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#### Inovbiz: Jurnal Inovasi Bisnis 1 (2021) 47-56 Seri Manajemen Investasi dan Kewirausahaan

#### INOVBIZ





## Strategy Analysis of Village Owned Business Entities in Improving The Community's Economy in The Village Of Maddanreng Pulu Sub-District of Patimpeng

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#### ARTICLE INFO

Received: 16 October 2021 Accepted: 16 November 2021 Published: 7 December 2021

Open Access

#### ABSTRACT

This study aimed to determine the strategy of Village Owned Enterprises in improving the economy of the community in Maddanreng Village, Patimpeng Pulu District, Bone Regency. The population in this study was the management of Village Owned Enterprises in Maddanreng Village, Patimpeng Pulu District, Bone Regency. The data collection techniques were carried out by literature, documents, interviews and observations. Data analysis techniques were reduction, data presentation and conclusion drawing. The results of the study showed that: 1) The presence of Village-Owned Enterprises had made it easier for the people of Maddanreng Pulu Village, especially the farmers in the village, whose harvests they used to harvest sometimes often fail due to lack of knowledge to deal with pests, now they can harvest better than previous years. Because of the socialization and training on pests provided by the Village-Owned Enterprises management on how to choose seeds and plant them properly in order to produce good quality. 2) The role of Village-Owned Enterprises had proven to be very good, this could be seen from its role in providing easy access for the community to obtain business capital. with a very easy process and also eased because of the gradual payment system. So that it could overcome poverty in Maddanreng Pulu village even though this Village-Owned Enterprises Maddanreng Pulu had only been operating for 2 years and only had several business units and savings and loans.

Keywords: Village Owned Enterprises,, Community Economy

#### 1. Introduction

Village-Owned Enterprises are village business institutions managed by the community and village government in an effort to strengthen the village economy and are formed based on the needs and potential of the village. Maryunani (2008:35). Village-Owned Enterprises has a target, namely the service of rural communities in developing productive economic businesses and the availability of various business media in improving community welfare. It has 4 (four) main objectives, namely: 1) improving the village economy, 2) increasing village original income, 3) improving village potential management according to community needs, and 4) increasing village development, empowering rural communities,

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providing assistance to the poor through grants, social assistance, and revolving fund activities determined through the APBD. (Permendes Number 4 of 2015).

Maddanreng Pulu Village is one of the lowland villages in Bone Regency and one of ten villages under the government of Patimpeng Subdistrict, Bone Regency. This village has potential that can be optimized to improve the quality of the community's economy, including the potential for savings and loan management and various business units, including the supply of poisons for agriculture, considering that this area is dominated by farming communities.

In 2018 the Maddanreng Pulu Village Government formed a Village-Owned Enterprise in which there are various business units that are expected to improve the community's economy. The presence of Village Owned Enterprises which aims to improve the community's economy is still not optimal. Nevertheless, the management is optimistic that they can maximize the existing business units. Although it has not been maximized, it does not mean that the business unit is not successful in improving the community's economy, it just needs good management from the manager as well as better attention and supervision so that this business unit can develop.

If you look at the condition of the people of Maddanreng Pulu Village before and after the presence of The Village-Owned Enterprise, the conditions are very different. The condition of the community before, namely the number of underprivileged families was still very high, but after the presence of Village-Owned Enterprise, the condition of the community began to change. The Enterprise in this village has opened up business opportunities for the community, for example: 1) developing a steam motor business through a capital loan business unit, thereby reducing unemployment in this village; 2) training in making handicrafts by housewives so that mothers can increase their income to meet their household needs; 3) counseling on rice pests to increase rice yields; etc.

#### 2. Research Method

#### Research Approach

This study uses a qualitative research approach. According to Sugiyono (2011:9) that qualitative research is research that intends to understand the phenomena of what is experienced by research subjects such as behavior, perceptions, motivations, actions and others holistically and by means of descriptions in the form of words and language, in a special natural context and by utilizing various natural methods.

#### **Research Location and Time**

This research was conducted in Maddanreng Pulu Village, Patimpeng District, Bone Regency. The research was carried out for approximately six months starting from May to November 2021 from the preparation stage, implementation stage and the final stage of producing scientific publications. The time taken in collecting data on research subjects was for 2 months, namely from June 2021 to July 2021.

#### **Population and Sample**

The population in this study are village-owned enterprises managers and the people of Maddanreng Pulu Village, Patimpeng District, Bone Regency. Sampling in this study is a saturated sample for Village Owned Enterprises managers and random sampling for people who certainly know and enjoy the existence of Village Owned Enterprises. The number of samples for the manager is 6 people and the community is 20 people.

#### **Data Types and Sources**

The data sources of this research consist of primary data (field data) and secondary data (library data). Library data in the form of theories that support this research, previous researchers, literature, articles, and other writings related to the problems to be studied. Meanwhile, field data were obtained from interviews with respondents to obtain data related to Village Owned Enterprises

#### Data collection technique

The data collection technique used is to go directly to the object of research, the techniques used include:

- 1) Literature Review, namely research conducted by researchers by studying and reading literature that has a problem related to the object of research
- Documents, namely collecting and sorting the data needed to be used as research data.
- 3) Interviews, conducted interviews (interviews) with Village-Owned Enterprises managers and the community. Interviews are the main data collection technique in qualitative research.
- 4) Observation, carried out by direct observation and recording of conditions or phenomena encountered in the field.

#### Data analysis technique

The data analysis technique used in this research is qualitative data analysis. Miles and Huberman in Sugiyono (2012), revealed that in processing qualitative data, it was carried out through the stages of reduction, data presentation and drawing conclusions.

- 1) Data Reduction
  - Reducing means summarizing, choosing the main and important things and then looking for themes and patterns (Sugiyono, 2012).
- 2) Data Presentation
  - This presentation is done by describing the existing data in a simple, complete and integrative detail that is used to determine the next step in drawing the existing conclusions.
- 3) Conclusion
  - Conclusions are drawn continuously throughout the research process. Since the beginning of entering the research location and during the data collection process, the researcher tried to analyze and find meaning from the data collected and then poured into the conclusion.
  - Based on the background described previously, the formulation of the problem in this study is how is the strategy of Village Owned Enterprises in improving the economy of the community in Maddanreng Village, Patimpeng Pulu District, Bone Regency?

#### 3. Research Results and Discussion

The results of this study explain the strategy of Village-Owned Enterprises in an effort to improve the economy of the Maddanreng Pulu Village community, Patimpeng District, Bone Regency, referring to the role indicators. Therefore, an initial interview was conducted to determine the object of research in Maddanreng Pulu Village, Patimpeng District, Bone Regency, with one of the informants as the Head of Maddanreng Pulu Village stating that:

"Village-Owned Enterprises Maddanreng Pulu is indeed different from other financial institutions because apart from its different vision and mission, the procedure for becoming a member is also different because this institution is only intended for the residents of their respective villages and it is another matter if there is cooperation with other villages".

Based on the results of the interview above, it can be concluded that the Maddanreng Pulu Village Owned Enterprises is indeed different from other business entities in that the requirements to become a Village Owned Enterprises member are the original residents of Maddanreng Pulu Village, at least 17 years old, physically and mentally healthy, and willing to obey Village Owned Enterprises regulations. Because this business entity is owned by the village, it is developed by the village and implemented by the village communities themselves and in the end can reduce unemployment and be able to build villages. As the vision and mission of Village Owned Enterprises

Maddanreng Pulu. Vision: through the community empowerment movement, we grow the tradition of building. Mission: explore and exploit the potential of nature balanced by increasing human resources (HR).

Fostering Village Owned Enterprises Maddanreng Pulu activities as a means of village economic development activities by paying attention to noble values and human culture and environmental sustainability. Develop Maddanreng Pulu Village-Owned Enterprises activities in order to improve the economic welfare of the community. Developing potential, encouraging the economic business of rice production in order to improve the economic welfare of the community. Developing potential, encouraging productive economic efforts in order to foster an entrepreneurial spirit towards an independent and prosperous village.

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#### a. Public Ignorance About Village Owned Enterprises

The role of Village Owned Enterprises Maddanreng Pulu in Maddanreng Pulu Village is still lacking, the benefits felt by the community are still very low. Despite the fact that the government has established a business entity that is useful as an institution that drives the economy of the community, especially the village community, which has the goal of serving the village community in developing productive economic businesses and the availability of various business media in improving the welfare of the community, in reality, in the field, especially in Maddanreng Pulu Village, this is a business entity. Village Owned Enterprises Village Owned Enterprises cannot be carried out as in the intent and purpose of their establishment.

Not only the obstacles that come from Village Owned Enterprises themselves, other factors that become obstacles in the development of Village Owned Enterprises are from the Maddanreng Pulu Village community itself as explained by one of the communities, he said that:

"I know there is a Village Owned Enterprises in this village but I don't know what the business units are as far as I know there are only organic fertilizer sales and various kinds of poisons because a few months ago a neighbor bought fertilizer and poison from the Village Owned Enterprises".

From this statement, we can see that the obstacles faced by Village Owned Enterprises Maddanreng Pulu do not only come from the Village Owned Enterprises, namely the lack of capital owned and institutional management which is still not working well, but the obstacles also come from the people of Maddanreng Pulu Village, namely lack of knowledge. Community about Village Owned Enterprises Maddanreng Pulu and the lack of community participation in advancing the existing business units.

Therefore, there must be good coordination between the management of the Maddanreng Pulu Village Owned Enterprises and the village government and the community for the sustainability of the Maddanreng Pulu Village Owned Enterprises Maddanreng so that they can prosper the community by overcoming poverty and unemployment. The management of Village Owned Enterprises Maddanreng Maddanreng Pulu must also have a strategy to attract the interest of the community so that together they can manage the potential of Maddanreng Pulu Village so that they can improve people's living standards and can prosper the community.

Judging from several indicators of the welfare of the people of Maddanreng Pulu Village, it shows that most of the people in Maddanreng Pulu Village are included in the category of prosperous families II, namely families who have been able to meet their minimum basic needs such as clothing, food, housing and health needs as well as needs such as education and health. interactions with family and living environment. Therefore, the role of Maddanreng Pulu Village-Owned Enterprises in alleviating poverty for the community is still not optimal. However, although the role of Village Owned Enterprises Maddanreng Pulu has not been maximized, the management is optimistic that they can maximize the existing business units. Although it has not been maximized, it does not mean that the business unit has a negative impact, it just needs good management from the manager of the business unit and also better attention and supervision so that this business unit can develop.

However, if you look at the condition of the Maddanreng Pulu Village Community before the implementation of Village Owned Enterprises, the number of underprivileged families is still high, although the poverty rate decreases every year but not all people feel prosperous. After the policy was implemented in Maddanreng Pulu Village, the condition of the community began to change. The development of it in rural areas has opened up business opportunities for the community. For example, the development of a steam motor business through a capital loan business unit. Thus unemployment in Maddanreng Pulu Village is slightly reduced, not only that changes are felt also for women, especially housewives who are empowered through training in making handicrafts so that mothers can increase their income to meet their household needs, as well as pest counseling. rice to increase rice yields in Maddanreng Pulu Village.

#### b. Village-Owned Enterprises in Alleviating Poverty

The existence of Village Owned Enterprises in Maddanreng Pulu Village is expected to be able to play a role and contribute to the community so that it can overcome poverty in the village, even though this Maddanreng Pulu Village Owned Enterprises has only been operating for 2 years and only has several business units and savings and loans. Then conducted interviews with the community, stating that:

"The role of Village Owned Enterprises is very good, it is proven that this Village Owned Enterprises Maddanreng Pulu is able to continue to grow even though it is not too significant. Another role with the existence of Village Owned Enterprises is to provide easy access for the community to obtain business capital with very easy procedures and also eased due to the gradual payment system".

Based on the results of the interviews above, it can be concluded that the role of Village Owned Enterprises has proven to be very good, this can be seen from its role in providing easy access for the community to obtain business capital. with a very easy process and also eased because of the gradual payment system. So that it can overcome poverty in Maddanreng Pulu village even though this BUMDes Maddanreng Pulu has only been operating for 2 years and only has several business units and savings and loans.

This was also stated by the Secretary of Village Owned Enterprises Maddanreng Pulu who stated that:

"The way Village Owned Enterprises overcome poverty is a microfinance business in the form of a Village Owned Enterprises that functions as a financial institution that brings capital closer to a credit system that is easy and focused on rural communities. In addition,

MFIs (Microfinance Institutions) can prevent people from being trapped by moneylenders who are rife operating in villages".

Based on the results of the interviews above, it can be concluded that the microfinance business is in the form of Village Owned Enterprises which functions as a financial institution that brings capital closer to a credit system that is easy and focused on the community so as to overcome poverty. In addition, this MFI (Microfinance Institution) can also prevent the community from being caught in the trap of moneylenders who are rife in operating in the village.

#### c. Socialization and Training

Public knowledge about Village Owned Enterprises is very important because it is one of the business units in improving the community's economy as explained by Suharni as treasurer of Maddanreng Pulu Village Owned Enterprises:

"Socialization has been carried out to the community by the BPD village government, KPMD (Kader Pemberdayaan Masyarakat Desa)"

Based on the results of the interviews above, it can be concluded that, as explained above, the presence of Village Owned Enterprises has made it easier for the people of Maddanreng Pulu Village, especially the farmers in the village, where previously they often failed to harvest due to the lack of knowledge to deal with pests, now they can harvest better. from previous years. Because of the socialization and training on pests provided by the management on how to choose seeds and plant them properly in order to produce good quality.

### Factors Behind the Role of Village-Owned Enterprises in an effort to improve the welfare of the people of Maddanreng Pulu Village, Patimpeng District, Bone Regency

The role of Village-Owned Enterprises in an effort to improve the welfare of the community basically has elements behind this role. Some are supportive and some are inhibiting factors. As explained by the author as follows:

#### a. Supporting factors

Law Number 32 of 2004 concerning Regional Government, villages can establish business entities in accordance with the potential and needs of the village. It is also explained in Government Regulation Number 72 of 2005 concerning Villages that to increase village and community income, the village government can establish Village-Owned Enterprises in accordance with the needs and potential of the village. This means that the formation of Village-Owned Enterprises is based on the needs, potential, and capacity of the village, as an effort to improve community welfare. The planning and establishment of Village-Owned Enterprises is at the initiative of the village community.

#### 1. Government commitment

This Village-Owned Enterprises is a village business formed/established by the village government where capital ownership and management are carried out by the village government and the community. Village-Owned Enterprises is expected to stimulate and move the wheels of the economy in rural areas.

#### 2. Availability of natural resource potential

This program is expected to maximize resources so that the community itself will be able to enjoy the results for themselves by paying attention to the fertile nature of Maddanreng Pulu Village. Village communities can take advantage of existing natural resources such as bumdes prepare seeds and fertilizers to be used which later the community itself will manage and get the results.

#### b. Inhibiting factor

#### Budget factor

In an effort to improve people's welfare through savings and loans, Village-Owned Enterprises does not always run smoothly due to several constraints, namely budget problems. As the head of Village-Owned Enterprises in Maddanreng Pulu village said:

"The village has a budget for running a Village-Owned Enterprises business, but it is still very small to develop a big business. Therefore, it is necessary to have a breakthrough from the Village-Owned Enterprises manager in choosing a business that is in accordance with the budget they have".

Based on the results of the interviews above, it can be concluded that the existence of Village-Owned Enterprises in managing business programs in the community is still experiencing obstacles, especially the limited budget they have. Village-Owned Enterprises has played a role and contributed enough for the community, but it can't be said to be maximal, namely there is still inequality in welfare between communities. This is because there are still many obstacles, such as lack of capital, public knowledge and the less than optimal performance and management itself. The existence of Village-Owned Enterprises in managing business programs in the community is still experiencing obstacles, especially the limited budget they have as stated by the community.

"High community participation in the implementation of Village-Owned Enterprises activities through business units owned by Village-Owned Enterprises and community groups that partner with Village-Owned Enterprises. However, there are still obstacles and problems that occur in the implementation and management. The problem that occurs is that there is village potential that cannot be developed through Village-Owned Enterprises because there is no capital."

Based on the results of observations made by researchers in the field regarding the supporting factors of the role of Village-Owned Enterprises in an effort to improve the welfare of the people of Maddanreng Pulu Village, it can be seen from the supporting factors, namely the savings and loan business which is engaged in the association and distribution of funds to the community through savings and loan businesses. managed by an individual strategy under a village-owned enterprise formed by the village government. Meanwhile, the inhibiting factor is that the BUMDES budget is sufficient to play a role and contribute to the community, but it can't be said to be maximal, namely the inequality of welfare between communities. This is because there are still many obstacles, such as lack of capital.

#### 2. Management human resource factor

Community involvement in the Village-Owned Enterprises program has limitations in developing businesses. This was stated by Rusdi as Chairman of Village-Owned Enterprises Maddanreng Pulu:

"The involvement of the Village-Owned Enterprises community is very open, but the obstacles in the community are still low at the level of managing human resources. Efforts are made from us by holding trainings that support the Village-Owned Enterprises program that is being managed."

Based on the results of the interviews above, it can be concluded that the existence of Village-Owned Enterprises still requires the support of all parties in improving the management's human resources. The distribution of the Village-Owned Enterprises program in Bone Regency can focus more on the savings and loan program compared to other programs. This program is not optimal because of the low level of Human Resources and entrepreneurs and the need for supporting training, in order to improve Village-Owned Enterprises governance in a sustainable manner.

The Village Owned Enterprise Program in rural gold mining areas in West Sumbawa Regency focuses on the business sector from savings and loans and the level of business development is low because of the level of Human Resources and the responsibility of the village party in utilizing the program to improve community welfare. The above statement from the results of the study explains that the existence of Village-Owned Enterprises has not been able to provide benefits in improving the welfare of the community. This is due to the lack of Human Resources and unsustainable governance. The synergy between Village-Owned Enterprises managers and the community in

active participation from planning, implementation to evaluation in order to provide benefits for the existence of Village-Owned Enterprises in the community.

#### 4. Conclusion

Based on the results of research and discussion, it can be concluded that:

- a. The presence of Village-Owned Enterprises has made it easier for the people of Maddanreng Pulu Village, especially the farmers in the village, whose crops they used to often fail due to the lack of knowledge to deal with pests, now they can harvest better than in previous years. Because of the socialization and training on pests provided by the Village-Owned Enterprises management on how to choose seeds and plant them properly in order to produce good quality.
- b. The role of Village-Owned Enterprises has proven to be very good, this can be seen from its role in providing easy access for the community to obtain business capital. with a very easy process and also eased because of the gradual payment system. So that it can overcome poverty in Maddanreng Pulu village even though this Village-Owned Enterprises Maddanreng Pulu has only been operating for 2 years and only has several business units and savings and loans.

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