Efforts Required for Bum Desa Development Need to be Undertaken in Tarokan Sub-District

Sonny SM Laksono¹, Ratna Dewi Mulyaningtiyas², Rahmat Kanafi³
¹Lecturer of Master of Management, Postgraduate, Universitas Islam Kadiri, Kediri, ²Lecturer of Master of Agribusiness, Postgraduate, Universitas Islam Kadiri, Kediri, ³Student of Master of Agribusiness, Postgraduate, Universitas Islam Kadiri

* Correspondence: ratna_dm@yahoo.com

Received: 1 Des 2023; Accepted: 17 Des 2023; Published: 29 Des 2023

Abstract: The existence and development of Dhoho Kediri Airport will have an impact on changes in economic aspects, especially for Bum Desa. The changes that occur will provide development to other sectors such as trade and services, industry, and other economic activities. This research aims to find out the development efforts of village bum that need to be done in Tarokan sub-district. This research uses a qualitative research method. The research place is in five Tarokan sub-districts, the research time is in August to September 2023. Informants in this study are 10 people. The results of this study BUM Desa development efforts in Tarokan sub-district need to be focused on aspects: legal entity status of BUM Desa; capital; type of business; and governance as well as management of professional human resources.

Keywords: BUM Desa, Development Efforts, Capitalization, Governance

1. Introduction

Efforts to optimize transportation connectivity and supported by infrastructure development plans in the southern region of Java, the government chose to approve the airport development plan in Kediri District, located in Tarokan District and its surroundings. The selection of airport development in Kediri Regency by the government is because it is considered more prepared, in this case what is meant is the readiness of land and environmental provision, as well as the readiness of budget provision.

Infrastructure development is one of the important and vital aspects to accelerate the regional and national development process. Infrastructure also plays
an important role as one of the drivers of economic growth. The economic growth rate of a region or country can not be separated from the availability of infrastructure such as transportation, telecommunications, energy, and sanitation. According to Kuznets (2009), infrastructure development is a public service obligation, which is something that should be the government's obligation because infrastructure is the most primary public infrastructure in supporting economic activities.

Transportation infrastructure, development and development of air transportation infrastructure in the form of airports are of particular concern to the government. This is due to the increasing needs of the community for air transportation services, especially for transportation of people and transportation of goods and services. According to the publication of Chang (2010) in "The Development of Regional Airports in Asia", Indonesia is one of the countries in Asia that has experienced a drastic increase in the number of air transportation passengers. With the increasing number of air transportation passengers, airport construction and development are carried out to meet the needs of passenger transportation. According to Dikun in Andriyani (2011), the existence of an airport has a major influence or impact on economic growth. In addition, the development of an area, especially the area around the airport, has relatively faster growth.

The development of Dhoho Kediri Airport in the future will greatly support the accelerated development of the surrounding area, especially the Wilis Circle - including Tarokan District - as one of the three National Strategic Projects in East Java. The development of Dhoho Kediri Airport in the future is very potential to be developed with a mixed model or collaboration between the exotic natural environment - the slopes of Mount Wilis with the concept of airport city. The concept of airport city has been effectively adopted by many of the best airports in the world, such as Schipol Airport in the Netherlands; Worth Airport in Dallas USA; Pinnacle Airport in Detroit USA; Viracopos Airport in Campinas, Brazil; Hongkong International Airport in Hong Kong; Subic Bay Airport in the Philippines; and Incheon International Airport in South Korea (Adisasmita, et al, 2016).
The airport city concept is basically an integrated airport development concept with the development of the surrounding area and improve service standards that can increase the revenue of airport operators (Kasarda, 2008). Looking at the Dhoho Kediri Airport area prepared by PT Gudang Garam Tbk about 500 ha, in the future its development will lead to the concept of airport city. According to Kasarda (2008), the airport city concept is the core of the formation of aerotropolis, a new independent city that develops around major airports in the world.

The existence and development of Dhoho Kediri Airport will have an impact on changes in the economic aspect. Changes that occur will provide developments in other sectors such as trade and services, industry, and other economic activities. According to Adisasmita (2012), these developments will be followed by an increase in productive activities in the primary (agriculture), secondary (industry), and tertiary or service sectors (trade, banking, hospitality, and others). As stated by Kenneth Button (2010), the existence of the airport will be beneficial in the development of the local economy, in this case specifically in Tarokan Sub-district.

The context of development until the operation of Dhoho Kediri Airport, if the existing BUM Desa in the area of Tarokan sub-district is not or less able to meet the demands of the service needs of business products of goods and services that will be increasingly broad, diverse and complex, then economic resources or investment from outside the area of Tarokan sub-district will flow. Therefore, this research comes with purpose to find out the BUM desa development efforts that need to be done in Tarokan Sub-district.

2. Methodology

The research method uses qualitative research, which is to examine natural objects, as a key instrument, sampling of data sources, carried out purposively (Iskandar, 2009: 11). Qualitative research is a research approach by digging deeper into existing problems by asking questions about existing problems then collecting the answers into data for further research (Creswell, 2019). Qualitative research is a research process to understand human or social phenomena by creating a comprehensive and complex picture that can be presented in words, reporting detailed
views obtained from informant sources, and conducted in a natural setting (Walidin, et al, 2015). According to Sugiyono (2017) qualitative research is a research method based on the philosophy of post positivism or interpretative, used to research natural object conditions. This research was conducted from April to August 2023 in Tarokan District, Kediri Regency. The location of this research was chosen purposely, with the basic consideration that BUM Desa is a pillar of economic activity in the village, which functions as a social institution (social institution) and commercial institution (commercial institution).

The data used in this research are primary and secondary data. Primary data is data collected directly through library research, interviews, documentation, as well as observation, focus group discussions or direct observation of the implementation of BUM Desa in Tarokan District, Kediri Regency by researchers for research purposes or projects (Salkind, 2010). There were 10 informants in this study. Secondary data is data obtained through searching various written documents of Tarokan Sub-district, BPS, Ministry of Villages, Development of Disadvantaged Regions, and Transmigration of the Republic of Indonesia, BSN, literature books, and the internet. The data obtained were organized into sub-chapters so as to answer the objectives of the research or study. An interview is a meeting of two or more people to exchange information and ideas through questions and answers, so that meaning can be constructed on a topic. With interviews, the researcher will find out things related to informants’ perception. In conducting interviews, researchers prepare study instruments in the form of written questions to ask, and record what informants say, therefore the type of interview used is included in the type of structured interview.

Data analysis is the process of organizing and sorting data into patterns, categories and basic description units so that themes can be found and working hypotheses can be formulated as suggested by the data (Moleong, 2000). In this study using qualitative descriptive data analysis, the technique tells and interprets existing data about the situation and conditions experienced. The data analysis technique in this study was taken through steps, data reduction, data presentation, and drawing conclusions.
3. Result and Discussion

According to Prawirokusumo (2001), business development can be divided into 5 (five) stages, namely: conceptual stage, start-up, stabilization, growth stage, and maturity. Business development is seen from the conceptual stage, namely:

a. Recognize potential opportunities

In finding out potential opportunities, it is important to know the problems that exist in the market, then find solutions to the problems detected. This solution will become an idea that can be realized.

b. Opportunity Analysis

Actions that can be taken to respond to business opportunities are to conduct opportunity analysis in the form of market research to potential customers. This analysis is carried out to see customer responses to products, processes, and services.

c. Organizing Human Resources

Human resource management that really needs to be done when a business is established is. This stage is often referred to as the business start-up stage. This stage is said to be very important because it is the key to success in the next stage. This stage can be referred to as the warming-up stage, therefore every BUM Desa must recruit administrators who are able to run the BUMDes to a more benevolent direction and can develop in order to improve the welfare of the community.

d. Resource mobilization steps

The step of mobilizing resources and accepting risk is the last step before the start-up stage. Micro business development is essentially a shared responsibility between the government and the community, therefore the role of the community and government to advance BUMDes is very large, therefore socialization and supervision of businesses that have been run must be carried out frequently.

Based on the stages mentioned above, the BUMDesa development efforts will be analyzed and formulated in this sub-section is in the conceptual stage, because it is related to the development and development of Dhoho Kediri Airport as an aerotropolis. Based on the results of identification, analysis, and literature study of BUMDesa development in Tarokan Subdistrict, then analyzed, and formulated BUM Desa development efforts that need to be taken, which include: Type of Business; Business Entity; Socialization; Capital; and Governance or Management.
a. Business Type

BUMDesa in each village in the sub-district has been formed or established more than 5 (five) years ago, meaning that the existence of BUMDesa in each village along with the type of business is a given, and in the establishment document (proforma) has been determined the type of business to be managed. The development effort is to minimize constraints or obstacles as weaknesses, and maximize opportunities as strengths. Business opportunities or business opportunities are the main factors that encourage people to start a business or business, and business opportunities are highly dependent on the type of business. According to Kurniasih et al. (2019), an important factor in the development of BUMDesa is determining the type of business.

Determination of the type of business should be through an analysis of market opportunities first, and the type should depart from the potential owned and the needs of the community. The type of business does not have to be the same between one BUMDesa and another, nor does it have to be a popular or commonly developed type of business (business usually).

Learning from the experience of Pujon Kidul Tourism Village, which is currently booming with tourists, which was originally just a coffee shop business that was pioneered and managed by a group of young people with the name Cafe Sawah. According to the results of research conducted by Fanani (2018), at first Cafe Sawah was only a place for young people to hang out (cangkrukan) while drinking coffee and eating in the style (boiled Indomie). It took several years to develop into a tourist village, after the Pujon Kidul Village Government intervened through BUMDesa.

The types of BUMDesa businesses that need to be developed are the types of businesses that are needed by local communities and citizens in general, for example as in Tibuneng Village, North Kuta District, Badung Regency, Bali. As a tourist area in the direction of the development of Tarokan District types of businesses developed by BUMDesa “Gentha Persada” are: savings and loan business, waste service business, money changer, and trading, all of which are growing quite rapidly (Pradnyani, 2019). However, efforts to develop BUM Desa in Tarokan Sub-district were carried out in stages.
Based on the results of identification and analysis of BUMDesa in Tarokan Sub-district, in general, they do not go through the conceptual stage but directly to the start-up stage. Like a sprinter who has not done warming-up directly down the race, in the middle of the road will face problems. Types of BUMDesa businesses that need to be developed in Tarokan sub-district to meet the development and development of Dhoho Kediri Airport as an aerotropolis, certainly still in the conceptual stage that according to Prawirokusumo (2001) need to recognize potential opportunities and perform opportunity analysis.

The introduction of opportunities is associated with the potential and needs of the local community, while the analysis of business opportunities is an effort to research, plan, predict, and evaluate the potential types of businesses to be developed in the tourist area of Tarokan Sub-district. Operationally, according to Hendro and Chandra (2006), opportunity analysis is intended to find out what types of goods and services are currently needed by the community in this study oriented to the needs of tourists, as well as knowing the difficulties or obstacles that are faced in the development of each type of business.

b. BUMDesa Business Legal Entity

According to Dewi (2010), so far the lack of legality of the proper BUMDesa legal entity form has turned out to be a bigger problem for the establishment and development of BUMDesa. Even though some districts already have Regional Regulations governing the Establishment and Management of Village-Owned Enterprises. However, in some of these local regulations there is a lack of precision in choosing the right legal entity construction for BUMDesas. In fact, in many cases, BUMDesa does not use the form of a legal entity, but it only takes the form of an unincorporated business entity. Whereas the provisions of Article 78 paragraph (3) of Government Regulation No. 72/2005 on Villages, states that the form of BUMDesa business entity must be a legal entity.

The lack of legality of BUMDesa legal entities, according to Alfiansyah (2021), causes the status of BUMDesa as a business entity or legal entity to become a problem and debate that often occurs in the community. This also causes problems among the Village government and BUM Desa administrators, especially related to business capital, both sourced from APBN funds and from provincial and district
APBD, capital participation by the community, as well as when BUM Desa wants to cooperate with third parties or from the independence of BUM Desa itself.

The results of the Village Fund Study conducted by the Regional Research and Development Agency of Kediri District (2019), showed that among the village government apparatus in preparing the 2018 RAPB Desa there were concerns related to the legal status of BUMDesa, so that in budgeting capital participation to BUM Desa the village government apparatus was half-hearted. For example, there is a BUMDesa facilitation budget allocation of only Rp. 3.00 million, Rp. 2.14 million, Rp. 1.8 million, some even only Rp. 800 thousand, although there are also villages that budget up to Rp. 50 million.

From the interviews with several informants in the study, there are two factors that cause them to be half-hearted: first, the lack of understanding of the existence of BUMDesa as an instrument to strengthen the economy in rural areas; and second, the concern that in the future it may cause legal problems that drag or harm them. This is condoned by the budget allocations for BUM Desa that they propose, for example, only ranging from IDR 4-10 million. They certainly understand that with such a large budget, there is not much that BUMDesa can do to develop productive economic businesses to improve the village economy, the welfare of the village community, and increase the village's own revenue (PADesa).

According to Afiansyah (2021), concerns that village officials and BUMDesa administrators will be caught in legal issues related to BUMDesa management are well-founded. According to him, because if viewed from the point of view of juridical status, business entities can be divided into: (1) Business entities that include legal entities; and (2) Business entities that are not legal entities BUMDesa itself includes a business entity that is not a legal entity, so that if BUMDesa is declared as bankrupt, the personal property of the management is also confiscated in addition to the BUMDesa property itself.

Based on these results, the context of the legality of BUMDesa's legal status as a business entity must be done so that BUMDes can become a thriving business at the village level. According to Dewi (2010) at that time recommended an alternative form of BUM Desa legal entity as a Village Public Company (Perumdes) with reference to Law No. 19/2003 on State-Owned Enterprises
(BUMN). The problem is that if the chosen legal entity form is Perumdes, then the entire capital is owned by the State, in this case the Village, and is not divided into shares. With this legal status, capital participation by the community is not possible. This means that village community participation in the management of BUMDesa is not possible.

The complexities, debates, and concerns regarding the legal entity status of BUMDesa seem to be realized by the Government. The debate on the status of legal entities as business entities was finally solved and or resolved, with the enactment of Law Number 11 of 2020 on Job Creation. In Article 117 of the Law, BUMDesa is a legal entity established by the village or together with villages to manage businesses, utilize assets, develop investment and productivity, provide services, or provide other types of businesses for the greatest welfare of the village community. In addition, Article 87 states that BUM Desa can form legal business units in accordance with the needs and objectives.

c. Socialization

Participation is one of the important indicators in community empowerment, because without community participation all community empowerment programs will not be achieved. Participation means involvement, but not just involvement and not as mobilization to achieve certain goals. According to Anwas (2014), participation is both a process and a goal in achieving development goals. Involvement as a form of participation is not only physically active, but also a form of awareness to move towards improving and improving the quality of life.

According to Andriani (2018) Participation can be interpreted as a person's conscious involvement in social interaction in certain situations. With that understanding, someone can do participation when he finds himself with or in a group, through various processes of sharing with others in terms of values, traditions, feelings, loyalty, compliance and shared responsibilities. Participation is the participation of a person in a social group to take part in community activities outside of his own work or profession (Theresia et all 2015: 196). Participation in development means the involvement of individuals or communities in planning, implementing, maintaining and supervising a development activity. Meanwhile, according to Anwas (2014), participation means that individuals or communities are
actively involved in: (a) decision-making; (b) supervision; (c) getting benefits and rewards; (d) empowerment process; and (e) partnership work.

Meanwhile, technical socialization is one of the activities to encourage community participation, with the material explaining a program clearly and in detail so that it can be understood by the community. In the perspective of socialization as a learning process, a clear and detailed explanation can provide knowledge to the community about the program in question. If an individual or community has gained a good understanding and knowledge about a community development and empowerment program, then if the program according to their understanding and knowledge is beneficial to their lives, it will encourage their participation in the program.

Technical operational implementation of socialization on BUMDesa development can be done in various ways, including: counseling, dialogue forums or discussions, training, comparative studies, and so forth. In the context of the development of BUMDesa in Tarokan sub-district, in the early stages should use a dialogue forum or discussion in a limited group (maximum 30 people), so that the socialization process can run intensively and effectively. It should be avoided ways of mobilization or ways of socialization with class models that tend to monologue, especially if done formally in a socialization event at the village office.

The ultimate goal of socialization is to provide understanding and knowledge to individuals or communities about the benefits of BUM Desa development for their lives, especially the improvement of their quality of life and welfare through productive economic enterprises. The model or method of socialization is not greatly important, because there is no benefit if individuals or communities are present in a forum, be it a socialization forum or a village deliberation forum, if they do not provide creative and productive responses. Therefore, it is necessary to do a different way of socialization than usual (anti-mainstream), in order to encourage the active participation of individuals or communities, especially in providing responses, suggestions, suggestions, even ideas that are creative and productive in the context of developing BUMDesa in Tarokan Sub-district.
d. Capital

Capital is the most crucial issue in the development of BUM Desa so far, because: First, the village government is half-hearted in allocating funds sourced from the Village Fund to BUM Desa. Based on the results of interviews and literature studies, the legal entity of BUMDesa business entities is the cause and there are still BUMDes administrators who lack enthusiasm in running and developing their businesses. So that the budget allocation for capital participation for BUMDesa through the Village Fund (DD) is done half-heartedly, and the allocation is relatively small. If most BUMDesa on average only allocate Rp. 10 million, then the accumulated capital of BUM Desa over five years is only Rp. 50 million. It was even noted that from the sample villages of the Balitbangda Study of Kediri District (2019), Kerep Village and Tarokan Village did not allocate capital participation funds to BUMDesa at all.

Secondly, the village government is hesitant about the prospects of business profits from the types of businesses it manages and the types of potential businesses in the village. Because it is still influenced by the legality of BUM Desa's legal entity, it seems half-hearted to allocate funds to develop existing and new types of productive businesses. The hesitation is also influenced by aspects of the capacity of BUMDesa management in managing businesses on a larger scale (intensive) and a wider scale of business (extensive).

With the enactment of Law Number 11 of 2020 concerning Job Creation which has been followed up with Government Regulation Number 11 of 2021 concerning Village-Owned Enterprises, in the future this does not need to happen again. By determining the status of BUMDesa business entities as legal entities in accordance with Article 117 paragraph (1) which amends the provisions of Article 87 of Law Number 6 of 2014 concerning Villages, in addition to the allocation of capital participation to BUM Desa can be increased. As a jurisprudence, in the 2018 RAPB Desa sourced from the Village Fund in Wonosari Village, Grogol Sub-district, the budget is allocated: Construction or rehabilitation of Village Shop House Ruko or Kios Desa amounting to Rp. 107,767 million. This means that when the legal aspects of BUM Desa's business entity are still debatable, which raises doubts and concerns among village government officials, the Wonosari Village Government,
Grogol Sub-district, has dared to take a smart initiative in allocating the Village Fund budget for village productive economic business activities - which normatively should be managed by BUM Desa. Until now, there has been no information that the budget allocation has caused problems, especially problems with State financial accountability and legal issues.

According to Alfiansyah (2021), with the Explanation of Article 117 of Law Number 11 of 2020 which states: BUMDesa formed by the Village Government to utilize all economic potential, economic institutions, as well as the potential of natural resources and human resources in order to improve the welfare of the village community, then in the event that business activities can run well, it is possible that in time BUM Desa will follow the legal entity that has been stipulated in the provisions of the legislation as is the case with BUMN. This means that the village government may allocate capital participation to BUM Desa in large amounts, as long as it can be accounted for in accordance with statutory provisions.

e. Governance

According to Ridwan (2014), BUMDesa was established with clear objectives, which can be realized by providing services for productive businesses, especially the poor in rural areas. In general, the establishment of BUMDesa is intended to:

1. Improve services to the community (minimum service standards), so that community businesses develop in the village;
2. empowering villages as autonomous regions with regard to productive efforts to alleviate poverty, unemployment, and increase village revenue; and
3. increase the independence and capacity of villages and communities in strengthening the village economy.

To be able to realize this, governance or management is an important key in the development of BUM Desa. This governance or management starts with designing the BUMDesa organizational structure that describes what areas of work are included in the organization. Then compile a job description (job-description) for each BUM Desa manager according to the organizational structure, in order to clarify the role of each person. Thus, the duties, responsibilities, and authorities of position holders do not overlap, and allow each position or job contained in the BUMDesa to be filled by
people who are competent in their fields.

4. Conclusion

BUMDesa development efforts in Tarokan sub-district need to focus on aspects of: legal entity status of BUM Desa; capital; type of business; and governance and management of professional human resources. The Kediri District Community Empowerment and Village Governance Office needs to immediately follow up on the Strategic Policies and Strategic Programs described above, and to further formulate them into implementable programs and/or activities, either by the Kediri District Community Empowerment and Village Governance Office (through its UPTD) or by the Village Government and/or BUM Desa.

5. Acknowledgment

Thank you for the committee to support the international conference agenda.

6. References:


Adi, Isbandia Rukminto, 2000, Empowerment, Community Development and Community Intervention: An Introduction to Thought and Practical Approaches, Jakarta: Publishing House of the Faculty of Economics, University of Indonesia Jakarta.


Afifuddin and Beni Ahmad Saebani, 2009, Qualitative Research Methodology, Bandung: Pustaka Setia.


Arifah, Lia Kholilatul, 2019, "Community Empowerment through Village-Owned Enterprises (BUMDes) in Pekon Cipta Waras, Gedung Surian District, West Lampung Regency", *Thesis*, Faculty of Da’wah and Communication Sciences, Raden Intan State Islamic University, Lampung.


Miles, B. Mathew and Michael Huberman, 1992, Qualitative Data Analysis A Sourcebook of New Methods, Jakarta: UIP.


Ndraha, Taliziduhu, 1987, Community Development: Preparing the Community to Take Off, Jakarta: Bina Aksara.


Rangkuti, Freddy, 2015, SWOT Analysis, Jakarta: PT Gramedia Pustaka Utama.


Faculty of Economics and Business, University of North Sumatra, Medan.


