

## **Swot-Ahp in Determining a Public Service Development Strategy for Badan Usaha Milik Desa (BUMDes) in Luwu Regency**



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**ABSTRACT:** The development of rural areas has an important role in supporting national development. Development is directed at the utilization of available resources. Village Komba BUMDes is one part of the process of utilizing existing resources. This study aims to: (1) Know the management implementation system for BUMDes in Komba Village, Luwu Regency; and (2) Know how to improve BUMDes business development in Komba Village, Luwu Regency. This study used a qualitative descriptive approach, the subject of this research was the BUMDes of Komba Village, and the key informants were the BUMDes director, village head, BUMDes staff, head of PMD Luwu, and Head of PMD Luwu. The results of the study show that: (1) The management of BUMDes in Komba Village is carried out based on the regulations that govern it, such as the process of forming institutions and the availability of facilities and infrastructure. (2) How to develop the Komba Village BUMDes business is carried out through financial intervention from the Komba Village government. Empowering the community to participate in BUMDes development, fostering the community and BUMDes officers. The establishment of the BUMDes institution was also carried out well because it did not involve village officials. BUMDes facilities and infrastructure are still very limited. Meanwhile, regarding business development, BUMDes is still not productive, such as cooperation with parties, minimal training, and assistance.

**KEYWORDS:** Development, Management, BUMDes, Luwu Regency

### **INTRODUCTION**

Country development of the economic base in rural areas has long been carried out by the government through various programs (Sulfianna & Sobirin, 2022). However, these efforts have not yielded satisfactory results as desired. Many factors contribute to the lack of success of these programs (Abduh et al, 2023). One of the most dominant factors is too much government intervention, the result of which hinders the creativity and innovation of rural communities in managing and running the economic engine in the countryside (Karim et al, 2022). Based on the provisions of Article 1 Paragraph 1 of Law Number 6 of 2016 (Shadiq & Karim, 2023), it is stated that: "Villages are villages and traditional villages or referred to by other names, hereinafter referred to as Villages, are community units with legal entities that have territorial boundaries that are authorized to regulate and manage government affairs, local community interests based on community initiatives, origin rights, and/or traditional rights that are recognized and respected within the system of government of the Unitary State of the Republic of Indonesia.

Economic institutional systems and mechanisms in rural areas are not effective and have implications for dependence on government assistance, thus killing the spirit of independence. To realize an independent village, a source of income for the village is needed from the village (Karim, 2019). The independence in question is a process carried out by the village government together with the community to carry out activities to meet their needs according to their abilities (Wahab et al, 2018). In encouraging development at the village level, the government gives authority to village governments to manage their areas independently, one of which is through economic institutions at the village level, namely Village Owned Enterprises, hereinafter abbreviated as BUMDes (Karim et al, 2021).

Badan Usaha Milik Desa (BUMDes) are village business institutions managed by the community and village government to strengthen the village economy and are formed based on village needs and potential (Chintary & Lestari, 2016). BUMDes are expected to be able to stimulate and drive the wheels of the economy in the countryside. Economic assets in the village must be fully managed by the village community (Karim et al, 2023). The role of Badan Usaha Milik Desa (BUMDes) in improving the village economy. Development of the economic potential and capabilities of rural communities, in general, to improve their economic and social welfare, play an active role in efforts to improve the quality of human and community life, strengthen the people's economy as the basis of national economic strength and resilience with BUMDes as its foundation (Mazlan et al, 2020). Realizing and developing the economy of the village community and helping the community to increase income to increase the income and prosperity of the community (Abdul Karim, 2023). The substance and philosophy of BUMDes must be imbued with

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the spirit of togetherness and self-help to strengthen the economic aspects of the institution (Hasniati et al, 2023). At this stage, BUMDes will move in line with efforts to increase the village's source of income, driving community economic activities where the role of BUMDes is as an umbrella institution in oversight (Faedululloh, 2018).

This effort is also important to reduce the role of free riders who often increase transaction costs in people's economic activities through rent-seeking practices (Wahyuni et al, 2022). The formulation of the BUMDes formation policy must involve three actors from a governance perspective, namely the village government and the village representative council as the state, the village community as the community, and development companies in the village area as the private sector (Mardjuni et al, 2022). Where the synergy of the three actors is an indicator of the success of the governance perspective. In terms of implementing good governance, it has become a fundamental authority to provide services and empowerment (Karim et al, 2023). So good governance as part of the reform agenda is basically for ideal conditions that are expected to be realized in every aspect of government that interacts with the community. This ideal condition is based on an understanding of the underlying principles (Juharni et al, 2023). Luwu Regency has 125 BUMDes spread across 16 sub-districts. Types of business carried out by BUMDes in farming and trading districts, 2) Management of business kiosks such as agricultural kiosks and trading kiosks, 3) Clean water management, 4) Market management, 5) Animal husbandry, and 6) Bottled water management (Karim et al, 2023). BUMDes in Luwu Regency have different levels of business development, which are divided into two categories, namely at the "Good" and "Running" levels. In the "Good" category there are 30 BUMDes while the remaining 95 BUMDes are still in the "Running" category.

The development of Village economic institutions through Village-Owned Enterprises (BUMDes) in Komba Village, Luwu Regency has been running as stipulated in regional regulation Number 12 of 2011 concerning Guidelines for the Establishment and Management of Badan Usaha Milik Desa (BUMDes) and accompanied by village regulations (PERDES) ) Komba Village Number 3 of 2015 concerning the Establishment of Badan Usaha Milik Desa (BUMDes). One of the superior products of BUMDes in Komba Village is bottled drinking water. The choice of this type of BUMDes business is because in Komba Village the potential for water from the hills is very possible to process and manage it yourself (Yuliani et al, 2021). Moreover, the needs of the community both in Komba Village and in neighboring villages, dependence on bottled water is very high.

### **METHODOLOGY**

The location of this research was conducted in Komba Village, Luwu Regency. This study uses a qualitative descriptive approach to social phenomena that are happening. The data used in this study are primary data and secondary data. Data collection techniques were carried out through observation, interviews, library research, and online data searches. The data analysis technique in this study was carried out carefully where the data was selected using descriptive data analysis techniques, namely data that had been collected and collected both primary and secondary, then conclusions were drawn as answers to the problems studied. Data processing is done through data reduction, data presentation, and conclusion as well as data verification. While the credibility of the data in this study was carried out through expanding observations, increasing persistence, triangulating data, analyzing negative cases, using reference materials, and conducting member checks.

### **FINDINGS AND DISCUSSIONS**

Badan Usaha Milik Desa (BUMDes) are institutions established based on village needs and potential as an effort to improve community welfare. Regarding planning and management, BUMDes is built on community initiative and participation. BUMDes is also an embodiment of village community participation as a whole, so as not to create a business model that is hegemony by certain groups at the village level. BUMDes is one of the policy strategies to present a state institution (Ministry of PDTT Desa) in community and state life in the village (hereinafter referred to as the Village Tradition). BUMDes is also one of the policy strategies to develop Indonesia from the periphery through the development of collective village economic enterprises. BUMDes is a form of village economic independence by mobilizing strategic business units for collective village economic efforts.

Implementation of BUMDes Management of Komba Village, Luwu Regency. The process of implementing the development of BUMDes in Komba Village, especially in businesses engaged in the bottled water business, requires special stages. Among other things, such as socializing at all levels of society. Then after that, if you have run a business, the village government and BUMDes will guide workers and communities with legal entities. After that, proceed with monitoring existing activities. The goal is that the development of this business can run well and can help to prosper the community.

Government Regulation No. 72 of 2005 and Minister of Home Affairs Regulation No. 39 of 2010 specifically regulate BUMDes finances which include sources of capital originating from the government (village, district/city, and province), community savings, loans, and originating from other parties in the form of investment and profit sharing based on mutually beneficial cooperation.

One of the activities carried out by the Komba Village BUMDes officers is socialization activities. The socialization process was carried out in collaboration with related parties such as the PMD office, District, BPD, and other related parties. This is done so that all processes of BUMDes activities can run well. In addition, the village head also always takes part in the implementation of

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socialization. Where it will greatly facilitate and convince the community that the programs carried out are very effective and can improve the community's economy.

Apart from outreach, another important thing is to carry out coaching activities for both BUMDes officers and the village community where the BUMDes is established. Activities in coaching are carried out in simple ways. Such as holding talks with the community in each RT, then holding gatherings whose goal is so that people can easily understand what is conveyed. Another thing that did not appear in the coaching activities at BUMDes in Komba Village was the involvement of experts and professionals who understood BUMDes. No formal activities were carried out to train BUMDes officers. Ideally, to develop resources, BUMDes officers must be equipped with knowledge about BUMDes. Moreover, in the concept of developing BUMDes according to the current context, every BUMDes officer must have high creativity and innovation.

Another activity that is also carried out in BUMDes activities in Komba Village is monitoring BUMDes activities. The importance of monitoring the development of bottled water production results is to ensure the progress of BUMDes business activities. Monitoring activities are carried out every 3 months. This is done with the hope that BUMDes production activities will develop further. In addition, monitoring activities are also carried out as reference material for BUMDes to immediately address problems when problems occur both in the production process and in the marketing process. And even other problems that can occur.

The results of the research found in the field that monitoring activities were also not running as they should. Maybe because production activities are only carried out temporarily, and production activities are hardly organized. This was confirmed by the Komba Village BUMDes officer that monitoring was not carried out as it should have, perhaps because BUMDes activities did not always operate. The results of the monitoring activities then become a reference in conducting evaluation activities. In the evaluation process, BUMDes reports every three months/quarter. For example, financial reports, sales reports, profit and loss reports, and other reports. The goal is to find out whether there is an increase in business results or not.

The level of progress in the bottled drinking water production business has developed well. Although it has not reached the desired target. But over time the business is expected to be more advanced and developed. So that it can increase the village's original income and can indirectly help the poor in the vicinity.

In setting up a business, of course, there are supporting factors that help the development process. Likewise in the process of developing a bottled drinking water production business. There are several factors that support the process of developing a bottled water business in the BUMDes of Komba Village. These include good infrastructure conditions, adequate facilities, the level of expertise of BUMDes officers, and support from village and regional governments. So that the implementation of bottled water production activities for BUMDes in Komba Village can go according to plan and can improve the economic welfare of the people in Komba Village.

The development of a bottled water business is the right choice in the process of increasing the welfare of the people in Komba Village. This can be seen from the seriousness of the village government in running the program, then the benefits that will be obtained if the program is already running. In an effort to develop BUMDes in Komba Village with the type of bottled water business, it is not easy. Because the Komba Village government must develop a strategy so that the existing funds do not interfere with other needs or other developments in Komba Village. Because the funds used to fund BUMDes come from APBDes, allocation of village funds, and village funds from Komba Village. This is a form of Village participation in developing bottled drinking water in an effort to empower and improve people's welfare.

After the funding process was carried out, the process of planning and scheduling the construction of the factory starting from land preparation, and preparation of the workforce, has been calculated in detail. Furthermore, the process of building a factory cannot be separated from the intervention of third parties as experts, then the community, and also the institutions in Komba Village. The goal is that all components of society have a sense of ownership of this factory. As well as having a sense of care for the bottled water business program in BUMDes Komba Village.

The Komba Village BUMDes management implementation system has been going well. This is based on the implementation system for establishing BUMDes. In Komba Village, the establishment of BUMDes is based on the applicable laws and regulations. Starting from the process of institutional formation to the availability of facilities and infrastructure. In determining the institutional BUMDes, Desa Komba does not involve village officials as required by the regulations governing the formation of BUMDes. The availability of facilities and infrastructure has also been fulfilled even though it is not sufficient by BUMDes production needs. The form of BUMDes Komba activities carried out is the production of bottled water.

### **CONCLUSION**

The results of the study can be concluded that the implementation of BUMDes management in Komba Village has been carried out in accordance with applicable regulations and work procedures that have been made jointly between all parties related to Komba Village BUMDes. The establishment of the BUMDes institution was also carried out well because it did not involve village officials. However, the flexibility of BUMDes advice and infrastructure is still very limited. Meanwhile, related to how BUMDes business development is still not productive, such as collaboration with parties, training and minimal assistance. How to Improve BUMDes

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Komba Business Development is carried out in several strategies carried out by BUMDes management together with the local village government. The involvement of parties related to BUMDes has been carried out.

Several rare things are being done in the context of developing the Komba Village BUMDes business in Komba Village, namely capital assistance from the village government, mentoring and training activities, and community empowerment as a prerequisite for community involvement. In terms of capital assistance provided by the Komba Village government, it has been carried out, but the amount is inadequate when compared to the burden of BUMDes activities that must be financed. Meanwhile, training and mentoring activities have also been carried out but have not been effective in their implementation. As a result, the expected productivity of BUMDes officers has not made a major contribution to the development of BUMDes. Another important thing is partnership cooperation with parties related to BUMDes business development efforts. This collaboration is a strategy to market BUMDes products. For example, the BUMDes of Komba Village in Komba Village that produce bottled drinking water must cooperate with the government in its marketing, where every government agency that conducts meeting activities must use bottled drinking water produced by the BUMDes of Komba Village.

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