



pISSN: 2460-6162 eISSN: 2527-6476

**Journal Homepage:** journal.unhas.ac.id/index.php/jakpp

Volume 7 No. 2, Desember 2021

## The Implementation of Village-Owned Enterprise Program

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#### ARTICLE INFO

#### **ABSTRACT**

#### **Keywords:**

Implementation, Program, Bumdes

#### How to cite:

Amalia P, R., & Tamrin, S. H. (2021). The Implementation of Village-Owned Enterprise Program. *JAKPP (Jurnal Analisis Kebijakan & Pelayanan Publik)*, 7(2), 131-141.

The purpose of this study is to analyze and identify the implementation of Village-Owned Enterprises (BUMDes) program policies in Sabbangparu District, Wajo Regency and identify supporting and inhibiting factors in implementing Village-Owned Enterprises (BUMDes) programs in Sabbangparu District. This research is conducted by looking at the implementation of the theory proposed by Grindle 1980, which is from the contents of the policy and the implementation environment of this study using a qualitative descriptive approach. It intended to provide a clear picture of the problem under study and systematically explain the data in implementing the BUMDes program. Research results on the implementation of BUMDes are seen from the content and context variables. The implementation of the BUMDes is still not running effectively due to the lack of support from the community in implementing the BUMDes. In addition, there is still insecurity from village leaders in running BUMDes and a lack of supporting the administration.

#### Introduction

The government has long worked to develop the rural economy through various programs. However, these efforts have not yielded satisfactory results as desired together. There are many factors contributed to the lack of success of these programs. One of the most dominant factors is that government intervention is too large; as a result, it hampers the creativity and innovation of rural communities in managing and running the economic engine in rural areas. Then from The Economic aspect, institutional mechanisms in rural areas do not work effectively and have implications for dependence on government assistance so that it kills the spirit of independence.

Over time, the government gave birth to a program, namely BUMDES (Village Owned Enterprises). This program is expected to give autonomy to villages to make innovations so that villages are better able to manage their potential. The establishment of Village-Owned Enterprises is based on the Village Law, Technically, existing BUMDes refers to (Village et al., 2015) guidelines for rules and

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mechanisms taking Village Deliberation decisions and the Regulation of the Minister of Villages, Development of Disadvantaged Regions and Transmigration No. 4 of 2015 concerning the Establishment, Management and Management and Dissolution of BUMDes, in Article 213 paragraph (1) it is stated that "Villages can establish village-owned enterprises by the needs and potential village" as well as regent's regulations which regulate BUMDes which is regulated in the Wajo Regency Regent Regulation Number 10 of 2017 (Regulation of the Regent of Wajo Regency Number 10 of 2017 concerning Guidelines for the Establishment and Strengthening of Management of Village-Owned Enterprises, 2017).

The village government and the community carry out the management of Village Owned Enterprises (BUMDes). Management that involves the community directly is hoped that it will be able to strengthen the existence of BUMDes as a support for the village community's economy in general and village resources in particular so that they can be used as well as possible for the welfare of the village community. In its implementation, supported by data submitted by the village assistants of Bila, Liu and Salotengah in April 2019 that many villages were thriving, not a few villages with BUMDes failed adequately because several things are inhibiting factors in the implementation of BUMDes.

Then, article 2, paragraph 2 in the Regent's Regulation number 7 of 2017, states that the management of BUMDes is based on the community's needs and must be carried out in the perspective of proper financial administration. On the other hand, some villages have established BUMDes based on the potential of their villages. However, local people who do not know in depth about the functions of BUMDes, even some of them who do not know the purpose of the BUMDes program, thus hindering the implementation of BUMDes in realizing independent villages and sustainable village economic strengthening. So that not a few villages have a smaller turnover than other villages while having the same type of BUMDes. This is based on secondary data obtained and information from several informants who are considered capable of being a source of information representing public opinion in general so that further research is needed.

This study tried to analyze and identify the implementation of Village Owned Enterprises (BUMDes) program policies in Sabbangparu District, Wajo Regency and identified the factors that are the drivers and obstacles in implementing the Village Owned Enterprises (BUMDes) program in Sabbangparu District, Wajo Regency.

#### Literature Review

Policy implementation is an activity seen after a proper direction has been issued from a policy that includes efforts to manage inputs, to produce outputs and outcomes for the community(Akib, 2012). The policy implementation stage can be characterized and distinguished from the policymaking stage. On the one hand, policymaking is a process that has a bottom-up logic, that the policy process begins with the delivery of aspirations, requests, or support from the community. While

policy implementation, has a top-down logic in the sense of reducing abstract or macro policy alternatives into concrete or micro-actions.(Hidayat & Idris, 2017).

According to Jenkins Implementation Study (Parsons, 2008), It is the study of change occurring, and try to know how the possibility of change can be brought about. It is also the study of the microstructure of political life; how organizations outside and within the political system conduct their affairs and interact with one another; what are their motivations for acting that way, and what other motivations might make them act differently.

Implementation is a general process of administrative action that can be investigated at the level of a particular program (Grindle, 1980). As an addition, Grindle added that the implementation process would only start when the goals and objectives have been set, the activity program has been structured, and the funds are ready and channelled to achieve the goals. (Mahioborang, 2015). Meanwhile, Van Meter and Horn state that policy implementation is an action taken by the government and the private sector both individually and in groups intended to achieve goals (Van Meter & Van Horn, 1975).

The approach to implementing public policy proposed by Grindle is known as "Implementation as a Political and Administrative Process" (Grindle, 1980). According to Grindle, the success of implementing a public policy can be measured by achieving the final results (outcomes), whether or not the goals are to be achieved of implementation) The contents of the policy include (1) interest affected, namely interests that can influence policy implementation, (2) type of benefits, namely types of benefits that show the positive impact generated, (3) extend of change envision, how much change to be achieved or to be achieved through implementation so that it must have a precise scale, (4) site of decision making, the location of the decision making of a policy to be implemented.

The implementation environment includes (1) power, interest and strategy of actors involved, namely the power, interests and strategies of the actors involved (2) institution and regime characteristics, namely, the characteristics of institutions and regimes in power as the environment in which policy implementation is carried out, and (3) compliance and responsiveness, namely the extent to which the level of compliance and response of the implementers in responding to the implementation of the policies carried out. The achievement of policy objectives is assessed from the impact or influence of the community individually or in groups, the level of change that occurs, and the acceptance of the target group (Pangila et al., 2019).

#### **Research Methods**

This study uses a descriptive qualitative approach. Determination of informants is done using a critical person due to know initial information about the object of research and research information to start conducting interviews and observations about Bumdes in Sabbangparu District. The informants referred to include the Headman of the Village, Bumdes Management, community users and village assistants. Data collection techniques were carried out by in-depth interviews,

observations and document studies. The data were then analyzed by data reduction, presentation, and conclusion. The location of the study was carried out in the Sabbangparu sub-district, Wajo Regency. This location was chosen as the research locus because the Sabbangparu sub-district is one of the sub-districts in Wajo Regency that runs the BUMDes program. The focus of this research is to analyze and identify the implementation of Village Owned Enterprises (BUMDes) program policies in Sabbangparu District, Wajo Regency, based on the theory proposed by Grindle 1980. Then also identify the factors that are the supporting and obstacles in the implementation of the Owned Enterprise program. Village (BUMDes) in Sabbangparu District, Wajo Regency.

#### **Results and Discussion**

BUMDes Program

BUMDes is a pillar of economic activity in the village that functions as a social and commercial institution. (Juwita & Ugang, 2019). BUMDes as a social institution must side with the community's interests through its contribution to the provision of social services. Meanwhile, BUMDes aims to seek profit by offering local resources (goods and services) to the market as a commercial institution.

In line with this, in the Sabbangparu sub-district, which consists of various villages, each village has a different type of BUMDes business according to the needs and potential of the village. (Sabbangparu District in Figures 2018, nd). As illustrated in the following table, the research sample consists of four villages in Sabbangparu District.

Table 1. Type of BUMDes Business

No	Village	Type of Business	
1	Liu	Savings and Loan	
2	When	Savings and Loan	
3	Worongnge	Office Stationery and Photocopy	
4	salute	Savings and Loan	

Source: AD/ART BUMDes for each Village 2019

Based on the table above, it can be seen that villages in Sabbangparu District generally choose Savings and Loans activities as a type of BUMDes in the village. Savings and Loans Activities in Liu Village have 34 members actively conducting savings and loan activities. Meanwhile, Bila Village consists of 17 members. (the names of the members have been mentioned in the previous chapter). Furthermore, for the village of Salotengah, there are 17 members.

Of the two types of BUMDes, businesses run by the four villages are savings and loans and Office Stationery and photocopies, but these are seen as not providing significant results in encouraging village cash income. Hence, the

BUMDes manager plans to widen the types of Savings and Loans for Agricultural Materials for Villages. Salotengah and Bila Villages, a karaoke equipment business for Liu Village and water pumping proposed by Worongnge Village, saw this as a community need and was considered to produce significant results. The four proposals are still limited to proposals, and discussions between the BUMDes management and the Village Head have not yet held a Village Deliberation attended by village officials, BUMDes management and the community as determinants in decision making.

In terms of pumping the water flow proposed by Worongnge Village, it is still only discourse, and the proposed plan is still at the approval request stage because the water flow path to be passed must have the approval of the community who owns the land to be used as water flow. However, this is still being discussed further due to conflicts with individual interests as landowners, positions in the structure of village government institutions, well-known as Headman of village who manage irrigating rice fields owned by farmers and pump entrepreneurs who are also included in the structure of the Village Consultative Body. So that the proposal regarding widening the types of business sectors that are considered potential has several dilemmas because in making decisions regarding the type of business to be managed by BUMDes, it must go through a Village Deliberation, which the village government and BUMDes managers attend. The existence of differences in the interests of individuals will be an inhibiting factor for the lack of development of BUMDes in the village, although, in the process of forming the BUMDes, it has gone through the Village Deliberation, it does not guarantee the smooth implementation of BUMDes.

The implementation of these activities from the four villages above each has differences in terms of success and will be described based on the theory of policy implementation proposed by Merilee S. Grindle. The success of implementation is influenced by two significant variables: the content of the policy and the implementation environment (context of implementation) (Grindle, 1980).

Overview of the Village Community Development Program in Bila, Salotengah, Liu Dan Worongnge

BUMDes is a pillar of economic activity in the village that functions as a social institution and commercial institution. BUMDes as a social institution must relate to the community's interests through its contribution to the provision of social services. Meanwhile, as a commercial institution, BUMDes aims to seek profit through offering local resources (goods and services) to the market (Alkadafi, 2014).

In line with this, in the Sabbangparu sub-district, Wajo district, which consists of various villages, each village has a different type of BUMDes business according to the needs and potential of the village. Of the four villages that became the research locus, three villages had the same type of business, namely Bila Village, Liu Village and Salotengah Village, choosing Savings and Loans business activities.

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In contrast, for Worongnge village they chose Office Stationery and Photocopy business activities.

The four types of Bumdes businesses have been carried out in each village managed directly by the community. Not a few villages have succeeded in implementing the Bumdes program; but some have failed in implementing it; Those depends on the implementation of each village.

Savings and Loans Activities in Liu Village have 34 members actively conducting savings and loan activities. Meanwhile, Bila Village consists of 17 members, and Salotengah village consists of 17 members. For Worongnge Village, Office Stationery users and photocopies or Bumdes members are not listed because all people can access the business at any time while the number of residents in Worongnge village is 1317 people. (Sabbangparu District in Figures 2018, nd)

The Worongnge Village BUMDes was formed together with four other villages in 2017 but its operation began in 2018. Based on the Village Regulation, the Worongnge Village BUMDes business name is Office Stationery and Photocopies, but so far only photocopies have been carried out. Office Stationery Equipment is not yet available because there is no special place for business. However, BUMDes management and village officials will continue to do their best.

Implementation of BUMDes Program Policies in Sabbangparu District, Wajo Regency

- 1. Viewed in terms of policy content (the content of policy) (Grindle, 1980)
  - a) interest affected, namely the target group's interests that can influence policy implementation. After conducting research, it can be concluded that of the four villages that run the Bumdes program in the sabbangparu subdistrict, the community feels significantly helped by the Bumdes program. However, in the implementing process the community does not fully support the implementation of Bumdes due to many people who make late payments and the mindset of people who always think it is free.
  - b) type of benefits, namely the type of benefits that show the resulting positive impact,
    - a. The economic benefits of Bumdes in the Sabbangparu subdistrict, particularly from the four villages studied based on research results from bumdes, have not yet been allocated to the village's original income. Of the four villages, only one village can provide income to the village; it is just that the profit-sharing from the bumdes funds has not been carried out.
    - b. The political benefits of Bumdes, which were established in a participatory manner, became a meeting place for interest groups in the village. In addition, the presence of Bumdes can provide opportunities for the community as a way to train themselves in business management and money management, in this case, the Bumdes administrators.

- c. Socio-cultural benefits to increase community income and original village income, Bumdes contributes socially to meet community needs for jobs. For example, Worongnge Village, which chooses an Office Stationery/photocopy business, will provide opportunities for the community to get jobs because managing the business requires a manager. However, Bumdes has not been able to open formal employment opportunities because its management is still the task of village officials.
- c) Expansion of the change vision, how much change you want to achieve through implementation so that it must have the right scale. Based on the results of the study, it can be concluded that of the four villages studied, only one village was considered capable of meeting the objectives of the Bumdes program, which is Liu Village. Meanwhile, the other three villages have not yet achieved their basic goals.
- d) Site of decision making, the location of the decision making of a policy to be implemented. Based on the results of the research, decision making is fully held by the Bumdes management, while matters relating to external decision making are in the hands of management and Headman of village who are responsible for decision making. The decision was taken by way of deliberation.
- e) Program implementers, the implementation of policies or programs that competent implementers must support. Based on the research results, BUMDes implementers have clearly stated in the Decree of the BUMDes management in each village.
- f) Resources committed, that is, resources that must support the implementation of the policy, can run well. In terms of non-human resources, in this case financial. Based on the results of the research, it is adequate, because the disbursement of funds made by each village depends on the request of the village. From the four villages that have been studied there is one village that has disbursed three times, and there are still villages. Those who have only disbursed once will remain on the other hand, namely in terms of human resources based on the results of research, it is precisely the obstacles in implementing the Bumdes program, namely human resources because in general, the local community does not encourage the smooth running of the Bumdes by making late payments and lack of funds. Awareness.

## 2. Implementation Environment includes:

a) Power, interest and strategy of actors involved, is the power, interests and strategies of the actors involved based on the research results. The determining factor in everything in the program's implementation, even though the community is the leading implementer in the bumdes but is still under the management and the village head. Meanwhile, in terms of strategy, each village has a different strategy in carrying out the Bumdes

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program depending on the determined results, which were stated in the ad/art of each village.

- b) Institution a regime characteristic, is the characteristics of institutions and regimes in power as the environment in which policy implementation is carried out. In terms of institutional characteristics, Bumdes is a village economic institution located in the village and managed by the local community (Budiono, 2004). Based on the research results, each board is managed by the local community, and if some do not meet the requirements, for example, being appointed as village officials, a change of management will be carried out.
- c) Compliance and responsiveness are the extent to which the level of compliance and response of the implementers in addressing the implementation of the policy. Based on the results of research that has been carried out, the community does not support and respond to the Bumdes program, even the community becomes an obstacle to the smooth running of the Bumdes program. This is because the community's mindset is not in line with the Bumdes program.

Supporting and Inhibiting Factors in the Implementation of BUMDES Program Policies in Sabbangpau District, Wajo Regency

## Supporting factors

From the author's observations and the results of primary data collection, there are several supporting factors in implementing the BUMDes program, which has encouraged the implementation of the BUMDes program until now. However, its implementation is still not optimal. The following will describe some of the supporting factors for the implementation of the BUMDes Program in Sabbangparu District:

a) Availability of adequate financial resources from the government

The availability of adequate financial resources from the government is one of the driving factors for implementing the BUMDes program in the Sabbangparu District. This is proven by the occurrence of several times the disbursement of funds in each village, there are three disbursements, and some have been disbursed four times. The following will be presented in the table.

Table 2. 2019 BUMDes Fund Disbursement Stage

No	Village	First Disbursement/ 2017	Second Disbursement/ 2018	Third Disbursement/2019
1	Bila Village	Rp. 20,000,000	Rp. 20,000,000	Rp. 20,000,000
2	Salotengah Village	Rp. 20,000,000	Rp.40.638.000	-
3	Worongnge Village	Rp.25,000,000	IDR 10,000,000	-
4	Bila Village	Rp. 20,000,000	-	-

Source: Research Interview Results

Based on the table above, it can be understood that each village does not have the same disbursement stage depending on the implementation of the program being carried out and depending on the request for funds from the village by looking at the ranking system for the type of priority business.

## b) The ability of village officials and BUMDes management

The ability of village officials and administrators BUMDes are also the main driving factor for the success of BUMDes. According to Liu Village, the success of Liu Village as a village with a BUMDes is quite successful due to village officials who run the village government and BUMDes administrators who run the BUMDes program.

### Obstacle factor

Based on the research results, the implementation of the BUMDes program in the four villages that became the locus of research: Liu Village, Bila Village, Salotengah Village and Worongnge Village. There are still several things that hinder the implementation of the BUMDes program including:

- 1. Lack of response and support from the community towards implementing the BUMDes program.
  - The lack of response from the local community to the implementation of BUMDes is indicated by the number of people who do not make returns the funds that have been borrowed. There are even villages that from the beginning of the distribution of funds there have never been any refund transactions from the community.
- 2. Lack of response from village administrators and village officials from several villages to the implementation of the BUMDes program

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In addition to the lack of response from the community to the implementation of the BUMDes program, occurred in Bila Village and Salotengah Village, the response from village officials and administrators was also one of the obstacles to the implementation of BUMDes.

3. There is still a lack of implementation strategy in program implementation Each village's strategy in implementing the BUMDes program based on research results has a different strategy in carrying out the BUMDes program. The better the strategy applied, the more likely it is to implement a good BUMDes program. Knowing the various inhibiting factors above will undoubtedly be an opportunity and input for better program implementation in the future because, in the literature. It has been explained that policy is an action that leads to the goals proposed by a person, group or government in a specific environment in connection with the existence of a policy—at the same time, looking for opportunities to achieve goals or realize the desired goals (Wahab, 1997).

### Conclusion

Based on the results of the research in the field, it can be concluded that it has not been going well, judging from the implementation of program policies from the four villages that became the research locus: Bila village, Liu village, Worongnge village and Salotengah village. Only one village is considered capable of achieving the actual goals, and the three other villages have not run as they planned before. This is because many member of village delay payments for people who carry out savings and loan activities. Even some do not realize that a refund on a loan is a form of payment. Responsibilities that must be carried out by society. The driving factors for the implementation of the BUMDES program are: this program being able to encourage the economy of some people in starting a business and meeting the initial funds to start a farming business. This is due to the availability of financial sources from the Village Fund sourced from the Central Government in implementing BUMDes. While the inhibiting factor is the lack of community response to the implementation of the BUMDes program, there are still some interventions from several village governments in the implementation of BUMDes.

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