

Strategies for Improving the Development of BUMDes in Bangka Regency Towards Dynamic Institutions

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Abstract

The Village SDGs refer to the implementation of the Sustainable Development Goals, a set of global goals set to achieve sustainable development by 2030. Goal 18 of the Village SDGs focuses on the importance of addressing economic inequality and ensuring that economic growth does not only involve a few people but also benefits the entire village community. This goal can be realized by developing Village-Owned Enterprises (BUMDes) that have a strategic role in driving economic development at the village level through engaging and strengthening human resources by encouraging active participation of village communities. This research aims to identify problems in the development of BUMDes and to formulate a BUMDes development plan in accordance with the potential of local resources in villages in Bangka Regency. The research method used is a qualitative descriptive approach using primary and secondary data. The data analysis technique uses SWOT analysis consisting of Strengths, Weaknesses, Opportunities, and Threats. This research shows that there are components that need to be developed to make BUMDes a driver of the village economy, namely strengthening village human resources, establishing an active and responsive organizational structure, and collaboration of various parties including academics that can increase the positive impact on BUMDes.

Keywords: BUMDes; village institutions; Village SDGs; development strategies; participation.

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Introduction

The relevant regulation on Village Sustainable Development Goals (Village SDGs) is found in the Regulation of the Minister of Villages, Development of Disadvantaged Regions, and Transmigration of the Republic of Indonesia No. 21 of 2020 on General Guidelines for Village Development and Village Community Empowerment. The regulation states that the Village SDGs are the policy direction for Village Development and Village Community Empowerment. Village SDGs have 18 points to achieve the realization of village sustainable development in Indonesia.

Village SDGs can be achieved through sustainable development in the village by the village government, but community participation plays an important role in developing

the potential to carry out village development (Kurniawan & Artisa, 2023). The 18th goal is based on the understanding that development in the village should not be separated from the cultural roots of the community, appreciating the existence of Indonesia which is very diverse in terms of religion, culture, language, customs, and so on, and accommodating the local wisdom of the community and productive village institutions to survive and develop (Ramadhan, Nurhayati, Khumairoh, & SP, 2022). In realizing these goals, community participation is needed. Community participation is taking part in joint activities to achieve development results that are not achieved due to a lack of participation from the community (Kaehe, Ruru, & Rompas, 2019). Village community participation in developing the village can be implemented through village institutions. Village community institutions are a forum for the community to be able to participate and become partners for the Village Government, where the community can be part of development planning and implementation (Mija, Yohanes, & Udju, 2023).

BUMDes institutions have an effort to improve the understanding of management and organization for village administrators and officials, which requires knowledge of BUMDes principles, administration, and management, as well as knowledge of leadership (Sululing & Mutalib, 2021). Village-owned enterprises (BUMDes) have a strategic role in achieving Village SDGs point 18, namely Dynamic Village Institutions and Adaptive Village Culture. Village-owned enterprises (BUMDes) are institutions formed by the village government and the community, where the community manages the institution according to the needs and potential of village resources, with support from the village government (Putra, Hanila, & Abi, 2023). BUMDes works by becoming a forum and providing facilities for the community to carry out activities to improve the village economy in the form of business institutions and is organized professionally based on local resources (Hirawan, 2023). Functionally, BUMDes is not only economically profitable but also needs to pay attention to the well-being of the villagers (Tarlani, 2020). Community economic businesses will be greatly moved through BUMDes, because BUMDes involves various sectors, such as the tourism, agriculture, small industry, trade, and services sectors. The involvement of these sectors also takes into account the potential resources owned by a village. Community involvement in managing sustainable local resources can increase income and contribute to village development. The inclusive approach makes BUMDes a catalyst for accelerating the achievement of the Village Sustainable Development Goals (Village SDGs).

Bangka Regency is located in the Bangka Belitung Islands Province. The district area is 301,685 Ha (Central Bureau of Statistics, 2023). Bangka Regency has 8 sub-districts, with a total of 62 villages. The Village SDGs have an important role in sustainable development efforts. Some of the 62 villages have not yet achieved one of the Village SDGs, which is at point 18. This is indicated by the minimal existence of BUMDes. Because of that, it is expected that each village can be more effective in supporting the achievement of these goals.

The Village SDGs aim to develop and grow the community's economy and empower the community so that employment opportunities can be created (Napitupulu, Pasaribu, & Sihombing, 2022). Some villages in Bangka Regency have problems in building and developing BUMDes. Mentoring is needed to increase the capacity of human resources so that people who will become potential administrators and people who are already administrators have the skills to manage BUMDes (Sriyoto & Ifebri, 2023).

In research conducted by Kurniawan & Artisa (2023) titled "Strategy for Increasing Community Participation in Village Sustainable Development Goals (SDGs) Planning: Case Study of Ciburial Village, Cimenyan District, Bandung Regency, West Java," community involvement is one of the success factors in implementing Village SDGs. The problem that often occurs in villages in general is the limited human resources available so not many people participate in the Village SDGs program in Ciburial Village. The method used in this research is descriptive qualitative and data collection is done through interviews, observation, and documentation. Descriptive research is a type of research that aims to describe a particular condition or phenomenon (Damayanti, 2019). In formulating a

strategy to increase community participation, the author uses SWOT analysis which describes how the internal and external conditions are to determine strategies to increase the active role of the community towards the Village SDGs. The strengths and opportunities of Ciburial Village can be used to overcome weaknesses and threats to increase participation among the community in realizing the Village SDGs, namely by disseminating information about the Village SDGs so that there is a sense of community interest in participating in the Village SDGs activities.

In research conducted by Sukarta, Wirga, Pasek, Sanjaya, & Laksana (2020) titled “Empowerment Strategy for Village-Owned Enterprises (BUMDes) in Karangasem Regency,” the changes in government authority that have become the authority of the district or city government and the change in the status of central employees to local government employees followed by changes in the organizational structure and work procedures of each agency encourage an increase in village income that has developed in efforts to develop Village-Owned Enterprises (BUMDes). The government policy in Law No. 6 of 2014 provides space for villages to carry out development in accordance with their potential by prioritizing the level of community participation. Thus, to determine the direction of village development, the basis used is to realize a participatory-based village so that an advanced, independent, and prosperous village can be achieved. The method used in this research is descriptive qualitative research of an exploratory nature, where data collection is carried out through two methods: questionnaires and interviews. This means that the author uses primary data sources obtained directly from informants. The data analysis technique used is SWOT analysis (Strengths, Weaknesses, Opportunities, Threats). Based on the existing conditions of BUMDes in Karangasem Regency, internal environmental factors are in a strong position, while external environmental factors are in a moderate position. This position shows that BUMDes in Karangasem Regency is in a growth and development phase, so the appropriate strategy to apply from the results of the SWOT analysis is the SO (Strengths Opportunities) strategy, which is to utilize the internal strengths owned and take advantage of opportunities that exist in the external environment.

Research conducted by Suherpi, Setiawan, & Pranoto (2021) titled “The Development Strategy of BUMDes Pelikas in Telak Bangka Barat,” provides a strategy to maintain and develop the business run by BUMDes Pelikas. The authors use a case study method, with data collection through observation, interviews, and literature studies, which are then analyzed using descriptive qualitative method and SWOT analysis. The development strategy that can be carried out by BUMDes Pelikas is through improving the quality of management such as increasing production, partnering with shops, and increasing stimulus to management through increasing salaries and providing incentives.

Some of the research results that examine BUMDes focus on increasing community participation, the quality of human resources, and strategizing the development of BUMDes. In this study, the author focuses on developing a strategy to improve BUMDes development that involves community participation, improving the ability and skills of the community in managing administration, and collaborating with stakeholders including academics to implement the Village Sustainable Development Goals point 18. By focusing on these factors, the author's objectives of identifying problems in BUMDes development and formulating a development plan for BUMDes in Bangka Regency can be achieved.

Research Methods

The research method used in this research is a qualitative descriptive method using primary data and secondary data. The qualitative descriptive method is a method that describes research methods that produce descriptive information about people and behavioral preferences in written and spoken form (Arif, 2023). Primary data is data collected directly from the source through observations and interviews (Sari & Ummur, 2019). Secondary data is data obtained from literature studies or document reviews (Fitriyanti, 2019).

The first step taken by the author was to collect secondary data through the literature of journal articles on BUMDes, regulations related to the Village SDGs, and literature related to community participation. After obtaining an overview of what will be the research, the author met with the Bangka Regency Community and Village Empowerment Department, which has the authority to manage BUMDes in Bangka Regency. The author conducted interviews to find out the condition of BUMDes in Bangka Regency as an overview for the research. The author also observed some BUMDes to see the existing conditions of BUMDes.

After obtaining the primary data, the author processed the data. The data was processed and analyzed using SWOT analysis techniques. SWOT analysis is the identification of various factors that are carried out systematically and then used to formulate a company's strategy (Wulandari, 2021). The SWOT analysis is a method that can be used to develop a strategic plan by using internal factors (strengths, weaknesses) and external factors (opportunities, threats). Then, the formulation of a strategic plan for BUMDes development uses four basic types of strategies, such as SO, WO, ST, and WT, which are described descriptively.

Results and Discussion

Based on the regulation in Bangka Regency Regional Regulation No. 2 of 2022 on Guidelines for the Establishment and Management of Village-Owned Enterprises, BUMDes is a village business formed and established by the village government whose capital ownership and management are managed by the village government and the community. The purpose of establishing BUMDes is to encourage the development of economic activities in rural communities and increase creativity and productive economic business opportunities (entrepreneurship) for low-income members of rural communities.

BUMDes needs to be developed because it is one of the instruments for empowering the local economy with various potential assets in every region. According to Law No. 11 of 2020 on Job Creation, it is affirmed that BUMDes has a position as a legal entity established by the village to manage businesses, develop investment, increase productivity, and utilize village potential. This can provide benefits to the village community, which is in terms of providing clarity and legal protection for BUMDes, attracting local and foreign investment, and creating opportunities for the community to work so that BUMDes can be the driving force of the village community's economy.

BUMDes has a central role in realizing Village SDGs point 18, Dynamic Village Institutions and Adaptive Village Culture. However, not all villages in Bangka Regency have BUMDes institutions. The total number of villages in Bangka Regency is 62 villages, with a total of 9 BUMDes from all villages. The following is the data of BUMDes from each sub-district in Bangka Regency.

Table 1
Total Village-Owned Enterprises in Bangka Regency in 2021

Subdistrict	Total Villages	Number of BUMDes
Merawang	10	0
Belinyu	5	0
Mendo Barat	15	4
Puding Besar	7	0
Riau Silip	9	1
Bakam	9	3
Pemali	6	1
Sungailiat	1	0
TOTAL	62	9

Source: Dinas Pemberdayaan Masyarakat dan Desa, 2021

Based on the data of Village-Owned Enterprises in Bangka Regency, establishing BUMDes institutions is an urgency that should be considered in order to realize point 18 of the Village SDGs. Based on the findings, several factors influence the development of BUMDes in Bangka Regency. First, there is a lack of quality human resources. There are very few people who want to participate in BUMDes. Many of them do not know what a BUMDes is and what they can get from it. The Bangka Regency Community and Village Empowerment Department also said that the community does not have much understanding of managing administration, where reporting is important in the administration of BUMDes. In addition, it was also found that some BUMDes are inactive due to passive members. This makes the community not want to participate in BUMDes because only a few members want to manage BUMDes.

Based on observations, several BUMDes were found that have not yet obtained legal entities. BUMDes managers mentioned that this legal certainty can provide strength for BUMDes to be partnered. The existence of a BUMDes that has a legal entity can increase the participation of village communities in managing joint businesses and improving the economy. Investors can have the confidence to invest in businesses run by the community in BUMDes, and partners who cooperate with BUMDes will have more confidence. With a BUMDes that has been incorporated, this can be a strong foundation for BUMDes to be able to provide benefits to a sustainable economy for the community.

To address the condition of BUMDes in Bangka Regency, SWOT analysis is used to identify problems in the development of BUMDes so that improvement strategies can be formulated in developing BUMDes in Bangka Regency.

Table 2
SWOT Analysis of BUMDes in Bangka Regency

	<i>Strengths (S)</i>	<i>Weaknesses (W)</i>
Internal Factors	Legal entity	Lack of Human Resources
	Creating new jobs	People's lack of understanding in managing administration
External Factors	Government support in establishing and developing BUMDes	Inactivity of some BUMDes
	Village resources that can be optimally utilized	No inclusive collaboration with partners
<i>Opportunities (O)</i>	<i>SO (Strengths-Opportunities)</i>	<i>WO (Weaknesses-Opportunities)</i>
Driving the community economy	Utilizing legal entity and government support in BUMDes development	Develop training programs with a focus on expertise in managing BUMDes
Strengthening Human Resources	Developing skills and capacity building of human resources in BUMDes	Build collaborative relationships to support HR shortages
Establishment of BUMDes with a complete organizational structure	Partner with external parties to create sustainable collaborations	Implement incentives and stimulus programs for inactive BUMDes
Collaboration with external parties	Managing village resources in order to drive the community economy	Develop a strategy to increase member engagement in BUMDes
<i>Threats (T)</i>	<i>ST (Strengths-Threats)</i>	<i>WT (Weaknesses-Threats)</i>
Changes in government policy	Monitoring the prevailing BUMDes regulations	Utilizing technology and information systems in handling administrative aspects
High administrative demands	Implement an effective and transparent administration system through innovations	Identify opportunities in developing other sectors according to local potential and market needs
Dependence on certain sectors	Optimizing the revenue potential of existing BUMDes businesses	Prepare financial reserves and sustainability plans
Dependence on external funds	Implement skills training programs to improve community qualifications	Design a revitalization program for inactive BUMDes

Source: Analysis, 2024

The SWOT analysis in Table 2 shows the strategies from the SWOT analysis. The strategies created from the SWOT analysis can be a strategy for establishing BUMDes and developing BUMDes in Bangka Regency. This strategy also considers the existing conditions and directions from the

Community and Village Empowerment Department so that it can be realized. (1) Developing Human Resources (HR) Expertise. Strengthening Human Resources can be done through the provision of training programs that can be a stimulus for village communities. This strategy can be done through collaboration with academics. Academics can assist the HR strengthening program in terms of BUMDes development, where academics will involve knowledge and research to build collaborative relationships with the community. With partners, they can support each other's BUMDes programs so that the BUMDes can be active and develop; (2) Utilizing Government Support and BUMDes Legality. The community can use BUMDes as a platform to drive the economy by utilizing the legal status of BUMDes. By having clear legality and legal status, BUMDes can be managed in a more structured manner. Optimizing legal existence can gain support and trust from external parties, including the government and financial institutions. BUMDes development must be in accordance with applicable regulations to ensure compliance in running the BUMDes; (3) Strengthening BUMDes Administration. Administration is a very important foundation in managing a BUMDes. The community can receive training on administration through collaboration between BUMDes, academics, and the government. The training needs to be conducted intensively so that the community can adapt to receiving skills in administration; (4) Improve the Quality of Existing BUMDes. Several BUMDes that have been established in Bangka Regency are found to be inactive. To revive and improve the existence and quality of existing BUMDes, it is necessary to develop a collaboration strategy with inclusive partners by designing a renewal program by pouring innovations that can be a stimulus for BUMDes development. To encourage the involvement and sustainability of BUMDes, incentives and stimulus programs can be applied to inactive BUMDes; (5) Optimizing the Potential of Village Resources. The potential of existing village resources needs to be optimally utilized. It is necessary to identify opportunities to develop other sectors in accordance with local potential and market needs. Development in other sectors can utilize the BUMDes' original income so that funds will continue to rotate; (6) Partnering with External Parties. Partners have a crucial role in the development of BUMDes in order to realize the Village SDGs point 18. Partners can contribute to BUMDes in the form of developing and implementing training programs to improve the skills of the community and BUMDes members, facilitating BUMDes by providing technology and innovation to develop BUMDes, and possibly providing financial support through investments or grants. By building a collaborative relationship, BUMDes can strategize to create a dynamic institution, expand market access, and identify opportunities in developing sectors that utilize local potential.

Conclusion

The Ministry of Villages aims to achieve sustainability in villages by 2030 through the implementation of the Village Sustainable Development Goals (Village SDGs). This policy guides village development and the empowerment of village communities, with one important aspect being the involvement of communities in managing Village-Owned Enterprises (BUMDes). In order to realize the goal of Dynamic Village Institutions and Adaptive Village Culture, strategies have been formulated based on a SWOT analysis of BUMDes development. However, Bangka Regency faces a challenge in developing BUMDes due to a lack of skilled human resources, particularly in administrative tasks such as reporting. Only 14.5% of the 62 villages in Bangka Regency currently have functioning BUMDes. Therefore, the participation of communities and the establishment of BUMDes are crucial for achieving the goals outlined in the Village SDGs, specifically point 18.

A SWOT analysis was conducted to identify the problems faced by BUMDes in Bangka Regency, and based on the results, six strategies were formulated to address these issues. The first strategy involves developing human resources expertise through intensive training programs focused on managing BUMDes effectively. The second strategy emphasizes utilizing government support and the legal status of BUMDes as legal entities to establish and manage them properly. The third strategy aims to strengthen BUMDes administration through training in administrative management, with the

involvement of academics. The fourth strategy focuses on improving the quality of existing BUMDes by developing collaboration strategies and innovative programs to promote their activity and sustainability. The fifth strategy suggests optimizing the potential of village resources while considering opportunities in other sectors. Finally, the sixth strategy emphasizes partnering with external parties, such as academics, government, and the private sector, to support BUMDes through positive connections. These strategies aim to enhance the development of BUMDes in Bangka Regency.

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