfare of the people of Bima. The business sector managed by PD Wawo covers several aspects, including; Land and Sea Transportation, Workshop, General Trading, Iodine Salt Manufacturing, Ice Block Making, and Cable TV Services.

Since its establishment, PD. Wawo Bima only focuses on the Core Business which is engaged in the production of National Salt (Iodine Salt) and has not been able to develop other business branches such as land and sea transportation, workshops or the provision of cable TV services. In its efforts to develop the National Salt Production (Iodine Salt), a vision has been set, namely "The realization of a Wawo Regional Company (PD Wawo) that is Advanced and Independent and Mandatory" [6] which is then formulated into a number of missions as follows:

1. Succeeding the National Program in the context of overcoming Disorders due to Iodine Deficiency through consumption of iodine salt for the community in 191 villages in Bima Regency.
2. Increasing income as well as community welfare
3. Reducing the unemployment rate.
4. Increasing the Source of Local Revenue for Bima Regency

The results of research show that the potential for salt in Bima Regency is located in 2 sub-districts, namely the Woha sub-district covering Pandai, Donggo Bolo, Dadibou, Penapali, Talabiu and Padolo villages and Bolo districts including Sanolo, Bontokape and Daru villages with an average land ownership area around 0.20-1.00 hectare per person with average productivity, especially in Bolo District, reaching 35.55 tons for each hectare, [1] and if managed properly it can certainly contribute significantly to development of regional and community welfare, especially salt farmers in Bima.

However, during the operation or producing national salt (iodine salt), PD Wawo has not shown a performance as a good company (Corporate Governance) which supports the increase in Regional Income and the welfare of the people of Bima Regency. Capital participation continues to be carried out by the Government, however it has not given the contribution to the Government and the community, especially salt farmers in Bima.

In general, the problems in managing ROE, especially non-state enterprises in Indonesia, including PD Wawo

Bima, mostly lie in Human Resources and managerial issues in ROE management. According to Kunarjo, in Komaludin [1], the relatively small revenue share of regional companies as one of the sources for regional income is that most of their businesses are relatively medium and small in scale. In addition, many of them are not organized based on corporate economic principles.

Based on the data obtained by the author, the Bima Regency Government's investment plan for PD Wawo Bima from 2015 to 2019 is Rp. 4,000,000 which can be depicted in the table below:

TABLE I. INVESTMENT PLAN FROM BIMA REGENCY GOVERNMENT

No.	Year	Realization
1.	2015	Rp200,000,000.00
2.	2016	Rp150,000,000.00
3.	2017	Rp250,000,000.00
4.	2018	Rp350,000,000.00
5.	2019	Rp400,000,000.00

The results of the research indicate that PD Wawo Bima has not been managed properly to give an economic impact for the welfare of the community and the development of the Bima Regency area. This is due to several things, including not having independence and work ethic, inefficient, lack of market orientation, not having a good reputation, low professionalism, and not being too focused on its main mission as a company that is able to provide welfare for the community. The existence of PD Wawo Bima has not been able to make a significant contribution to regional original revenue or income, and as a matter of fact, there is more funds given by the local government than the benefits obtained. This condition becomes a burden for the Regional Government of Bima Regency and the goal of establishing ROE as a source of regional government revenue is not achieved yet.

If analyzed using the Principles of Good Corporate Governance compiled by the National Committee for Governance Policy [3], which includes: 1). Transparency, 2). Independence, 3). Accountability, 4). Responsibility, and 5). Fairness, it can be inferred that the management of PD Wawo Bima has not been carried out based on the principles of good corporate and some of the obstacles it experiences are as follows:

1. The governance of PD Wawo as a company has not been implemented properly, so that it has not resulted in sustainable economic benefits for the company and the community;
2. Potential supply of crude salt or raw salt has not been able to be optimally absorbed by PD Wawo as an effort to maintain food availability in the form of salt that can be consumed by local and national community;
3. The salt production machine has low capacity, and is still being carried out manually so that the national salt needs (iodine salt) of the community are not fulfilled;
4. Capital participation from the Regional Government of Bima regency has not been able to cover the operational costs and production costs of PD Wawo in Bima Regency;

5. Guidance and supervision of regional capital participation in PD Wawo Bima has not been carried out properly and sustainably.

B. Prospects for the Business of PD. Wawo in improving the Community Welfare of Bima Regency.

Bima Regency consists of 191 villages, in which there are 35 coastal villages, namely villages located on the seafront. Meanwhile 156 other villages are in the valley or mountainous areas. The area of Bima Regency is 4,374.65 km² consisting of 7.22% of rice fields and 92.78% of non-rice fields. The most productive people's salt business in Bima Regency covers 3 Districts, namely Bolo District and Woha District, which has land with a slope of 0-2%, 3-15%, 16-40%, and greater than 40%. . The level of slope > 40% of the largest area in Bolo District, namely 9,557 hectare, and Woha District only 2,716 hectares [1].

Bolo and Woha sub-districts have the second and third largest population in Bima Regency. One of the proportions of potential utilization of labor is in the small industry sector in the form of salt business. The area of salt land ownership in these 2 sub-districts is 0.20-1.00 hectare per person, with the land owner consisting of the community, employees, local residents and entrepreneurs. In one harvest season, if the climate is favorable, the average salt farmer can get approximately 10-15 tons of coarse salt. Meanwhile, the technology applied by the salt farmers in the sub-district in producing salt is still very simple, namely using small and medium-sized plots in conjunction with a system of flowing water from the first plot to the next. Making small plots is intended to repeatedly evaporate. Sea water is flowed into the collecting/settling pond using a windmill and if there is no wind, a bucket is used.

In addition, the research results of Wiraningtyas, Sandi, & Ruslan [6] found that some of salt farmers have implemented geo-isolator technology, which is using HDPE plastic as a crystallization table to produce salt, but there are still many farmers who produce salt using conventional method, such as using soil as a crystallization table.

According to H. Sidik Husen as a salt farmer (Interview, 3 August 2020), the price of salt in Bima Regency tends to vary because it is influenced by the weather and the salt season. In 2019, the highest price for salt was Rp70,000.00 - Rp90,000.00 per 50 kg/sack, which is the first month or two when salt farmers only had a small amount of salt from the initial harvest. Then the price crawls down to the lowest price, which is Rp10,000.00 - Rp15,000.00 Per/sack filled with 50 kg, occurs in the middle to the end of the season when the production of salt is very much or during the harvest.

The high price at the beginning of the season can only be enjoyed for a moment by some salt farmers who are very ready to prepare their production land before the dry season arrives, including repairing all channels, re-forming concentration ponds, crystallizing, embankments, repairing the soil base, clearing the land from mud and debris from crystallization ponds, preparing to replace water pump machines (if needed), windmills, and so on [7]. The high price at the beginning of the season cannot be enjoyed by salt farmers who are not ready for the dry season. One of the reasons is that the condition of the salt land which is still

used as a pond for milkfish, because there are salt farmers in Bolo and Woha Districts who use a polyculture system on their ponds, in which during the rainy season the land is used as a milkfish pond and when the land is dry. It is used for salt ponds as an effort to increase income, [8].

According to Sudirman, so far PD Wawo Bima has not been maximized in buying coarse or raw salt available to farmers due to budget constraints, and this caused many salt farmers to suffer losses because the salt is finally sold at retail at a price of 10,000 per sack. Likewise, the new iodine salt production aspect has not been able to cover the demand for the needs of consumers or communities, especially those in Bima Regency. So far, iodine salt has only been sold to State Civil Apparatus and Regional Officials in Bima Regency and has not been sold the public in general.

As described above, the business potential of coarse salt or raw salt which is spread across 2 Districts in Bima Regency, is very promising. In order to improve Regional Government Revenue and community welfare, the Bima Regency Government needs to change manual salt production by providing a potential salt processing industry in Bima Regency so that the coarse or raw salt provided by the community is absorbed properly so that the community can receive the welfare for the results of their business.

IV. CONCLUSION

To improve the governance of PD Wawo Bima as a good company, producing sustainable economic benefits for the community and government of Bima Regency, it is necessary to carry out institutional restructuring and strengthening of Human Resources through training and continuous coaching. Likewise, the Region Capital Participation budget needs to be increased so that companies can increase salt production which meets the needs of the wider community. The potential for supply of crude salt or raw salt in the Districts of Bolo and Woha is very large, especially since some people have been equipped with technology to increase the productivity of salt so that there is a very prospect if it is maximized by PD Wawo Bima as a

national salt provider company so that in the future it can have a welfare impact on community as well as for increasing the Regional Original Income of Bima Regency.

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