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THE IMPACT OF LOCAL POLITICAL DYNAMICS ON THE EXISTENCE AND SUSTAINABILITY OF BUMDES IN GALAGAMBA VILLAGE

1st Harmono

*Law Department, Faculty of Law
Universitas Swadaya Gunung Jati
Cirebon, Indonesia
harmono@ugj.ac.id*

Abstract—This study seeks to investigate the impact of local political dynamics on the establishment and long-term viability of village-owned firms, focusing on a case study conducted in Galagamba Village, Ciwaringin District, Cirebon Regency, West Java. This study employs a qualitative methodology utilizing descriptive research techniques. The data was gathered through conducting comprehensive interviews, making observations, and analyzing relevant documents. The research findings indicate that the presence and long-term viability of village-owned firms in Galagamba Village, Ciwaringin District, Cirebon Regency, West Java are greatly affected by the local political dynamics. Political disagreements, power dynamics, and resource allocation can significantly impact the outcomes of village-owned enterprises. Political meddling can often incite conflicts between ethnic and ideological community groupings, impeding the progress of village business growth. In addition, alterations in local government policies, which are shaped by local political dynamics, can also detrimentally affect the survival and long-term viability of village-owned firms. This research suggests that it is crucial to include local political dynamics when creating and implementing business development plans at the village level. Both village communities and local governments must prioritize local political factors to ensure the continued presence and sustainability of successful village-owned firms.

Keywords—*impact of local politics; existence and sustainability; business entity village.*

I. INTRODUCTION

Villages, serving as the most basic administrative units in Indonesia, play a crucial part in the process of development. Village-Owned Enterprises (BUMDes) play a crucial role in administering the village economy. BUMDes is a village-owned economic entity that serves as a catalyst

for the local economy. Nevertheless, the presence and long-term viability of BUMDes are frequently influenced by the specific political dynamics inside the local community.

BUMDes has been mandated and covered by the issuance of Law Number 8 of 2005 concerning amendments to Law Number 32 of 2004 concerning Regional Government, as mandated in Chapter VII, part five, which states that Village Governments can establish Village-Owned Enterprises in accordance with needs and potential village with the hope of increasing community and village income. As a follow-up to the implementation of the establishment of BUMDes, based on article 78 of PP 72 of 2005 concerning Villages, it is explained that the Regency/City Government needs to establish Regional Regulations (PERDA) concerning Procedures for the Establishment and Management of Village-Owned Enterprises (BUMDes). This research will investigate the impact of local political intervention on BUMDes. By understanding the political factors that influence BUMDes, this research aims to contribute to the development of policies that can improve the existence and sustainability of BUMDes

Village-Owned Enterprises (BUMDes) are economic entities owned and managed by the village. BUMDes has the main objective of managing village economic potential and improving the welfare of village communities. The existence of BUMDes is becoming increasingly important because it can be a solution to increase the income of village communities and reduce economic inequality between regions

However, decision making regarding BUMDes management is sometimes influenced by political competition between groups. For example, if the ruling political group or party in the village wants policies that benefit the BUMDes they control, then the presence and existence of the BUMDes is more likely to be maintained. On the other hand, if there is political competition with other

groups or parties who want to change policies regarding BUMDes, then the existence of BUMDes is also threatened. Therefore political maturity is needed for problems like this so that there are no conflicts of interest between groups or parties.

BUMDes can play a role in various economic sectors, such as agriculture, animal husbandry, fisheries, creative industries and tourism. By having a very diversified role, BUMDes is expected to be able to drive the village economy in a sustainable manner. Local politics includes the dynamics, interactions and decisions that occur at the regional government level, including at the village level. Local political factors can significantly influence the sustainability and existence of BUMDes. Some factors that need to be considered include:

1. Village Leadership: The quality of leadership at the village level can influence decision making related to BUMDes. Leadership that is visionary and oriented towards local economic development can support the success of BUMDes.
2. Political Stability: Political stability at the village level is a critical factor in determining the sustainability of BUMDes. Political conflicts and unstable policy changes can harm BUMDes operations.
3. Community Participation: The level of community participation in BUMDes policy and management can influence the level of support and success of BUMDes. Communities who are actively involved tend to be more supportive and utilize BUMDes services.

Relationship with Regional Government: The relationship between villages and regional government can influence the support and resources received by BUMDes.

II. METHOD

This research uses a qualitative approach with descriptive research methods to explore the influence of political dynamics on the existence and sustainability of BUMDes that occur in Galagamba Village, Ciwaringin District, Cirebon Regency, West Java. Data collected through in-depth interviews, observation and document analysis. In-depth interviews were conducted with key informants selected purposively, namely community leaders, stakeholders and representatives of community groups.

Observations were carried out to see directly the physical, social, political and cultural conditions of Galagamba Village. Document analysis was carried out to obtain secondary data relevant to this research, such as statistical data, activity reports and planning documents. The data obtained was then analyzed using qualitative data analysis techniques which included data reduction, data presentation, and drawing conclusions.

III. RESULTS AND DISCUSSION

The results of this research show that local political dynamics in Galagamba Village have a significant influence on the existence and sustainability of village-owned enterprises (BUMDes). Local political dynamics include factors such as the relationship between the village head and village officials, community involvement in decision making, as well as conflict and competition between interest groups in the village.

Village-Owned Enterprises or often referred to as BUMDes are increasingly gaining legal recognition following the passing of Law Number 11 of 2020 concerning Job Creation and Government Regulation of the Republic of Indonesia Number 11 of 2021 concerning Village-Owned Enterprises. Prior to the enactment of Law Number 11 of 2020 concerning Job Creation, the status of village-owned enterprises did not yet have legal entity status, only based on article 87 of Law Number 6 of 2014 concerning Villages and article 132 of government regulation number 46 of 2014 concerning Implementing Regulations Law Number 6 of 2014 concerning Villages, and the legality of Bumdes is determined through village regulations.

Like other villages, Galagamba Village as part of the 412 villages in Cirebon Regency also seized this opportunity by establishing a BUMDes with the name Dharma Bakti Sejahtera, the name of which until this research was conducted had not been officially registered on the website of the Ministry of Villages and Development of Disadvantaged Villages. The initial establishment of BUMDes in Galagamba village was initiated and the leadership period of Kuwu Rasdira was established by appointing Saniri - his biological son as chairman. The business carried out is making fish ponds and cultivating goat fattening. The results of this effort are not very visible due to several factors, including the low skills of the administrators, the very traditional management of BUMDes and it cannot be denied that there is no guidance from higher levels of government.

The village head in the research subject lacks comprehension of the regulations pertaining to BUMDes. As an individual occupying an advisory role in a business entity, it is expected that they possess not only a fundamental understanding of the regulations, but also possess advanced managerial skills that can be utilized to guide the BUMDes organization towards generating profits. The purpose of this is not just to pay salaries for administrators and personnel, but also to produce original village income for village development.

Community involvement in decision making regarding BUMDes in Galagamba Village is also relatively low. The community does not have the opportunity to express aspirations, suggestions and criticism through various

forums, such as village deliberations, BUMDes member meetings and regular farmer group meetings. The community is also not involved in the process of selecting BUMDes administrators, monitoring BUMDes activities, and distributing BUMDes business results. This community involvement is very necessary in the process of establishing and sustaining BUMDes, because it can increase the community's sense of ownership, trust and independence towards BUMDes.

The existence of conflict and competition between interest groups in Galagamba Village has a very negative influence on the existence and sustainability of BUMDes. This conflict and competition is unhealthy and tends to be destructive, especially when leadership is transferred from the old village head (Rasdira) to the new village head (Musa). All BUMDes administrators were replaced without following existing regulations. Unfortunately, until the end of Kuwu Musa's term of office, his BUMDes experienced a setback which resulted in financial losses for the village.

Local political dynamics in Galagamba Village have a significant influence on the existence and sustainability of BUMDes. Local political dynamics that are harmonious, collaborative, participatory, healthy and constructive can be a supporting factor for the development of BUMDes in Galagamba Village. However, on the other hand, the poor relationship between stakeholders in the village such as the village head, BPD, LPM and other institutions will certainly have an impact on the decline and destruction of BUMDes itself.

The results of this research also show that BUMDes in Galagamba Village face various challenges and obstacles in running their businesses, such as local political dynamics, lack of capital, human resources, and lack of technical guidance, as well as low community participation and awareness of the products and services offered by BUMDes.

The results of the analysis show that the performance of BUMDes in Galagamba Village is still low. This is caused by several factors, namely:

Lack of community participation and awareness. The Galagamba Village community still does not participate enough in BUMDes activities, this is due to local political dynamics that occur between groups that are pro and against the Village government.

Lack of human resources. BUMDes only has five administrators who do not have sufficient competence and experience in managing the business. BUMDes administrators also have not received training or technical guidance from related parties, such as the village government, related agencies, or accompanying institutions

Lack of business capital. BUMDes has initial capital that comes from village funds. This capital is not enough to develop BUMDes businesses which include

agriculture, fisheries, trade, services and tourism. BUMDes also have difficulty getting loans from financial institutions because they do not have assets that can be used as collateral.

Based on the results of this research, the author provides several recommendations to improve the performance of BUMDes in Galagamba Village, namely:

Increase community participation and awareness. That political views should not be used as the main reference in an individual's outlook on life, in order to lead individuals into political maturity. And what should be realized and prioritized is the benefit that can be felt by village communities with the existence of this BUMDes.

Improving human resources. BUMDes can recruit professional staff who have competence and experience in the business fields run by BUMDes. BUMDes can also send their administrators to take part in training or technical guidance organized by the village government, related agencies, or accompanying institutions.

The results of this research also show that BUMDes in Galagamba Village still face various challenges and obstacles, both internal and external, which have an impact on the performance and welfare of the village community. Based on the results of this research, the author suggests several ways to increase business capital. BUMDes can look for other sources of capital besides village funds, such as grants, donations, CSR, or partnerships with private parties. BUMDes can also optimize the use of existing capital by carrying out mature, efficient and innovative business planning, recommendations to improve the existence and sustainability of BUMDes in Galagamba Village, including:

Improve coordination and communication between BUMDes and related parties. This is important to build synergy and harmonious cooperation between BUMDes and village government, village community institutions, business partners, customers and village communities. Good coordination and communication can help BUMDes identify the needs and potential of village communities, resolve problems that arise, and take advantage of existing opportunities.

Strengthening the capacity and independence of BUMDes. This can be done by increasing the human resources involved in managing BUMDes, both in terms of knowledge, skills and attitudes. Apart from that, BUMDes also need to improve transparent and accountable administration, accounting and financial management systems. BUMDes must also be able to develop independent business capital, without relying on assistance from the government or other parties.

Encourage innovation and diversification of products and services that suit the needs and potential of village communities. This can be done by conducting

market research, developing quality and competitive products and services, and promoting these products and services to village and non-village communities. BUMDes must also be able to adapt to changes in the business environment and consumer needs, as well as create added value for village communities.

By implementing the recommendations above, it is hoped that BUMDes in Galagamba Village can improve the existence and sustainability of their businesses, as well as make a positive contribution to the welfare of village communities, without prioritizing group or party politics in the village..By implementing the recommendations above, it is hoped that BUMDes in Galagamba Village can improve the existence and sustainability of their businesses, as well as make a positive contribution to the welfare of village communities, without prioritizing group or party politics in the village.

IV. CONCLUSION

Local political dynamics, such as changing village heads, conflicts between village elites, and community participation, influence the existence and sustainability of village-owned enterprises (BUMDes) in Galagamba Village.

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