ANALYSIS OF THE ESTABLISHMENT OF VILLAGE-OWNED ENTERPRISES (BUMDES) DISTRICTS IN NORTH SUMATRA

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Abstract: This research aims to find out and analyze the model of establishment of BUMDes Regency in North Sumatra and find an applicator model that can be applied in the establishment of district level as a container of all BUMDes that exist so far. The institutional establishment of BUMDes is deliberately in the form to be a procedure in the use and management of the allocation of funds provided by villages. The type of research conducted in this study is exploratory research, where researchers in-depth study and look for the establishment model of Institutional BUMDes Regency Level in North Sumatra. The institution of BUMDes at the regency level itself does not actually exist and is still just a discourse in its formation so that the basis of the research method approach is used to dig and explore in depth how exactly the urgency of the existence of BUMDes at this district level if it stands in North Sumatra. The results of interim research and analysis show that the institutional development of Jointed Regency BUMDes initiated since the end of 2019 aims to develop the existence of BUMDes more professional and oriented to greater business development. The founder of Jointed Regency BUMDes who joined BKAD in Serdang Bedagai Regency continues to make improvement in all aspects. Among others, the development of capital investment among members through Jointed Regency BUMDes in 119 villages

Keywords: Establishment, Institutional, BUMDes Regency

Introduction

The development of basis economy in rural through Village Owned Enterprises has been long run by the government. BUMDes is a new economic power born from the village. This business entity will be established in 74,910 villages from Sabang to Merauke, from Miangas to Rote Island. Currently, it is not felt the impact caused by the growth of BUMDes. According to estimates since the enactment of Law No. 6 of 2014 on Villages it takes at least about 3 to 4 years for BUMDes to be felt nationally. The development of BUMDes today can be an optimized instrument of its role as a legal local economic institution located at the village level to improve the welfare of the community and village income. Village Owned Enterprises are designed by prioritizing the role of the Village Government and its communities in a more proportional manner. If it reflects on the role of the Village Government in the implementation of community empowerment programs so far, then through the BUMDes model, it is expected that there will be revitalization of the role of the Village Government in local economic development/community empowerment. So that in this case the role and participation of the community is needed so that the BUMDes program is appropriate and on target. To optimize community economic empowerment, there are several ideas and initiatives to unite all Village Owned Enterprises (BUMDes) in one container. It is intended that coordinated and professional financial management so as to produce maximum benefits for the community, it is based on the
argument that so far the economic development of the community through BUMDES is not running optimally. In addition, with BUMDes together at the district level, the capital raised can be greater. In addition, in capital investment can involve many parties, namely BUMD, BUMN and even private sector.

**Literature Studies**

**Village Institutional Development Concept**

The concept of development is a must that must be applied in life. The concept word means idea, design or understanding that is abstracted from concrete events (Dictionary of The Indonesian Language, 2002: 589). While the development means process, way, action develop (Dictionary Of Indonesian Language, 2002:538). Thus, the, of development is the design of developing something that already exists in order to improve the quality more advanced.

Kotler (1997) development strategy analysis includes external analysis of the company and the company's internal. External analysis of the company is factors outside the company that can influence the choice of direction and actions of a company to achieve the desired goals. External factors of the company can be distinguished into (1) microen environment, (2) industrial environment, and (3) microen environment. Institution is an organization or methods both formal and informal that regulate the behavior and actions of certain community members both in daily routine activities and in their efforts to achieve certain goals. The institutional role is very important in regulating resources and distribution of benefits, therefore institutional elements need to be considered in efforts to increase the potential of villages to support village development. With the institutional farmers and village economy is greatly helped in terms of cross-regulating the relationship between input owners in producing village economic output and in regulating the distribution of such outputs.

**Institutionalization of Village Owned Enterprises (BUMDes)**

The establishment of Village Owned Enterprises (hereinafter referred to as BUMDes) aims as a locomotive of local economic development at the village level. The local economic development of this village is based on the needs, potentials, capacity of the village, and the inclusion of capital from the village government in the form of financing and wealth of the village with the ultimate goal is to improve the economic level of the village community. The basis of BUMDes formation as a development locomotive in the village is more motivated by government initiatives and village communities based on cooperative, participatory, and emancipative principles of the village community.

In the BUMDes Handbook published by the Ministry of National Education in 2007, it is explained in detail that there are several stages in the process of establishing BUMDes. In addition, it is also explained about the ways and conditions of the establishment of BUMDes consisting of:

1. Establishment of BUMDes based on District Regulation
2. Regulated by Village
3. One village, there is only one BUMDes
4. The District Government facilitates the establishment of BUMDes
5. BUMDes can be established in the form of Joint Ventures (UB) or other forms, but not Cooperatives, PT, Regional Owned Enterprises, CV, UD or financial institutions (BPR)
In the Regulation of the Minister of Villages No. 4 of 2015 article 5 also explains the process of establishing BUMDes which reads "The establishment of BUM Desa as referred to in Article 4 is agreed through Village Deliberation, as stipulated in the Regulation of the Minister of Villages, Development of Disadvantaged Regions, and Transmigration on Guidelines for Rules and Mechanisms for Decision Making of Village Deliberations". The village deliberation referred to in the article discusses several matters related to the process of establishing the village. The main points are:

1. establishment of BUM Desa in accordance with the economic and socio-cultural conditions of the community;
2. BUM Desa management organization;
3. BUM Desa's business capital;
4. Articles of Association and Bylaws of BUM Desa

Research Methods
The type of research carried out in this study is exploratory research. Exploratory Research is a study by conducting a search, especially in the strengthening of the concept to be used in a broader scope of research with a larger conceptual range (Yusuf, 2017). In exploring, mature concepts become goals in research and broader conceptual activities. Exploratory research is a preliminary study that aims to get an overview of a research topic that will be researched further (Morission, 2017). The purpose of exploratory research was conveyed in more detail by Yusuf (2004) that the general purpose of research from exploration is to get ideas on the main problem in more detail and to develop existing hypotheses. The results of exploratory research will answer whether the research will continue or not. So exploratory research is a type of initial research of a research that is very broad in nature. For the research of certain subjects, exploratory research becomes very important because it will produce a strong foundation for further research. Exploratory research is a combination of descriptive research and testing research, but it cannot have a standalone meaning. In exploratory studies researchers do not want to explore a particular field or record symptoms, but rather try to explain them and when possible as a continuation on that basis develop certain hypotheses (Heitink, 1999).

In the context of this research, researchers in-depth study and look for institutional model of BUMDes Institutional District Level in North Sumatra. BUMDes institutional district level itself actually does not exist and is still just a discourse in its formation so that the basis of the approach of the research method is used to explore and explore again how exactly the urgency of the existence of BUMDes at the district level if it stands in North Sumatra.

Research Results

Institutional Management of BUMDes Regency
In the framework of institutional management of the District, the various parties that manage BUMDes all district through the Inter-Village Cooperation Agency (BKAD) sub-districts in Serdang Bedagai regency through inter-village deliberations (MAD) have agreed to develop BUMDes Regency with the inclusion of capital from each village which is then used as the initial capital for the establishment of BUMDes Regency and business expansion to be carried out. BKAD is an institution that is expected to become a temporary institution in running BUMDes this district. It is expected that this BKAD institution will be the forerunner of an organization that has competence in the management of BUMDes Regency Institutional with administrators or officials who are trained to control BUMDes business wheels. Therefore, BKAD in carrying out its duties, forming work units as operational executors of the areas of cooperation between villages in supporting the governance of the scope of activities in
cooperation. The work units were determined by deliberation by the village chiefs with BKAD through the process of inter-village deliberation (MAD).

BKAD work units obtained from the results of deliberation include:

1. Going to have to BUMDes Regency Activity Management Unit
2. Supervisory Board
3. Funding Team, and;
4. Verification Team.

In its implementation, BKAD as the implementing organization is an institution or body appointed as the executor of a policy and is also an institution that has full responsibility for the implementation of the policy that has been determined.

With Law No. 6 of 2014, the governance of BKAD institutions is adjusted to the Village Law so that it is expected to provide legal certainty in the rebirth of villages and BKAD from an impartial perspective to the community. The establishment of BUMDes, BUMDes Bersama and BUMDes Regency institutions is seen as an opportunity or opportunity for the Village Government to be one of the sources of financing for Village Development and as one of the Pillars of Village Development. To realize the Independent Village mandated in the Law on Villages, it must be taken with continuous efforts to increase The Village's Original Income as a Village Autonomy Right in the management of financing sources for Village Development.

The increase in village native income can be done by strengthening the institutional cooperation agency (BKD) or Village Owned Enterprises (BUM Desa) and BUMDes Bersama in the container of Inter-Village Cooperation Agency (BKAD) at the sub-district level, as well as BUMDes Bersama at the district level. Therefore, it is necessary to transform BKAD to the district level in realizing the establishment of BUMDes Bersama Regency institutions. Transformation in the form of institutional arrangement of BKAD at the district level aims to revolutionize the BUMDes program from the juridical aspect, thereby ensuring legal certainty and the principle of legality of BUMDes management together with the district. The arrangement of BKAD at the district level not only brings the interests of the organization but also the interests of the community, especially related to efforts to develop larger BUMDes.

BUMDes development at the district level embraces the larger institutional arrangement of BKAD not only at the sub-district level, the right transformation for BKAD in managing BUMDes district is to form BUM Desa with regency in bkad regency container. In general, the results of the research carried out and from empirical facts obtained that in the plan to form BUM Desa with regency have been integrated in an institution with BKAD between sub-districts, but still hit by regulations and political policies at the district government level in addition again at the same time the process of regional elections in 2020 when this research took place influenced the process of establishing BUMDes with at the district level.

**BUMDes Regency Sustainability Analysis**

The entire environment within the policy scope really greatly influences the smooth implementation and achievement of the objectives of the establishment of bumdes this district. Some of the environmental factors that influenced the success of the establishment of bumdes districts that researchers saw were the village economic environment, political environment, social and cultural environment. To see whether or not there is an environmental influence that supports the establishment of BUMDes district from the results of FD and in-depth interviews with informants, it is established that environmental factors influence the spirit of village actors to realize a better village economy by forming a larger institutional in a business entity that can contribute to the village economy. However, this environmental factor is not in line with
political factors that slightly hinder efforts to develop BUMDes into a larger business entity up
to the district level. Meanwhile, when viewed from socio-cultural factors of the community
shows that there is a concern for the progress of the village, strong ties between fellow
BUMDes and village governments make efforts to establish BUMDes at the district level
become a strong mutual desire. There is a moral responsibility from the stakeholders in the
village that is formed in the BKAD container to run the BUMDes with regency program in
earnest and responsibly. From the economic side, it shows that the economic boost of the
village is the main motivation of the stakeholders in the village to join the program of forming
a larger village business entity to the district level.

Based on the analysis above, environmental variables, namely economic, social, and
cultural environments influence the spirit to develop the village economy through greater
village business institutions and business management that can contribute to the village
economy and community welfare. while political environment, a little inhibiting because it is
based on the policies and regulations of the formal juridical aspect as the basis and
consideration of BUMDes establishment at the district level. Some studies conducted related
to the development and establishment model of BUMDes at the district level is not yet
developed in Indonesia. Especially in North Sumatra Province, until this research was
conducted only new Serdang Bedagei Regency that had a desire to develop BUMDes into a
business that is at the regency level.

**Conclusion**
From the results of the research that has been done can be concluded that:
1. Sustainability of BUMDes Establishment at the District level in an effort to improve the
village economy needs to be continuously pursued so that this implementation can run well
and supported by the District Government
2. The institutional status of BUMDes regency managers while still under management and
responsibility of inter-village cooperation bodies (BKAD) formed based on the Village
SAntar Deliberation, and after the BUMDes regency is formed and running, the BKAD
will transform into a legal entity form such as limited liability companies, cooperatives or
financial institutions so that business and business development carried out by BUMDes
Regency can run optimally.

**Recommendations**
In order for the BKAD that has been formed and mandated for the sustainability of BUMDes
establishment can have a permanent legal entity so that it has a strong justification to become
the basis of political development for its future establishment

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