

The implementation strategies of village government policies in supporting the success of village-owned enterprises

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ABSTRACT

According to Law Number 6 of 2014 concerning Villages, it is explained that Village is a legal community unit that has territorial boundaries authorized to regulate and manage government affairs. One of the government policies to make it easier for villages to manage their existing potential is that village governments are encouraged to have Village-Owned Enterprises (BUMDes). The success of Village-Owned Enterprises is on the shoulders of the government in the village itself. In the existing program implementation strategy, the village government must understand the local village situation and must be ready to improvise with any changes in the situation without ignoring the goals that have been previously set. A factor or variable does not determine the success of Village-Owned Enterprises. However, it is determined and influenced by various existing factors, such as the village government's need for a helpful policy strategy to succeed in an existing program. Implementing existing programs must be done professionally and transparently. The research method was descriptive qualitative using a purposive sampling technique. The research results proved that Village-Owned Enterprises has not been entirely successful because only a few programs have just been implemented. Additionally, the village government used several strategies, including program strategies, strategies for increasing supporting resources, and organizational strategies.

Keywords:

Strategies; Policy Implementation; Village-Owned Enterprises Achievement

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INTRODUCTION

According to Law Number 6 of 2014 concerning Villages, Village is a legal community unit that has territorial boundaries that are authorized to regulate and manage government affairs and the interests of the local community based on community initiatives, origin rights, and/or traditional rights recognized and respected in the system of government of the Unitary State of the Republic of Indonesia. The Law also considers that the village has the right of the origin and traditional rights in regulating and managing the local community's interests and has a role in realizing the ideals of independence based on the 1945 Constitution of the Republic of Indonesia. In realizing the ideals of independence and

regulating and managing government affairs, which have been mentioned in Article 1 of the Law above, it is necessary to have a Village Government. This law also explains that Village Government is the implementation of government affairs and the local community's interests in the system of government of the Republic of Indonesia.

The Village Government itself is the Village Head or what is called by another name, assisted by the Village Apparatus as an element of the Village Government organizer (Sugiman, 2018; Sumeru, 2016). According to Fajarwati et al. (2016) and Sajangbat (2015), one of the government policies to facilitate villages in managing their existing potential is the Law Number 6 of 2014 issuance which states that village governments are recommended to have Village-Owned Enterprises, which are then further regulated in Regulation of the Minister of Villages, Development of Disadvantaged Regions, and Transmigration of the Republic of Indonesia Number 4 of 2015 concerning the Establishment, Management and Arrangement, and Dissolution of Village-Owned Enterprises.

The Regulation of the Minister of Villages, Development of Disadvantaged Villages, and Transmigration of the Republic of Indonesia Number 4 of 2015 concerning the Establishment, Management and Arrangement, and Dissolution of Village-Owned Enterprises states that the establishment of Village-Owned Enterprises is intended as an effort to accommodate all activities in the economic sector and/or public services managed by Village and/or inter-village cooperation. It aims to improve the village economy, optimize village assets to be beneficial for village welfare, increase community business in managing the village's economic potential, develop business cooperation plans between villages and/or with third parties, and create opportunities and a market network that supports the public service needs of citizens, create employment opportunities, improve community welfare through improving public services, growth and equitable distribution of the village economy, and increase village community income and Regional Original Revenues (PAD).

Suleman et al. (2020) state that after the Village Law was enacted, the strategy to utilize, support, and strengthen village economic enterprises through Village-Owned Enterprises was regulated in the Regional Regulation governing Village-Owned Enterprises of East Sumba Regency Regional Regulation Number 1 of 2020 concerning village financial management guidelines in Article 1 that Village-Owned Enterprises are a business entity whose entire capital is owned by the village through direct statements originating from separated village assets to manage assets, services, and other businesses for the villagers' welfare. The village government administration must be based on legal certainty, orderly governance, orderly public interest, openness, proportionality, professionalism, accountability, effectiveness and efficiency, local wisdom, diversity, and participation. As an element of village administration, the village government has to carry out government, development, and community affairs (Zainudin, 2016). Village-Owned Enterprises are village businesses formed/established by the village government whose capital ownership and management are carried out by the village government and the community (Ridwan, 2015). Village-Owned Enterprises are village business institutions managed by the community and village government to strengthen the village economy and are formed based on the needs and potential of the village (Darwita & Redana, 2018).

According to Adawiyah (2018), one of the current government missions is to develop rural areas that can be achieved through community empowerment to increase productivity and the diversity of existing businesses, fulfilling facilities to support village economic improvement, building and strengthening existing institutions that support production and marketing chains, and optimizing human resources as the basis for village economic growth. Village-Owned Enterprises are an instrument of local economic empowerment, with various types of businesses following the village's potential. This potential development aims to

improve the villagers' economic welfare through the development of economic enterprises. In addition, the ex-Village-Owned Enterprises also impact increasing village Regional Original Revenues (PAD), which allow villages to carry out development and improve welfare more optimally. Village-Owned Enterprise is a social institution that takes the side of the community's interests through its contribution as a social service provider. However, Village-Owned Enterprises is also a commercial institution where Village-Owned Enterprises aim to profit by selling goods or services intended for the community.

According to Mahfud (2003) the village government has a significant role in the strategy for implementing social process policies in the community. The main task that the village government must carry out is how to create a democratic life and provide good policy strategies. Therefore, it can bring its citizens a prosperous, peaceful, and fair life. The village government must make radical changes to realize this task, whether in leadership or bureaucratic performance-oriented, to quality and meaningful services. Hence, the village government increasingly leads to the practice of good governance, not lousy governance.

According to Karim et al.(2021) village governments make policies by being given the opportunity by the central government to form Village-Owned Enterprises. Village-Owned Enterprise is a village business institution formed by the village government through deliberation, which is then regulated by the Village-Owned Enterprises management with the village community. The success of Village-Owned Enterprises lies on the Village Government's shoulders, although this form of Village-Owned Enterprises seems simpler than other business entities. However, the program implementation is not simple. In the existing program implementation strategy, the village government must understand the village situation and be ready to improvise with any changes in the existing situation but do not ignore the goals that have been previously set. A factor or variable does not determine the success of Village-Owned Enterprises. However, it is determined and influenced by various existing factors, such as the need for a policy strategy from the willing government to succeed in an existing program.

The success of Village-Owned Enterprises requires strategies through village government policies because the success factor is primarily determined by the strategies the Village Government takes (Niswaton, 2014). Strategy is a direction of action or plan, including specific resources needed, to achieve a predetermined Village-Owned Enterprises goal (Gustiman, 2021; Pratiwi & Novianty, 2020). Village-Owned Enterprises are formed to make villages economically independent and provide community welfare so that villages can grow into Indonesia's economic strength (Pradani, 2020). The work strategy of Village-Owned Enterprises is to accommodate the community's economic activities in an institutional form or business entity that is managed professionally but still relies on the original potential of the village. It can make community businesses more productive and effective.

Chintary & Lestari (2016) state that village government policies should pay attention to their roles in the progress of a business for the success of Village-Owned Enterprises. The village government needs to do their role by making the type of business suitable with the potential resources owned by Kuta Village to increase the factors that support the success of Village-Owned Enterprises. Kuta Village, and fix existing deficiencies to implement the policies that have been made. This policy can support the success of Village-Owned Enterprises and can achieve the expected goals.

Village-Owned Enterprises by the Kuta Village Government, Kanatang District, East Sumba Regency only applied organizational strategies to increase support resources and program strategies. Thus, they did not try to implement other strategies, such as business strategies. So far, it could be seen that the Kuta Village Government has done more

development from an organizational perspective only and did not implement a strategy from a business perspective. Therefore, the Kuta Village Government, Kanatang District, East Sumba Regency has carried out various strategies to support the success of Village Owned Enterprises. Efforts to support the success of the Kuta Village Village-Owned Enterprises business unit must be carried out by creating a type of business that follows the potential resources owned by Kuta Village and increasing the factors that support the development of Kuta Village Village-Owned Enterprises, and fixing existing deficiencies.

There were some problems in supporting the success of Village-Owned Enterprises in Kuta Village, Kanatang District, East Sumba Regency, such as the lack of appropriate policy strategies, no firm policies, the government's strategies were not implemented in the community, and lack of public understanding of Village-Owned Enterprises policy strategies. Based on the problem data presented, it can be concluded that the research problems consisted of: What were the strategies for implementing village government policies in supporting the Village-Owned Enterprises' success in Kuta Village? What were the Supporting and Inhibiting Factors the Kuta Village Government faced?

METHOD

This research was descriptive research with a qualitative approach. Yusuf (2017) mentions that the qualitative descriptive method is a research method based on the philosophy of post-positivism. Using the *purposive sampling* technique, research informants were some village apparatus, Village-Owned Enterprises administrators, and community leaders. Data collection techniques used observation, documentation, and interviews. Data analysis techniques used *data reduction*, *data display*, and drawing conclusions (*verification*).

RESULT AND DISCUSSION

1. The Implementation Strategies for Village Government Policies in Supporting the Success of Village-Owned Enterprises in Kuta Village

A strategy is said to be a strategy if it intentionally designs a strategy that wants to increase the status, capacity, and resources, which gives birth to a new organization that will fully support the Village-Owned Enterprises' success. Program implementation is one of the village government concepts in supporting the success of Village-Owned Enterprises. This strategy talks about the implications and pays more attention to the strategic implications of a particular program. The impact is if a specific program is launched or introduced and what the impact is on the Village-Owned Enterprises target in Kuta Village.

The Village-Owned Enterprises program formed by the Kuta Village Government was a savings and loan Village-Owned Enterprise program. Its effects were significant in achieving the Village-Owned Enterprises' goals and success in Kuta Village. Furthermore, the program that has been implemented so far was the savings and loan program. This savings and loan program helped the community meet their daily needs and expand the business built. Besides, Village-Owned Enterprises management used this program strategy to help increase village income. However, there were still programs that the Village Government has established, namely culinary, marine, and tourism programs. However, they have not been implemented yet. Only savings and loan programs were run. Community participation was crucial in supporting the Village-Owned Enterprises' success because the community was the determinant of running a program that has been made. Hence, the community could be organized, and the government must strengthen the community.

One of the strategies to support Village-Owned Enterprises' success was to increase supporting resources such as facilities and infrastructure. Facilities and infrastructure were everything used as tools and the main supports for the success of Village-Owned Enterprises in a village. The success of Village-Owned Enterprises indeed required adequate infrastructure so that the implementation of activities could run optimally. Improving facilities and infrastructure was vital in managing Village-Owned Enterprises. In terms of infrastructure, Village-Owned Enterprises in Kuta Village was good enough from good office facilities to provide effective services for the community or Village-Owned Enterprises customers. In managing Village-Owned Enterprises, facilities and infrastructure were critical to providing comfort for people who wanted to join to feel comfortable with the supporting facilities and good services provided by Village-Owned Enterprises. Consequently, Village-Owned Enterprises Kuta Village will be remembered and always related to the village community's life. The savings and loan Village-Owned Enterprise in Kuta village helped the community's socio-economic needs.

These supporting resources could also be in the form of human resources, finance, technology, etc. This strategy utilized all available resources in an agency. The village government used all these resources as much as possible to produce a new strategy that was genuinely complex and could realize the goals of an agency or organization. Village-Owned Enterprises in Kuta Village had several supporting resources to help the community's daily needs. In determining the supporting resources, the dimensions that must be taken were needed to determine how practical the supporting resources owned by the Village-Owned Enterprises Kuta are. The dimensions that researchers have processed were facilities and infrastructure, human resources, and financial resources. It can be said that the strategy of supporting resources in the village-owned Enterprises of Kuta village has not been maximized because it has not provided tremendous benefits in every program implemented.

The strategy for establishing the Village-Owned Enterprises organization was a strategy formulated through the vision and mission of the Village-Owned Enterprises, which was poured into a program. The aspects that could be seen from the strategy for forming this organization were the vision and mission. How the vision and mission could be a benchmark for a strategy seen from the program implemented and whether it was under the Village-Owned Enterprises vision. The vision of the savings and loan Village-Owned Enterprises was not much different from the vision of Kuta village, namely: Creating a prosperous and peaceful community and participating in the development of an independent village. Meanwhile, the mission included: the village government desired that all unemployed youth and housewives had skills as capital to do business in helping the head of the families meet the household needs.

The Village-Owned Enterprises conducted a local business to develop the economy of the Kuta village community, namely a savings and loan business. The community could get capital for their business from Village-Owned Enterprises or get capital to open a small business and help meet their daily needs. The Village-Owned Enterprises management created a program under the vision and mission of the Village-Owned Enterprises Kuta Village. After all, the visions and mission of Village-Owned Enterprises must be accountable to the community. One of them was by opening a savings and loan business. Therefore, whatever was a business, the community could borrow capital from Village-Owned Enterprises to increase capital or develop a business that has been built. The savings and loan Village-Owned Enterprise was currently beneficial for the community's economy. Evidently, the savings and loan Village-Owned Enterprise carried out its responsibilities under the visions and mission of the Village-Owned Enterprises.

In this regard, the program run by the savings and loan Village-Owned Enterprise has met the criteria in the visions and mission. In detail, the savings and loan Village-Owned Enterprise management served the community who became the members. Therefore, the objectives of the visions and mission of the Village-Owned Enterprises could be implemented so that the community could meet their needs.

2. Supporting and Inhibiting Factors in Supporting the Success of Village-Owned Enterprises in Kuta Village

The supporting factors for the Kuta Village Government in achieving the success of the Kuta Village Village-Owned Enterprises were the community awareness about the importance of the savings and loan program; providing vehicles that facilitated the activities of the Village-Owned Enterprises management and the community; obtaining additional capital from the village government; the availability of a budget to facilitate the community's economy, namely the savings and loan Village-Owned Enterprise; the cooperation between the village government and Village-Owned Enterprises management, good service to the community, community's welfare, community participation in work programs organized by the village government and Village-Owned Enterprises; and, the availability of budget to facilitate the community to fulfill the economy and human resources were quite good in management. Therefore, they could provide a good understanding to the community.

There were still many inhibiting factors for the strategies in supporting the success of savings and loan Village-Owned Enterprises in Kuta Village, namely the lack of awareness from the community, lack of participation from the community, incompatibility between Village-Owned Enterprises administrators, and the number of community loans other than in Village-Owned Enterprises savings and loans in Kuta Village. There were still many people who did not know the benefits of participating in the Village-Owned Enterprises program. There was a slowdown in the disbursement of funds. Furthermore, Village-Owned Enterprises in Kuta Village have not succeeded until now because there were still inhibiting factors.

CONCLUSION

Based on the research results, it can be concluded that the strategies of implementing village government policies in supporting the success of Village-Owned Enterprises have not been fully implemented correctly, and they had not been successful because there were only several forms of strategies that the village government used. Those strategies included program strategy, organizational strategy, and a strategy to increase supporting resources. These strategies played essential roles in supporting the success of the Village-Owned Enterprises. Without those strategies, the Village-Owned Enterprises would not be able to run. The factors faced by the Kuta village government were supporting factors and inhibiting factors. Additionally, the supporting factors that the Kuta village government had owned to support the success of Village-Owned Enterprises helped the government to realize a policy strategy. It could be maintained so that a strategy was more realized as expected by the village government and society. Meanwhile, the inhibiting factors for the Kuta village government and the Kuta Village Village-Owned Enterprises management were very minimal. Therefore, it was still challenging to realize a strategy, and it was difficult for the Kuta village community to participate in the Kuta village Village-Owned Enterprises program. The village government and Village-Owned Enterprises management must pay more attention to the inhibiting factors in implementing a policy not to hinder the success of Village-Owned Enterprises.

Hopefully, the Kuta Village Government will be able to emphasize implementing strategies to support the success of the Kuta Village Village-Owned Enterprises. Therefore, the strategies that have been implemented could be successful and affect the success of the Kuta Village Village-Owned Enterprises. Besides, they could increase community participation and savings and loan Village-Owned Enterprises customers and Village-Owned Enterprises. On the contrary, they could maximize the strategies that have been established by the Village Government so that the Kuta Village-Owned Enterprises could run following the objectives of Village-Owned Enterprises and the expectations of the Village Government and Kuta Village Community. In implementing strategies to support the success of the Kuta Village Village-Owned Enterprises, it was recommended to prioritize the programs made by looking at the visions and mission initiated. Therefore, the goals of the Kuta Village Village-Owned Enterprises can be achieved in the future.

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