

# Village-Owned Enterprises as an Effort to Empower Community in Segaramakmur Village Bekasi

Dejehave Al Jannah and Erna Suherna

*Government Science Study Program, Faculty of Economics, Business and Social Sciences,  
Universitas 17 Agustus 1945 Jakarta, Indonesia*

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**Abstract:** Indonesia is a country where the majority of population lives in rural areas. The national development cannot be separated from the development of villages. It can be achieved by utilizing human and natural resources, gives a chance to engage and improve internal circumstances. This is usually called village community empowerment. This research aims to determine the process of implementing community empowerment program and determine supporting and inhibiting factors in community empowerment programs through Village-Owned Enterprises in Segaramakmur Village, Tarumajaya District, Bekasi Regency. This research used qualitative methods with observations, interviews, and documentation technique for collecting data methods. The results show that communication between implementers is only effective with the village government to obtain capital participation. Meanwhile, communication with the community is still less active. The management resources of BUMDes (Village-Owned Enterprises) Segaramakmur Sejahtera have placed management members according to their educational background and expertise. The disposition of the implementor in its implementation is that the implementor still has different views on village government politics which causes personal conflicts. The bureaucratic structure of BUMDes Segaramakmur Sejahtera, BUMDes only relies on the Village Government. Implementation indicators according to George C. Edward III are supporting factors for implementation, while factors inhibiting implementation are business capital, internal conflict and lack of public awareness.

## 1 INTRODUCTION

Indonesia is a country where the majority of population lives in rural areas, up to 65% of Indonesia's population lives in rural areas, while the remaining 35% lives in urban areas (Suwito & Jannag, 2021). A village is a government unit that has been granted customary autonomy rights and is a legal entity that has the authority to manage and regulate local communities based on their origins (Jeddawi et al., 2018). According to Law Number 06 of 2014, a village is a legal community unit that has territorial boundaries that has the authority to regulate and manage government affairs, the interests of local communities based on community initiatives, original rights, and/or traditional rights that are recognized and respected in the government system. In general, development cannot be separated from empowering village communities. By utilizing human resources and natural resources in the village, it gives the community the initiative to engage in

social action aimed to improving their internal circumstances and conditions. It is through community empowerment that development can be realized.

Community empowerment is a series of development processes that make people take the initiative to start the process of social activities to improve their own situation and conditions (Maryani & Nainggolan, 2019). Community empowerment will be successful if the community participates. In this way, this empowerment will be successful not because of one party but because there is active cooperation between the party carrying out the empowerment and the party being empowered. The village government is given authority by the central government to manage the village area independently. Through village-level economic institutions, which is Village-Owned Enterprises (BUMDes), as one way to encourage development at the village level. Village-Owned Enterprises are businesses created by villages whose

implementation is supervised by the village government and the community (Firdaus, 2020).

According to Article 117 of Law no. 11 of 2020 concerning Job Creation explains that Village-Owned Enterprises are established by villages and managed in a spirit of kinship and cooperation. Village-Owned Enterprises can carry out economic activities and/or public services in accordance with applicable laws and regulations. The existence of Village-Owned Enterprises is very necessary to mobilize village potential and help alleviate poverty. As a result, it is hoped that the public sector will be able to increase productivity and efficiency in its operations, as well as provide facilities and incentives to help the economy grow. As a result, Village-Owned Enterprises has become a means of forming an independent rural economy in order to increase Original Regional Income (Kushartono & Agunggunanto, 2016).

There are many Village-Owned Enterprises in Indonesia's villages, in order to develop the village's potential or stand with the support of the local government. Segaramakmur, in Tarumajaya District Bekasi Regency, is one of the villages that has transitioned from an agricultural to an industrial area. It is hoped that it can accommodate workers from local villages and increase village's economic activities. However, this causes village communities to have a variety of livelihoods, such as rice and pond farmers, industrial employees, and traders around the Marunda Center industrial area and others, which of course affects their business capital conditions. So the community hopes that the establishment of Segaramakmur's Village-Owned Enterprises can help to improve the welfare of the community.

Segaramakmur has Regional Original Income around Rp. 24,174.00 (twenty four million one hundred seventy four thousand rupiah). The area of Segaramakmur is 692,241 Ha. Currently, the population is recorded by the Central Statistics Agency in 2022 as 13,644 people. Based on the topography, the livelihoods of the residents are varied. There are 40% of residents who work as private employees in the area, 10% of people work as Civil Servants, 40% of people work as entrepreneurs, and 10% of people work as farmers (Yusuf Abdulah, Head of People's Welfare of Segaramakmur Village 2019). The growth of industry makes it dominant for village residents to become private employees as their livelihood. But on the other hand, there are also people who make a living as rice cultivators or shrimp and fish farmers, and there are also people who work as traders.

However, establishing a Village-Owned Enterprise in Segaramakmur is not without any challenge. First, there is a trauma of failure based on previous efforts. Second, there are several problems that hinder the progress of this business unit program, such as constraints on business capital, weak managerial systems between policy actors and implementers who do not synergize in implementing program policies, Village-Owned Enterprises cannot attract the younger generation as potential unit to introduce and develop. Through this main problem, the author was inspired to discuss this topic as a theme in this article.

Based on those description, it is possible to formulate the problems as follows. First, what's the process of implementing community empowerment program policies in Segaramakmur through village-owned enterprises?. Second, what factors help and hinder the implementation of community empowerment program through village-owned enterprises? The aim of this research is to find the best way in the process of implementing the Community Empowerment Program through Village-Owned Enterprises in Segaramakmur Village and to obtain solutions to the supporting and inhibiting factors experienced by the community.

## 2 LITERATURE REVIEW

Implementation is defined by Pradika (2016) as any modification to an idea, concept, policy, or innovation in a practical setting to produce a desired result, such as a change in the subject's understanding, skills, values, or attitudes. A policy or program is seen as an activity carried out by someone with the hope that results will be achieved or have an impact. There are various patterns policy implementation that have been raised by various experts. According to George C. Edward III's theory, legal implementation is influenced by some different factors, including communication, daily activities, disposition, and bureaucratic structure. Communication is an understanding of what they will do. The program can run if communication runs smoothly, so that every request for information and every regulation that will be implemented must be sent or communicated to the appropriate person. Furthermore, the policies communicated must be consistent, accurate and precise. According to George C. Edward III, resources consist of several elements including staff, information, authority and

facilities. Apart from sufficient employees, implementing policies requires expertise and ability.

Third, desposition. When discussing public participation in policy events, the disposition or content of the policy is also an important consideration. To avoid prejudice in practice, policymakers must do more than just understand what is to be done and also need to be able to implement it. Fourth, bureaucratic structure. Such complex policies require extensive collaboration. Implementing policies without a supporting bureaucratic structure will waste resources and make policy implementation difficult. The bureaucracy as the implementer of a policy must be able to support the decisions that have been taken by carrying out appropriate coordination regarding the implementation of the policy. Standard Operating Procedures (SOP), routine tasks that enable employees (policy implementers/administrative bureaucrats) to carry out their duties.

## 2.1 Community Empowerment

Some define empowerment as the process of uniting citizens around a common interest or problem so that they can collectively identify goals, pool resources, launch campaigns of action, and thereby help rebuild community strength. Empowerment as an effort to reduce inequality by improving the distribution of real capital (such as land and access to capital) and increasing human capacity through, for example, general basic education and health care, combined with adequate planning for community protection (Zubaedi, Arif Purbantara Mujianto , 2019).

## 2.2 Village-Owned Enterprises

Village-Owned Enterprises (BUMDes) are village business institutions managed by the community and village government in order to strengthen the village economy. They are formed based on the needs and potential of the village. Village-Owned Enterprises was formed, among other things, in accordance with Regional Government Law Number 32 of 2004 in the context of increasing Village Original Income (PADesa). Empowering village communities as intended in article 127 paragraph 1 is carried out by "increasing community involvement in village planning and development which is carried out on a self-managed basis. Creating projects and programs that utilize human and rural resources for long-term village development. Encouraging district development in accordance with ideals , potential,

and norms of wisdom in the region" . From this it can be said that if Village-Owned Enterprises can provide original village income, then every village government will be encouraged to support the creation of Village-Owned Enterprises. The development of Village-Owned Enterprises, one of the economic institutions that functions in a village, is justified based on the needs and potential of the village in an effort to improve community welfare.

## 3 METHODS

In this research, we use qualitative methods with case study type. Where researchers investigate cases that are limited in time and activities (programs, events, processes, institutions, or social groups) and collect detailed information using various data collection procedures over a certain period of time (Creswell, 1994). With the field research, researchers will be able to make direct observations with sources from the reality of community life regarding the implementation of community empowerment programs through Village-Owned Enterprises in Segaramakmur.

Segaramakmur Village was chosen because of its location close to the capital, Jakarta. This is expected to provide interesting findings, considering that the social structure of the Segaramakmur village population is a transitional society from the agricultural sector to the industrial sector. This village also received the impact of the expansion of industrial areas which were previously concentrated in the capital.

The primary data is data obtained directly based on informants at the research location. The data and information were obtained through observation, interview, and documentation results from Village-Owned Enterprises Segaramakmur. Of course, in accordance with the topic related to the implementation of community empowerment program. The secondary data is obtained indirectly, so in this case the researchers obtain data through literature studies in the form of books, theses, journals, etc. Or in the form of archival documents, reports, and online articles/news that aim to strengthening research related to the implementation of community empowerment program through Village-Owned Enterprises. This archival document and report were obtained from Village-Owned Enterprises Segaramakmur.

Data collection techniques used in the research are as follows. First, direct observation of the research subject, which in this case means directly

observing the location where the activities of Village-Owned Enterprises are carried out. It is located in Segaramakmur Village, Tarumajaya District, Bekasi Regency, West Java Province. The time used for observation is around 3 (three) months. From the results of these observations, the author obtained information about Village-Owned Enterprises activities. So the author knows the governance system up to the Operational Standards for Village-Owned Enterprises, and other empowerment programs, i.e lease of sports halls, multi-purpose buildings, savings and loans.

Second, an interview is a conversation/communication consisting of two or more people aimed at obtaining more in-depth information and data so as to achieve certain goals. In this research, researchers conducted interviews with the administrators of Segaramakmur Village-Owned Enterprises and the Segaramakmur Village Government. The authors interviewed from the Village-Owned Enterprises management, were the director and secretary of Village-Owned Enterprises, and also interviewed the Head of Segaramakmur Village. Third, documentation, which is an additional data that is needed can be taken from documents, archives, notes, relevant online articles related to the implementation of empowerment and village women through groups. The author uses documentation data to add evidence from the results of observations and data analysis.

#### 4 RESULTS AND DISCUSSION

In order to provide clear and detailed results, researchers used implementation theory by Van George C. Edward III. According to Edward III, communication is the most important aspect in policy implementation. The communication in question is the delivery of messages from policy makers to message recipients, namely policy implementers, through certain objectives. The purpose of conveying a clear message is to avoid misunderstandings about the substance of the policy, which can lead to errors in interpreting. Therefore, communication is very important to achieve policy implementation goals. Communication refers to the conveyance of information, ideas, skills, rules, and other items to those who receive them through various means.

Secretary of Segaramakmur Village-Owned Enterprises, Dedi, explained that Segaramakmur Village started communication by conveying its empowerment program policies in the form of

activity proposals addressed to the Village Government, in order to obtain a participation budget for the continued program implementation. So the communication that Village-Owned Enterprises has carried out with the village government has been good. However, Village-Owned Enterprises communication as the implementation of a policy has not provided direct communication to the community. So Village-Owned Enterprises is less active as implementers. Meanwhile, policy implementation will be effective because there is communication to coordinate with various parties, with implementation having to be consistent and clear. For this reason, it is appropriate for Segaramakmur Village-Owned Enterprises to improve communication patterns, because accuracy and clarity of communication is the main thing. Especially in implementing programs. However, a policy or program can be implemented because there is coordination with one another. So that implementation instructions can be easily understood and clear.

Something that also be considered in implementation is resources. Having adequate resources is a strength for the implementation of Village-Owned Enterprises programs. Resources include human Capital and financial, both of which are mutually dependent variables. In terms of human resources, the management of Segaramakmur Village-Owned Enterprises has placed its management members according to their respective fields of expertise, according to their experience and educational background at the high school level.

Resources who are experienced in this field, for example, a Village-Owned Enterprises administrator who previously worked in finance at a cooperative, the person is placed in accordance with an empowerment program that resembles their field. There is also an administrator who really understands the field of event organizing as an empowerment program for Village-Owned Enterprises, because this person has been involved in this field for a long time. So, it is hoped that it will be in accordance with the fields and abilities of each Village-Owned Enterprises administrator in carrying out the implementation of community empowerment program through this Village-Owned Enterprises. In accordance of the Secretary of Village-Owned Enterprises statement, Dedi, Village-Owned Enterprises administrators are from the minimum education of high school. In terms of mastery of the field, several administrators have been placed with programs according to their fields.

Disposition is the characteristics possessed by the implementor, such as commitment, understanding, authority and perception of the implementor. As previously discussed in theory, the character of Village-Owned Enterprises member is someone who can carry out their role in the policy program. The appointment of Village-Owned Enterprises management is in accordance with the capabilities of its human resources. In accordance with the beginning of recruitment, Segaramakmur Village-Owned Enterprises selected members who had expertise that can be placed according to the field. Apart from that, there are also people who help in the Village-Owned Enterprises program activities.

However, in the implementation of the disposition pattern in Village-Owned Enterprises, there was conflict between the implementing actors, namely the Village-Owned Enterprises administrators felt that there were differences of opinion regarding the election of the Village Head. As explained by the Secretary of Segaramakmur Village-Owned Enterprises, Dedi, there are administrators who can be said to be experts in their fields, because there are slight differences in the selection of Village Heads, which disrupts working relationships within the Village-Owned Enterprises management. It is appropriate for the policy implementers of the Segaramakmur Village-Owned Enterprises program to be able to understand the conditions existing in society, without prioritizing their individual egos. Because remembering the importance of implementing program policies for the ongoing empowerment of village communities, such as understanding consumers demand.

The bureaucratic structure is the implementer of a policy by carrying out appropriate coordination. In implementing a policy or program, the concern is the performance of the members, that is, the implementers must do the program in accordance with the Standard Operating Procedure (SOP). In this case, it means that Village-Owned Enterprises has a big influence in realizing the implementation program. However, in its implementation, policy implementers lack the initiative to be able to coordinate with other institutions. In order to obtain guidance, input and training that supports and build community empowerment must be done. So it could be said that Village-Owned Enterprises administrators are less active in collaborating, and their bureaucratic structure needs to be improved.

It can be concluded that there are weaknesses in the bureaucratic structure of Segaramakmur Village-Owned Enterprises. Because there are deficiencies in the characteristics of program implementers, the

characteristics of which are strict and disciplined implementers, and require good cooperation between program implementers and other agencies. This causes other resources to be ineffective.

#### **4.1 Supporting Factors and Inhibiting Factors**

The program sustainability, whether large or small scale, can occur by paying attention on two elements, inhibiting factors and supporting factors. This has been observed when planning activities which aim to predict the extent of the results achieved and minimize failure in implementing activities future. The following are the supporting and inhibiting factors for implementing the Segaramakmur Village-Owned Enterprises empowerment program according to Van George C. Edward II's theory.

The necessary factors aimed at supporting the smooth and successful implementation of community empowerment through Segaramakmur Village-Owned Enterprises is the existence of good communication between Village-Owned Enterprises administrators, the community, and the village government. This communication is useful for conveying empowerment program policies in the form of activity proposals addressed to the Village Government, in order to obtain a participation funding budget from them. Effective communication is also carried out to coordinate with various parties, the implementation must be consistent and clear. And of course, have resources placed according to their experience and educational background. As well as developing skills, resources that contribute to implementing policy implementation must be native to Segaramakmur Village.

However, there are times when people feel that this Village-Owned Enterprises is less active in socializing with the community and outside the Village-Owned Enterprises environment. So it is felt that Village-Owned Enterprises Segaramakmur lacks relationships to add to community empowerment programs. Don't forget that inadequate financial resources can hamper an empowerment program owned by Village-Owned Enterprises. There are other obstacles that are not included in the indicators according to Van George C. Edward II 's theory , namely the existence of internal conflicts that make program policy implementers or Village-Owned Enterprises administrators. There are differences of opinion in the selection of village head candidates, so that there are Village-Owned Enterprises administrators who cannot continue to join the

management, which causes Village-Owned Enterprises to lack expert staff. Plus a lack of public awareness regarding discipline in paying installments in savings and loan programs. So the program is hampered by further capital.

## 5 CONCLUSIONS

Based on the results and discussions, the process of Empowerment Program through the Segaramakmur Village-Owned Enterprises is influenced by four variables, namely communication, resources, disposition and bureaucratic structure. So researchers can draw the following conclusions.

First, communication between the implementers, the Village-Owned Enterprises members and village officials, is good but communication and interactions with others, like the community, have not been very active. It's a shame that the current communication still feels less than optimal. It only seems one way, namely with the village government as capital investment. In fact, this effective communication is carried out so that the implementing committee and actor know and can coordinate in achieving the plans or agenda of Segaramakmur Village-Owned Enterprises. The information that has been communicated can be understood clearly and it is hoped that they will be able to work together well in the future.

Second, the existence of adequate resources is a strength for the implementation of Village-Owned Enterprises programs. In its management, the members of Village-Owned Enterprises have placed someone according to their respective fields of expertise and education. However, it is felt that it still cannot be said to be successful in its implementation. Apart from that, financial resources are also important to support policy facilities. If there are financial resource constraints, the empowerment program will be less effective.

Third, disposition. It is the character and characteristics possessed by the implementer, such as commitment and honesty. The Segaramakmur Village-Owned Enterprises program implementer, Segaramakmur Village is able to understand the conditions existing in the community, with the skills possessed by the Segaramakmur Village-Owned Enterprises policy implementer.

Fourth, the bureaucratic structure shows that there are very complex policies that require collaboration with many people and how to implement program policies in accordance with Standard Operating Procedures (SOP). Weaknesses

in the bureaucratic structure of Village-Owned Enterprises, policy implementers who lack coordination with other institutions in order to obtain guidance, input and training, that supports and can build community empowerment. So it could be said that Village-Owned Enterprises administrators are less active in collaborating, and their bureaucratic structure needs to be improved.

Supporting factors and inhibiting factors in this community empowerment program are as follows. First, communication with the Segaramakmur Village Government went well by making a proposal containing an empowerment program to obtain capital participation. Human resources are supported by qualified staff and community involvement in the process of implementing community empowerment policies. Besides human resources, financial resources are supported by capital participation funds from the Village Government.

Recruitment of Village-Owned Enterprises members is carried out by looking at their level of education and skills, as well as residing in Segaramakmur Village. The Segaramakmur Village-Owned Enterprises has a Standard Operation Procedure (SOP) in each of its policy programs to make each activity more structured. Apart from that, there are factors that hinder the implementation of empowerment programs. The Segaramakmur Village-Owned Enterprises is less active in socializing with the community, resulting in minimal relationships to add to programs. The business capital owned by Segaramakmur Village-Owned Enterprises is still minimal, which has resulted in delays in implementation, especially the savings and loan program. In the implementation of Village-Owned Enterprises, there were differences of opinion in a village head election which resulted in administrators resigning.

After carrying out the research, researchers put forward several suggestions. First, the actors implementing the community empowerment program in Segaramakmur Village through Village-Owned Enterprises always continue to evaluate and study theories about community empowerment, so that they can continue to strive, to develop better empowerment program policies. Apart from that, it is hoped that good cooperation will be required between program policy implementers and other agencies. So that other resources can be made effective. As well as strict and disciplined implementation.

Second, the Segaramakmur Village Government has to continue providing or supporting in the form of capital funds, continue to review program and

activities, so that able to jointly study and evaluate the implementation of empowerment policies through Village-Owned Enterprises for the better. Third, always maintain good relationships and cooperation with policy implementers of the Segaramakmur Village community empowerment program. Forth, the Management of Village-Owned Enterprises has to maintain good relationships with parties who have supported the successful implementation of empowerment program, especially maintaining solidarity with members of Segaramakmur Village-Owned Enterprises.

Fifth, the Management of Village-Owned Enterprises has to improve the roles and responsibilities so that the members' knowledge abilities become better. Sixth, the Management of Village-Owned Enterprises has to build a conducive environment to always achieve the vision and mission of Segaramakmur Village-Owned Enterprises. Seventh, the Segaramakmur Village Community has to increase awareness of being disciplined and responsible for following empowerment program policy implementation activities in accordance with Standard Operating Procedures (SOP).

Based on direct data collection in this research, there is limitation and opportunities for future research. This research mostly obtained data based on interviews with administrators of Village-Owned Enterprises and only obtained a limited perspective from the community, making it possible that the answers obtained were less comprehensive. Several opportunities for future research can be carried out by comparing Village-Owned Enterprises from two regions with different socio-economic conditions, examining the role of Village-Owned Enterprises in alleviating village poverty, or examining the role of Village-Owned Enterprises in gender-based economic development

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