

Governance Of Village-Owned Enterprises In Bomban Jaya Village In Seremban Jaya District, Rimba Melintang District, Rokan Hilir Regency

Zenni Ardina

Public Administration, Faculty of Social and Political Sciences, Universitas Riau

*Corresponding Author

Email: zenniardina@gmail.com

Abstract

This research is motivated by the desire to make the village independent through the drive to improve the community's economy and village original income through the bombaan jaya village fund in the rimba melintang sub-district of Rokan Hilir Regency. The purpose of this study was to analyze and explain the governance of the bomban jaya bumdes of Seremban jaya kepenghuluan, rimba melintang sub-district, rokan hilir district and to identify the inhibiting factors of bumdes governance in increasing Bumdes Bomban Jaya. The theoretical concept that researchers use is the theory of good corporate governance by Daniri with 5 indicators, namely transparency; accountability; responsibility, independence; fainers. This research uses a qualitative research method approach with an explanatory phenomenological approach. With data collection techniques carried out by triangulating data sources. The results of this study indicate that the governance of the bomban jaya village-owned enterprise in Seremban jaya has not been implemented optimally because it has not fulfilled the criteria of the principles of good corporate governance and knowing the inhibiting factors of the bomban jaya village-owned enterprise in Seremban jaya to be evaluated so that the bomban jaya village-owned enterprise contributes to the original income of the village. The results of this study indicate that the governance of the Bomban Jaya village-owned enterprise in Seremban Jaya has not been implemented optimally because it has not met the criteria of the principles of good corporate governance and knowing the inhibiting factors of the Bomban Jaya village-owned enterprise in Seremban to be evaluated so that the Bomban Jaya village-owned enterprise contributes to the village's original income through the Bomban Jaya village-owned enterprise.

Keywords: *Good Corporate Governance, Bumdes village*

INTRODUCTION

Villages play a crucial role in Indonesia's governance and development, serving as the front line for implementing policies aimed at improving community welfare (Mashuri, 2020). They possess democratic characteristics, emphasizing openness, deliberation, and community participation in decision-making (Abustan, 2022). The village government's ability to manage economic functions and assets is essential for maintaining sovereignty (Abustan, 2023). Recent legislation, such as Law Number 6 of 2014, has strengthened village autonomy and allocated significant funds for development (Abustan, 2022; Abustan, 2023). However, successful village development requires synergy between various stakeholders, including supradesa government apparatus, village government, and community members (Ibad, 2021). Key aspects for effective village governance include legal and policy frameworks, increased community participation, institutional coordination, and supporting infrastructure (Ibad, 2021). By focusing on these elements, villages can become socially powerful, politically sovereign, economically empowered, and culturally dignified entities within the Indonesian state (Mashuri, 2020).

The central government in increasing development at the village level gives authority to village governments to manage their own regions independently, one of which is through economic institutions at the village level, namely village-owned enterprises. This economic-based institution is one of the programs run by villages as a means to increase village original income (pades) and improve community welfare and make the village independent and

prosperous. Village-Owned Enterprises (BUMDes) play a crucial role in enhancing Village Original Income (PADes) and improving community welfare. Research indicates that effective management and community involvement in BUMDes lead to significant economic benefits. For instance, the Pujon Kidul BUMDes successfully increased PADes through diverse business units, absorbing around 650 workers and reducing unemployment (Firmansyah et al., 2022). Similarly, strategies employed by BUMDes in Gresik Regency, such as opening savings and loan programs, have proven effective in income generation (Sudiarso & Isnaini Isnaini, 2022). The establishment of BUMDes, as seen in Ponggok Village, involves recognizing local potential and fostering entrepreneurship, which further contributes to PADes (Alfirdausi & Riyanto, 2020). Additionally, BUMDes in Bumi Raharjo demonstrated a positive impact on PADes, emphasizing the importance of community-driven initiatives (Amelia & Yateno, 2021). Overall, BUMDes are vital for village autonomy and economic development.

Rimba Melintang is one of the sub-districts in Rokan Hilir Regency which has 11 villages and 11 village-owned enterprises aiming to increase Village Original Income and improve the welfare of its people by increasing the economy of the community itself and making it independent. Bumdes is a spirit or potential to build a village. Where in the government regulation concerning Bumdesa number 11 of 2021 which states that bumdesa is a legal entity established by the village and/or together with villages to manage businesses, utilize assets, develop investment and productivity, provide services, and/or provide other types of businesses for the greatest possible welfare of the community.

The village has full hope for this village-owned business entity to be able to improve the economy of the village community and its original village income. Seremban Jaya is one of the Kepenghuluan in Rimba Melintang sub-district and has a Village-Owned Enterprise (Bumdes) which is currently still active. Currently, Kepenghuan Seremban Jaya has ± 770 families with a population of ± 2700 people. and the majority of Seremban Jaya residents make a living from oil palm plantations. And regarding the development of the village, the Seremban Jaya Kepenghuluan government has set a vision of "Realizing an Independent Seremban Jaya Kepenghuluan towards a Prosperous and Religious Society". The implementation of the vision is stated in one of the missions of the Seremban Jaya village for village development, including "increasing development, maintenance of village economic facilities and infrastructure in order to encourage the growth and development of development in the fields of agriculture, fisheries, animal husbandry and plantations through the utilization of local potential". The mission basically prioritizes development based on the potentials that exist in an area through empowering the local community, in order to synchronize various aspects of development in the field, so that the village is able to compete by utilizing local potentials in the village. The establishment of a village-owned business entity (BUMDes) is one of the four priorities of the Ministry of Villages, Development of Disadvantaged Regions and Transmigration in 2017. Law No. 06 of 2014 concerning Villages explains that Village-Owned Business Entities (BUMDes) are business entities whose entire or part of their business capital is owned by the village through direct participation originating from village assets that are separated to manage assets, service services, and other businesses to the greatest extent possible in improving the welfare of the Village Community.

The establishment of BUMDes is regulated in Government Regulation Number 11 of 2021 Article 7 which states that BUMDes is established by 1 (one) village based on Village deliberation and its establishment is stipulated by village regulations. The aim of which is to explore the potential of the village by obtaining profit or benefit by increasing the village's original income and increasing the community's economy and making the village independent and prosperous. The key to the cleanliness of an organization can be seen from good governance, as is the case with BUMDes. If the governance is good, then BUMDes itself will also run well,

achieving its goals effectively and efficiently and achieving the planned goals. Bumdes Bomban Jaya, where the governance of BUMDes itself can be said to be less than optimal, there is a lack of transparency regarding finances and business units in BUMDes to the village government and the district government regarding a report. And the impact of poor governance makes the goals of BUMDes unachievable, we can see from the amount of profit sharing between BUMDes and the village, the community's economy does not increase, only a few parties, and there are still many

RESEARCH METHODS

The research method used is a type of qualitative research with an explanatory phenomenological approach. According to Creswell, John W. (2016), qualitative research methods are one type of method for describing, exploring and understanding the meanings that exist in a number of individuals or groups of people who are considered to originate from social problems. And the phenomenological approach is to describe the psychological approach to phenomenological research.

According to Sugiyono, explanatory means research that explains the position between the variables studied and the relationship between one variable and another, and tries to find the cause and reason and provide evidence of the problem that occurs and describes the condition of the subject and object, both a person, institution, society, and so on and is based on the results of observations made and provides arguments for what is found in the field and is connected to the relevant theoretical concept. This means that the questions asked to informants are questions of "why and how". That way, we can identify the reasons why a phenomenon occurs, and provide evidence to support or refute explanations or predictions. This research approach is used to explain the phenomenon of a company (Bumdes Bomban Jaya) in increasing the original income of the Seremban Jaya village and also to improve the economy of the community itself.

RESULT AND DISCUSSION

Governance or Good Corporate Governance is a very important factor in achieving a company. as in the National Committee for Governance Policy (KNKG) defines Corporate Governance as a process and structure used by the Company to provide added value to the Company and is sustainable in the long term. So, as we know, governance has a very important role in achieving the goals of Village-Owned Enterprises. In Daniri (2005) There are Five principles of success of Good Corporate Governance. In this study, the researcher will analyze how the governance of the Bomban Jaya village-owned enterprise is to see to what extent the BUMDes has contributed to the welfare of the Community and increased its Original Village income. In this chapter, the author will present data obtained from the results of research in the field. From the results of research conducted by the author, using interview techniques, and observations carried out to find out how the governance of the Bomban Jaya village-owned enterprise increases the original income of the Seremban Jaya village, Rimba Melintang district, Rokan Hilir Regency. And this study aims to analyze and explain how the governance of Bumdes Bomban Jaya in increasing PAD in Seremban Jaya. The governance of Bumdes Bomban Jaya in increasing PAD in the Seremban Jaya sub-district will be explained in detail by the author accompanied by data using several indicators from Daniri's Theory related to the 5 Principles of Corporate Governance success, including the following:

Transparency

Transparency can be interpreted as openness of information both in the decision-making process and in disclosing material and relevant information about the Company. So, transparency is a complete openness of information available by a village-owned business entity that can be accessed by the Community and related parties. With this transparency, it can be a way or access for freedom for everyone to obtain information about the implementation of Bumdes information. Namely information related to the Vision and Mission, Regulations and related to financial reports that must be known by the Community. The indicators of the success of Bumdes transparency can be seen from: (a) Availability of information, (b) Openness of the recruitment process, (c) Legal compliance. The results of the interview conducted with the director of Bomban Jaya Bumdes are as follows:

Interview with Mrs. Manise, Director of Bumdes as follows: "Transparency has become an aspect in Bumdes. Bumdes has carried out transparency regarding the existence of the Bumdes to the Community and the government. We have also socialized the vision and mission, legal regulations and even the open recruitment process to work at Bumdes to the Community. Regarding financial reports, we have also submitted them monthly, quarterly and even annually to the village and district governments". (Interview with Mrs. Sri Manise, Director of Bumdes Bomban Jaya, July 17, 2024). The statement above is reinforced by the following interview with the Bumdes Treasurer: In my opinion, "indeed, the Bumdes has carried out information disclosure to the public, we have made billboards regarding the existence of the Bumdes and we have also carried out socialization to the public, and regarding reporting, we try as much as possible to report it according to the specified time". (Interview with Mrs. Junitri as Treasurer of Bumdes Bomban Jaya, July 18, 2024) From the results of the interview above, we can see that transparency or openness of information regarding the Bumdes has been carried out by the internal party of the Bumdes itself, and even to increase openness to finances they have submitted Bumdes financial reports to the district.

Accountability

Accountability is the clarity of a function, a system of accountability within an organization, in this study the focus is on village-owned enterprises. This accountability is very important in the principles for the success of a company in achieving its goals. Not only do we look at transparency but they will be interrelated with each other. The success of accountability can be seen from several indicators as follows: (a) Division of job descriptions, (b) Punctuality, (c) Human resource standards. (d) Supervision of BUMDes, (e) Provision of rewards and punishments. The following is an interview with one of the sources as follows ". "In my opinion, the division of work or what can be called the Job Description related to the implementation of BUMDes, I think is clear and is carried out by each name involved in the organizational structure. They are already responsible for the duties and functions of each of them. (Interview with Sri Manise as Director of BUMDes Bomban Jaya, July 29, 2024) Based on the results of the interview above, regarding the division of tasks and responsibilities, it is said to have been implemented. However, based on the results of observations found by researchers in the field, it is inversely proportional to the results of the interview. Where the core management of the bumdes itself does not take part in operating the bumdes. Based on the results of the researcher's observations, only the treasurer works, but the chairman and secretary do not take part in operating the bumdes.

Responsibility

Responsibility is a principle where the government must comply with laws and regulations and carry out responsibilities towards the community and the environment so that it can run well and the government can be managed properly and correctly. If the governance process of a BUMDes wants to succeed in achieving its goals, then BUMDes is needed in

carrying out services to the community, it must be responsible for the welfare of the local community. This can be done through economic development and exploring the potential that exists in the village so that through BUMDes we can empower our own community. In this case, BUMDes as the implementer of PP No. 11 of 2021 must really prioritize Responsibility in order to achieve common goals. And this is supported by one source based on the following interview results: "If the welfare of the community is burdened on us, BUMDes, I think it is not entirely the responsibility of BUMDes. BUMDes is a village partner, we are helping the village in improving the welfare of the community if BUMDes is successful. However, for our BUMDes itself, the economic value has not grown for buying and selling. (interview with Sri Manise as director of Bumdes Bomban Jaya, July 29, 2024).

From the results of the interview above, the author can see and analyze that in improving the welfare of this community, the bumdes do not want to be too involved, they emphasize more on the vision and mission of their village government. Bumdes considers itself a partner so the task of improving the economy of its village community is not their task but returns to the village government. In fact, Bumdes was formed by the government to improve the economy of its village community, but instead

Independency

Independence is a principle where to facilitate the implementation of good governance, the government must be managed independently. In managing a Bumdes, no one should be involved with any client or pressure from outside parties. The goal is for this Bumdes to stand alone without fear of pressure from other parties. The following are the results of an interview with the Director of Bumdes Bomban Jaya as follows: "Bumdes does not side with any party, it runs alone and is assisted by the village government and Bpkep. Alhamdulillah, until now we have not had any pressure from any party related to the operation of this Bumdes". (interview with Sri Manise as Director of Bumdes July 29, 2024). And this is reinforced by the results of an interview with one of the sources as follows: "The Bumdes that I know is not bound by any party, we stand alone in developing Bumdes in the Seremban Jaya village. And we coordinate as a Bumdes with the village government regarding the selection of business units and the operation of this Bumdes. (Interview with Junitri, treasurer of Bumdes, July 29, 2024)

Based on the interview results presented above regarding Bumdes running itself without any pressure from any party, the funds do not side with one party, but this problem is the opposite, based on the results of observations found by researchers in the field, it does not match what is explained above because there are still internal parties involved in the operation of this Bumdes.

Fairness and Equality (Fairness)

Fairness or equality is a principle in carrying out its activities, must always pay attention to the interests of the community and its environment and other stakeholders must be based on the principle of fairness. In this case, the government or partners of the village government, namely Bumdes, must provide maximum service to the community so that the community also participates in the efforts of the bumdes. As expressed by one source as follows:

"The goal to be achieved from the formation of this bumdes based on village regulation no. 18 of 2018 is to increase the original income of Seremban Jaya village by exploring various potentials owned by the village and with the existence of this bumdes, it can improve community welfare through empowerment. the community in this case must also contribute to bumdes, because our bumdes business unit is directed at trade. Of course the main target as consumers is the community in our own village. " (Interview with Mr. Hadiannur, Former Penghulu Seremban Jaya 2018 - 2023, July 30, 2024).

Based on the results of the author's interview with the former Seremban Jaya village head, regarding the orders regarding the duties and authorities of the Bomban Jaya village-owned enterprise as the implementer of village regulation number 18 of 2018, it has been running. Even

so, the village head himself gave advice regarding the management of this village-owned enterprise when he came to the village office. The purpose of establishing this village-owned enterprise is to increase the village-owned enterprise's paddy and improve the welfare of the village community. And in the village regulation, it has been stated who is included in the operation of this village-owned enterprise. The things expressed based on the results of the interview were reinforced by one of the sources as follows: "In my opinion, the orders or directions given by the village government to the village-owned enterprise are clear. So that until now, the coordination of the village-owned enterprise with the head of the village-owned enterprise business unit has continued to run well until now. And if there is something they do not understand in the field, each head of the unit directly coordinates with the Director of the village-owned enterprise or others." (Interview with Mrs. Jurita, PJ Penghulu Seremban Jaya, July 29, 2024).

And the interview above is reinforced by one of the following statements: "If from the bumdes management itself, I think they already know what our duties and responsibilities are, it's quite good. We organize it according to its portion as it is basically in the field. " (Interview with Mrs. Sri Manise, Director of Bumdes July 29, 2024). Based on the interview results above, Bumdes as the economic driver in the Seremban Jaya Village which was formed by the Village Government has clearly understood their duties and responsibilities.

CONCLUSION

Based on various descriptions from the initial chapter to the discussion, which are used as a basis for researchers to be able to draw conclusions, namely including the results of the research and the formulation of the problems that are the focus of the research and the presentation of data as well as its discussion, in this study the following conclusions are drawn: 1) The results of this study found that the governance of the Bomban Jaya village-owned business entity in the Seremban Jaya village, Rimba Lintas sub-district has not been implemented optimally. This is because it can be seen from the failure to achieve the goal of establishing Bumdesa, namely to increase the PAD of the Seremban Jaya village through the BUMDes, and to improve community welfare. And the implementation of the 5 principles of good governance has not been optimal. The low PAD of the village every year from the profit sharing of the BUMDes is a full concern for the village government and is not comparable to the capital and business units that have been developed to date. The level of transparency in the Bomban Jaya BUMDes that is currently established is not optimal, because there are still some that raise questions from various sources. This is part of the poor governance in bumdes, as well as the lack of a sense of responsibility carried out by the internal bumdes and the heads of each business unit developed. And the lack of compliance with the bumdes law which is the legal umbrella for bumdes in moving. In addition, bumdes are not evenly distributed in distributing services in this case moving in the field of trade to the local community, they prioritize neighboring residents and families rather than the community, especially the Seremban Jaya village. 2) The results of this study obtained that the inhibiting factors include the following: a) Low community participation in shopping in each bumdes bomban jaya business unit, b) Lack of quality human resources, low levels of undergraduate education in economics and administration within the internal bumdes bomban jaya, 3) Suboptimal communication between the internal bumdes and the village government and Bpkep as the supervisor of bumdes bomban jaya

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