

Strengthening the Role of Village-Owned Enterprises for Agriculture and Livestock SMEs

**Prasetya Nugeraha, Maulana Agung Pratama, Diang Adistya, Ahmad Efendi,
Winda Septiani, Firman Handika, Siska Febryani, Rachmawati Lola Widisono,
Murni Sari, Cristofer Ami Nugroho, Suprihatin Ali***

**Department of Business Administration, Faculty of Social and Political Sciences, University of Lampung, Jl. Prof. Dr. Soemantri Brojonegoro No. 1 Bandar Lampung 35145, Indonesia. (email: suprihatin.ali@fisip.unila.ac.id)*

Abstract

Village-Owned Enterprises, or BUMDes, are local business institutions that use village resources to enhance the village economy. However, in numerous locations where BUMDes already exist, some of these BUMDes are not working smoothly and are inactive. As a result, the construction of a BUMDes business unit must be tailored to the capabilities of the community. The purpose of this research is to explore more into the role of BUMDes for SMEs in agriculture and livestock. This study employed a qualitative research method with a descriptive approach. This study's data is derived from primary sources. While data gathering is accomplished by the use of observation, interviews, and documentation. According to the study's findings, BUMDes Purworejo and BUMDes Lugusari have been able to support the community's economy in their villages, where the majority of residents work in the agricultural and livestock industries. BUMDes Purworejo and BUMDes Lugusari contribute to the village economy through business units such as PAMDes, Quail Farms, Village Markets, and Pond Management Businesses.

Keywords:

role; village owned enterprises; village potensial

Introduction

Village-Owned Enterprises, also known as BUMDes, are village business entities whose control is transferred by the community and village government in order to enhance the village economy; the formation of BUMDes is determined by the requirements and potential of the village (Zunaidah et al., 2021). BUMDes operates by accommodating community economic activities in an institutional form or corporate organization that is professionally managed and based on the village's inherent potential (Febryani et al., 2019). Nonetheless, in certain areas that already have BUMDes, some of these BUMDes do not function properly and are inactive due to a lack of rigorous management (Sumiasih, 2018). BUMDes that can

effectively manage and utilize village resources are able to encourage an increase in the types of village businesses, income, integration of marketing and promotion, an increase in the number of tourists, an expansion of creative industries, and the sustainable use of natural resources (Kemendes, 2016; Sidik, 2017).

In 2017, Yoni Pramilu Wicaksono, Iman Surya, and Eddy Iskandar did research on the function of Amanah Village Owned Enterprises (BUMDes) in boosting the original income of Padang Jaya Village, Kuaro District, Paser Regency. According to the findings of the study, BUMDes increase village original income through three primary business units, namely clean water units, village garden units, and village market units with tent rental, as well as a supporting unit, namely production and service, and cooperation with banks to become BRILink agents (Wicaksono et al., 2017). Based on the preceding description, this study intends to go more into the topic of enhancing the function of BUMDes for SMEs in Agriculture and Livestock. Although this research also addresses the effect of BUMDes, the focus of the two studies is distinct. This study focuses on the form of management in the agricultural and livestock sectors that is facilitated by BUMDes by providing examples of BUMDes that are able to support Agriculture and Livestock SMEs, namely BUMDes in Purworejo Village, Negeri Katon District, Pesawaran Regency, and BUMDes owned in Lugusari Village, Pagelaran District, Pringsewu Regency.

Methods

This study was conducted in Purworejo Village, Negeri Katon District, Pesawaran Regency, and Lugusari Village, Pagelaran District, Pringsewu Regency, between February and June 2022.

This study employed a qualitative research method with a descriptive approach. This research relies on primary data, for which researchers go directly to the field and interact with all research respondents, especially BUMDes managers. The data was collected through observation, interviews, and documentation procedures.

Result and Discussion

BUMDes Purworejo, District of Negeri Katon, Pesawaran Regency

Purworejo Village is located in Negeri Katon District, Pringsewu Regency, Province of Lampung. The vast majority of residents in Purworejo Village are rice farmers. BUMDes Surya Indigo was formed in 2010 in Purworejo Village to assist the business activities of its inhabitants. However, the BUMDes Surya Indigo ceased operations between 2012 and 2017. Mr. Mulyono (pseudonym) is the current leader of BUMDes Surya Indigo. BUMDes Surya Indigo has seven core supervisors and four staff entrusted with overseeing its various business units. BUMDes Surya Indigo has multiple business units, whether or not they are related to the agriculture and livestock industries.

PAMDes is the first BUMDes business unit linked to agriculture and livestock. In 2018, PAMDes was formed as a business program. Initially, this enterprise aided the Purworejo Village residents' agricultural and livestock irrigation efforts. PAMDes is now also utilized by those who have trouble obtaining clean water. Approximately Rp 30,000 per month is charged to those who utilize this facility.

The Quail Farming business is another division of BUMDes Surya Indigo dedicated to the agriculture and livestock industry. In Purworejo Village, quail are among the superior livestock. This Quail Farm is a Golden Village (Desa Emas) Movement initiative. This quail farm has excellent development potential due to the adaptability of quail to varied climatic conditions.

The Village Market business unit also exists. Indirectly, village markets are connected to the agricultural and animal industries. The Village Market serves as a venue for the purchase and sale of a variety of things, including agricultural products, different sorts of food, and varied necessities for clothing, food, and shelter. However, the space at the Village Market is not supplied for free by BUMDes Surya Indigo; therefore, residents of Purworejo Village who wish to conduct business at the Village Market must pay land rent to BUMDes Surya Indigo.

Wisata Embung Purworejo is another business unit owned by BUMDes Surya Indigo that operates in the tourism industry. This Purworejo Embung Tourism site is suitable for family leisure because it offers a variety of facilities and rides for duck boats and tricycles.

BUMDes Lugasari, Pagelaran District, Pringsewu Regency.

Lugasari Village is located in Pagelaran District, Pringsewu Regency, Lampung. Lugasari Village also has an active and expanding BUMDes. Mrs. Lestari (pseudonym) is now the leader of the Lugasari BUMDes. Lugasari BUMDes is currently controlled by 7 core administrators. The Pond Management Business is the business unit operated by BUMDes Lugasari that supports the economic operations of the Lugasari Village community as fish farmers. BUMDes Lugasari continues to aim to promote and build village potential in the fisheries sector through this initiative by providing capital to the community in the form of ponds, feed, and so on.

The Mineral Water Business, the Samdes Business (Samsat Desa), which attempts to make it easier for the community to pay taxes, and the Tarup Rental Business are all handled by BUMDes Lugasari.

Conclusion

Based on the foregoing, it can be concluded that BUMDes Purworejo and BUMDes Lugasari have been able to assist the community's economy in their villages, the majority of whom work in the agricultural and livestock sectors through their business units such as PAMDes, Quail Farms, Village Markets, and Pond Management Businesses.

Acknowledgement

This work was funded by LPPM University of Lampung.

References

- Febryani, H., Nurmalia, R., Lesmana, I. M. I., Ulantari, N. K. W., Dewi, D. P. Y. P., & Rizky, N. (2019). Keberadaan Badan Usaha Milik Desa (Bumdes) Sebagai Penguatan Ekonomi Desa Abiantuwung. *Jurnal Ilmiah Akuntansi dan Humanika*, 8(1), 95–103. <https://doi.org/10.23887/jinah.v8i1.19865>
- Sidik, F. (2017). Implementasi Kebijakan Badan Usaha Milik Desa (BUM Desa): Unit Usaha, Pendapatan, dan Inefisiensi. *Jurnal Ekologi Birokrasi*, 5(3), 36-46.
- Sumiasih, K. (2018). Peran BUMDes Dalam Pengelolaan Sektor Pariwisata (Studi di Desa

- Pakse Bali, Kabupaten Klungkung). *Jurnal Magister Hukum Udayana (Udayana Master Law Journal)*, 7(4), 565. <https://doi.org/10.24843/jmhu.2018.v07.i04.p10>
- Wicaksono, Y. P., Surya, I., & Iskandar, E. (2017). Peran Badan Usaha Milik Desa (BUMDes) Amanah dalam Meningkatkan Pendapatan Asli Desa Padang Jaya Kecamatan Kuaro kabupaten Paser. *eJournal Ilmu Pemerintahan*, 5(4), 1637–1650.
- Zunaidah, A., Askafi, E., & Daroini, A. (2021). Peran Usaha Bumdes Berbasis Pertanian Dalam Upaya Meningkatkan Kesejahteraan Masyarakat. *Manajemen Agribisnis: Jurnal Agribisnis*, 21(1), 47–57. <https://ejournal.uniska-kediri.ac.id/index.php/agribisnis/article/view/1260>