

The Effectiveness of the BUMG Program in Improving the Community Economy in Nagan Raya District

Adam Sani

Universitas Teuku Umar, Alue Peunyareng, Meulaboh, West Aceh, Indonesia

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Abstract: The purpose of this study was to determine the effectiveness of the Gampong-Owned Enterprises (BUMG) program on improving the community's economy in Nagan Raya Regency and to find out the obstacles of Gampong-Owned Enterprises in improving the economy of the people of Nagan Raya Regency. The method used in this research is through a descriptive qualitative approach with data sources taken through observation, interviews and documentation and then analyzed through an interactive model of analysis. The results showed that the Gampong-Owned Enterprise (BUMG) program has not been effective in improving the community's economy in Nagan Raya Regency. This is evidenced from the 222 gampongs in Nagan Raya Regency in 2021 to 2022, only 5 (five) villages/gampongs have been able to manage BUMG well, 7 (seven) villages/gampongs are on the way to good management and the remaining 210 other villages/gampongs are only able to survive the return on investment for the program they are running. The BUMG program in Nagan Raya Regency focuses on the agricultural, plantation, fisheries, livestock, industrial and building/goods rental sectors. The BUMG program that is not running and almost no longer implemented in the community is saving and borrowing business capital. The obstacles of Gampong-Owned Enterprises (BUMG) in improving the economy of the people of Nagan Raya Regency are limited human resources, lack of management, limited capital and lack of guidance and supervision.

1 INTRODUCTION

Building Indonesia from the periphery by strengthening regions and villages within the framework of the Unitary State of the Republic of Indonesia is one of the contents of the nine Nawacita programs of the President and Vice President of Indonesia. This is a form of development policy that is considered strategic, where strengthening the lowest area (village) becomes a milestone of national sovereignty to be globally competent.

The goal of national development is to improve the welfare of the community to manage the region so as to create a productive and independent region. Each region will increase progress in various fields such as the social, cultural, political, and economic fields, especially in the economic field, it will have a large enough impact if the economy increases to advance the region. Especially in the modern era, it provides great opportunities for each region that continues to develop and advance its own region. Economic development is one of the pillars of the region to achieve national development.

Several studies show that the number of poor and poorest people in rural areas is still quite large, half of them is in the category of absolute poor. Rural areas at this time can be identified with the word "poverty". Most of the Indonesian population lives in rural areas. In general, they live in limitations, poverty and powerlessness in the face of various developments and changes that occur. The powerlessness of rural communities, including the poor, is not only caused by economic problems, but also the lack of community access to improve community skills and abilities, including information.

Economic development in rural areas has long been carried out by the Indonesian government through various programs. The Indonesian government is expected to create a business climate that encourages healthy economic development, both in improving the welfare of members and the surrounding community, as well as participating in building the national economic system as an economic organization. One of the new approaches that are expected to stimulate and move the wheels of the economy in rural areas is through the

establishment of economic institutions that are fully managed by rural communities. So that the existence of this economic institution is not controlled by certain groups who have large capital in rural areas. So the ownership of the institution is by the village and jointly controlled, where the main goal is to improve the community's economic standard of living, one of which is through Village-Owned Enterprises (BUMDes) or in Aceh Province known as Gampong-Owned Enterprises (BUMG). The development of this village/gampong-owned enterprise cannot be separated from the competitive conditions it faces with other economic actors. Village-Owned Enterprises or Gampong which are pillars of economic activity in villages/gampongs that function as social and commercial institutions.

The legal basis for the existence of Village-Owned Enterprises (BUMDes) is Law Number 6 of 2014 concerning Villages. Article 87 paragraph (1) Villages can establish village-owned enterprises called BUMDes, paragraph (3) BUMDes can run businesses in the economic sector and/or public services in accordance with the provisions of laws and regulations. While the purpose of the establishment of BUMDes is as a village business which is intended to accommodate all activities to increase community income, both those that develop according to local customs and economic activities that are submitted to be managed by the community from government and local government project programs. The establishment of BUMDes is an embodiment of the productive management of the village economy which is carried out in a cooperative, participatory, emancipatory, transparent, accountable, sustainable manner. Therefore, serious efforts are needed to make the management of BUMDes run effectively, efficiently, professionally, and independently. To achieve the objectives of BUMDes, it is carried out by meeting the needs (productive and consumptive) of the community through the distribution of goods and services managed by the community and the village government.

Village-Owned Enterprises (BUMDes) in Law Number 6 of 2014 concerning Villages, namely Village-Owned Enterprises (BUMDes) are business entities who's entire or most of the capital is owned by the village through direct participation from village assets which are separated to manage assets, services and other businesses for the welfare of rural communities.

Whereas specifically for Aceh Province and Regencies/Cities within Aceh province, Village Owned Enterprises (BUMDes) are better known as

Gampong-Owned Enterprises (BUMG). The difference in the name is based on the difference in the designation of the village to the name of the gampong in Aceh Province. The legal basis for the use of gampongs in Aceh Province, namely Article 1 paragraph (20) of Law Number 11 of 2006 concerning the Government of Aceh explains that "Gampongs or other names are legal community units that are under the mukim and are led by a keuchik or other name who has the right to carry out business affairs. his own household".

The existence of gampong-owned enterprises (BUMG) in Aceh province and districts/cities in Aceh should be able to strengthen the community's economy if managed properly, because these village/gampong assets will become the foundation of the community in improving their economy. However, it is undeniable that many villages/gampongs, especially isolated villages/gampongs, have not been able to take full advantage of the BUMG program so that it affects the slow progress of the community's economy.

This research was conducted to determine the effectiveness of the Gampong-Owned Enterprise (BUMG) program in improving the community's economy in Nagan Raya Regency.

2 LITERATURE REVIEW

2.1 Effectiveness

Effectiveness is the ability to do something right. Effectiveness has a lot to do with goals because the closer an organization is to its goals, the more effective it is. Effectiveness is a condition that shows the extent to which an organization realizes the activities carried out and the goals achieved.

According to Budiani, to measure the effectiveness of a program, it can be done by using the following indicators:

- a. Program Target Accuracy
- b. Program Socialization
- c. Program Objectives
- d. Program Monitoring.

2.2 Gampong-Owned Enterprises

Gampong-Owned Enterprises (BUMG) are business entities whose capital is wholly or most of the capital is owned by the gampong (village) through direct participation originating from gampong assets which are separated in order to manage assets, services and

other businesses for the maximum welfare of the gampong community.

Gampong-Owned Enterprises (BUMG) are institutions formed by the village government and the community manages these institutions based on the needs and the village economy. Gampong-Owned Enterprises are formed based on the applicable laws and regulations based on an agreement between village communities. The purpose of BUMG is to improve and strengthen the village economy. Gampong-Owned Enterprises (BUMG) have a function as a commercial institution through offering local resources that aim to seek profit and social institutions through contributing to the provision of social services that favor the interests of the community.

According to the Center for Studying the Dynamics of the Development System for Gampong-Owned Enterprises, BUMG is a gampong business institution managed by the community and the gampong/village government in an effort to strengthen the gampong/village economy and is formed based on the needs and potential of the village. As one of the economic institutions operating in the village, BUMG must be different from other economic institutions in general. This is intended so that the existence and performance of BUMG can make a significant contribution to improving the welfare of the community. In addition, so as not to develop a capitalistic business system in the village which can cause disruption of the values of social life. The establishment and management of Gampong-Owned Enterprises (BUMG) is the embodiment of productive village economic management which is carried out in a cooperative, participatory, emancipatory, transparent, accountable, and sustainable manner. Therefore, serious efforts are needed to make the management of these business entities run effectively, efficiently, professionally and independently.

Efforts to achieve the objectives of BUMG are carried out by meeting the needs (productive and consumptive) of the community through the distribution of goods and services managed by the community and the gampong government. The effort to fulfill this need is not to burden the community, considering that BUMG will be the most dominant gampong business in driving the village economy.

2.3 Community Economic Improvement

Improvement according to the Big Indonesian Dictionary (KBBI) is progress, change. While

economics is the science of the principles of production, distribution, use of goods and wealth (finance, industry, trade), the economy is an economic action, rule or method.

The term economics comes from the Greek words "oikos" and "nomos". This means that household governance, governance is needed so that the welfare of household life can be achieved. Here the term "economy" refers to the process or business of procuring goods and services for household needs. Meanwhile, in terms of terminology or terms, economics is knowledge about tourism and issues related to individual or group human efforts in meeting unlimited needs faced with limited resources.

The economy is a human problem and social system that organizes activities to meet basic needs (i.e. food, shelter and clothing) and non-material wants (such as education, knowledge and spiritual gratification).

Society is a group of people who interact with each other continuously, so that there are patterned, organized social relations. According to Paul B. Harton, society is a group of people who are relatively independent, who live together long enough, who inhabit a certain area, have the same culture and carry out most of the activities in that group.

Community economic improvement is a way or tactic carried out in an activity to make improvements in terms of the prosperity felt by the community in carrying out their business, where the business can improve the standard of living of the income earned from the business, so that the business or activity runs smoothly.

Efforts to improve the community's economy can be realized in several strategic steps to expand public access to development resources and create opportunities for lower-level communities to participate in the development process, so that people can overcome their economic competitiveness.

- a. According to Mubyarto, the improvement of the community's economy can be seen from three aspects.
- b. Creating an atmosphere that allows the potential of the community to develop. The starting point of his thinking is the recognition that every human being has potential that can be developed.
- c. Strengthen the economic potential of the community. Efforts that are very basic are increasing the level of education and health status as well as opening up opportunities to take advantage of economic opportunities
- d. Developing the community's economy also means protecting the community and preventing

unequal competition, as well as preventing the exploitation of the strong economic group over the weak.

Some of the terms and understandings above can be concluded that what is meant by improving the community's economy is advancing the community's economy for the better to improve the standard of living.

3 RESEARCH METHODS

The research method is the method used for certain research in accordance with the objectives to be achieved. This research uses a qualitative descriptive approach. Descriptive research aims to accurately describe phenomena that occur systematically, actually, and accurately in accordance with existing facts by collecting data, explaining and analyzing objectively in the sense that the results of this study will emphasize more on the description of the actual research object.

In the qualitative approach the researcher makes a complex picture, examines words, reports in detail from the respondents' views, and conducts a study of natural situations.

Primary data sources are obtained through observation, interviews and documentation from related parties, while secondary data sources are obtained through library materials such as books, articles, dictionaries, newspapers, magazines, inscriptions, meeting minutes, agendas, and so on. The main or main data sources that are used as research and analysis materials.

The data collection used in this research is carried out through observation, interviews and documentation and then analyzed using the Miles and Hubberman model, which is called the interactive model of analysis. According to H.B. This Sutopo model consists of three main components, namely: data reduction, data display, conclusion drawing.

4 RESULTS AND DISCUSSION

Village-Owned Enterprises (BUMDes) or in Aceh better known as Gampong-Owned Enterprises (BUMG) are defined by Law Number 6 of 2014 as a business entity who's entire or most of the capital is owned by the village/gampong through direct investment originating from the village. from village assets which are separated to manage assets, services

and other businesses which are broadly for the benefit of the welfare of the village community.

A business opportunity will be a source of income that provides additional income to the community if it is able to capture business opportunities that have the potential to be developed into a real business activity. Thus, the community's ability to take advantage of existing opportunities will be influenced by the community's ability to seize the opportunity itself. In addition, the ability to organize the resources owned in such a way that the potential opportunities become businesses that can actually be operationalized. Although not all BUMG activities absorb labor from the community, the community must be smart in generating sources of income for them. The policies of the government, the village and the ability of the community to benefit from the development of BUMG are very influential. This will determine the variety of income sources that appear later.

Good management of Gampong-owned enterprises (BUMG) will be able to increase village assets and support the local community's economy, the success of BUMG will make the village independent, less dependent on the government, build villages from and the results of BUMG and also increase job opportunities for the community in improving its economy.

Nagan Raya Regency is one of the regencies in the Aceh Province of the Republic of Indonesia which has natural potential in the fields of plantations, agriculture, mining, fisheries and marine affairs. This potential is utilized by the gampong community to develop in the BUMG program. Various programs can actually be used to develop Gampong-Owned Enterprises, but in Nagan Raya Regency in general, villages/gampongs only have several BUMG programs that are run, including the agricultural, plantation, fishery, livestock, industrial and building/goods rental sectors. Then until now there is one BUMG program that is not running and almost no longer implemented in villages/gampongs in Nagan Raya Regency, namely business capital savings and loans due to difficult prayers during the process of depositing results from loans to Gampong-Owned Enterprises (BUMG).

The implementation of the BUMG program in Nagan Raya Regency which is carried out by villages in 2021 to 2022 only 5 (five) villages/gampongs have been able to manage BUMG well, 7 (seven) villages/gampongs are on the way to good BUMG management and the remaining 210 other villages/gampongs were only able to survive the return on investment for the program being

implemented. Gampong-Owned Enterprises (BUMG) in Nagan Raya Regency have not been effective in carrying out their duties to improve the community's economy. This is based on the fact that BUMG programs have not been implemented optimally, although every year there are proposals for BUMG programs in various fields.

Obstacles in the management and development of Gampong-Owned Enterprises (BUMG) in Nagan Raya Regency mostly lie in the issue of Human Resources, Managerial, Capital and Supervision.

a. Limited Human Resources (HR)

The problem that often arises is regarding human resources who manage BUMG themselves. The main problem in the management of BUMG is the inability of human resources to manage and be competent in their fields. This is because in the process of establishing and determining the party that manages BUMG, not many community members understand the management of BUMG.

b. Lack of Management Management.

In the management of BUMG in Nagan Raya Regency, another problem faced by BUMG managers is that they have not implemented a BUMG system and management based on good governance principles or based on Good Corporate Governance principles. This obstacle is due to the different structure and characteristics of BUMG in each region. The difference in the BUMG management system is due to the different characteristics and programs of the BUMG itself.

c. Limited capital

The capital owned by BUMG in Nagan Raya Regency which only relies on assistance from village funds is also an obstacle for BUMG in developing the community's economy.

d. Supervision and construction of BUMG

Supervision and guidance when viewed from the structure of the BUMG management is carried out by the gampong government itself, both the Village Head/Keuchik and the village/gampong government. The implementation of supervision and development of BUMG in Nagan Raya Regency has not been maximally carried out internally in villages/gampongs within the scope of Nagan Raya Regency.

5 CONCLUSIONS

5.1 Conclusion

The Gampong-Owned Enterprises (BUMG) program in Nagan Raya Regency has not been effectively

implemented and has not been able to improve the economy of the local community. BUMG's obstacles in carrying out its program are due to limited human resources, lack of management, limited capital and lack of internal control.

5.2 Suggestions

It is recommended to the Nagan Raya Regency Government to continue to foster BUMG in villages within Nagan Raya Regency so that the management of BUMG is getting better and it is recommended to BUMG managers to be more active and consistent in implementing the BUMG program for the benefit of improving the community's economy.

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