

## Community Empowerment: Strengthening the Capacity of Bumdes Management "Sidorejo Makmur"

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### ABSTRACT

The existence of (BUMDesa) "Sidorejo Makmur" belonging to the Sidorejo Village Government, Sukosewu District, Bojonegoro Regency, is expected to be able to strive for, strengthen, and improve the economy in the village. However, this institution still faces various problems, especially regarding management capacity. The management's managerial abilities are still far from the expectations of business entity management standards. Management still receives minimal training in planning business activities, administration of business entities and management and supervision of a business entity. The inability and fear of taking steps still occurs among all administrators, who are still new players, so innovative ideas are still dry and stuck on old businesses running in BUMDesa business units that have existed for a long time. This service and empowerment seek to strengthen administrators' capacity to increase their capacity in managing business management and finding various solutions for the progress and development of BUMDesa. So that the objectives of the activity are carried out and achieved well, mentoring also involves students starting from socialization of activities, and simple management training, strengthening management capacity, administrative management, and strengthening opportunities for developing business potential so that BUMDesa administrators can carry out their functions optimally, manage BUMDes, control and regulate activities a business that is managed and can be held accountable for activities to all stakeholders, the end of which will be the prosperity of the village community.

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## INTRODUCTION

Globalization is the integration and interconnection of the world into one interconnected whole, both in economic, political, social, and cultural aspects (Anggapratama, Afnani, et al., 2024). It reduces geographical barriers and increases interdependence between countries. So, globalization impacts all lines, both domestic and foreign (Anggapratama, Irnawati, Selviana, et al., 2024). One of the impacts of globalization is Village-Owned Enterprises (BUMDES).

Village-owned enterprises, hereinafter referred to as BUMDesa, are business entities whose capital is wholly or primarily owned by the Village through direct participation originating from separated Village assets to manage assets, services, and other businesses for the most excellent welfare of the Village community (UU 6/2014 concerning Villages). In addition, BUMDesa also acts as a forum to encourage community innovation and creativity in managing the village's local potential (Febrina et al., 2024).

BUMDesa, built by a village, is expected to help and support the community in meeting its daily needs, increasing its knowledge, and providing business or employment opportunities. The establishment of BUMDesa is also expected to strive for, strengthen, and improve the economy in rural areas based on the village's energy needs and optimization (Sofianto & Risandewi, 2021).

(Sitohang, 2024) stated that the Government has disbursed a budget of IDR 330 trillion for the Village Fund program in the last five years. However, this amount of money has not been utilized optimally, especially by BUMDesa. It was recorded that 2,188 BUMDesas were not operating, and 1,670 BUMDesas had not optimally contributed to developing the village economy. Even though village autonomy has been running for five years, the existence of BUMDesa has not shown an optimal role in improving the welfare of village communities (Setiawan, 2021).

Not all BUMDesa managers have adequate capacity, and not all village heads provide total support to BUMDesa (Fitriyanti, 2019). As a result, BUMDesa experienced stagnation in carrying out its economic functions.

Three critical indicators can be used to evaluate the success of BUMDes' social role capacity: knowledge about social roles, values that underlie social roles, and efforts to maintain public trust. These three indicators were developed from the concept of social capital, which means goodwill, sympathy, social values, cooperation, and trust as a basic concept (Fathy, 2019).

The birth of BUMDes Sidorejo Makmur is expected to support the re-emergence of participation by increasing the capacity of village communities regarding the sustainable management of BUMDes. Likewise, for the village government, BUMDes ownership can adopt a productive, creative, and innovative pattern in village economic activities so that it can develop the village economy in particular and the region in general, creating jobs and business services that produce goods and services with the potential that has been owned so far.

The establishment of BUMDesa with a community empowerment approach was the instrument for the birth of this institution (Anggapratama et al., 2023). It is intended to raise village communities' awareness of their problems and potential resources and encourage greater involvement in the development process (Noor et al., 2024).

Sidorejo Village, Sukosewu District, Bojonegoro Regency, has excellent potential in the agricultural sector, but unfortunately, this village is a rain-fed village that does not have irrigation water channels. BUMDesa, which has been established for almost the last 7 (seven) years, has several business units, including Clean Water Management, Savings and Loans, Agricultural Equipment, and Medicine Shops. Unfortunately, the condition of BUMDesa Sidomakmur still creates various management problems. The new management, which was formed in 2023 because it replaced the management from the old village government period, left multiple issues, the lack of management experience, the lack of understanding of business management, and the administration of business entities, which is still very low. There are difficulties in making management decisions which still depend on the village government, administrators lack confidence in managing their business, so there is a need to increase managerial capacity and ability in developing BUMDesa Sidorejo Makmur.

## METHOD

The targets of service and empowerment are the village government and the management of BUMDesa Sidorejo Makmur, as well as the management of the clean water, savings and loans, agricultural equipment, and medicine shop business units. An initial survey of all elements obtained some data to determine the appropriate and necessary steps for BUMDes and the Sidorejo Village Government in general. Determining themes and topics relevant to the problems faced by BUMDesa is very important to strengthen the competency capacity expected to be mastered by all administrators so that they can immediately apply them to their respective main tasks and functions.

The theme and topic chosen by the service team through Community Empowerment was Strengthening the Capacity of the BUMDesa Sidorejo Makmur Management. Together, they explored problems and potential by

being given the freedom to carry out activities for their respective business units when they had adequate competence after the activity.

The methods for strengthening capacity with training and mentoring are collaborative lectures, forum group discussions (FGD), best practices and case studies (Anggapratama, Irnawati, & Junea, 2024). Lecture material about management was the main topic for participants, and small discussion group forums discussed and presented planning documents, implementation and accountability of BUMDes with successful BUMDesa best practices. The aim is to determine the extent of the participants' empathy and responses. That training benefits the parties involved. The methods used in this community service activity are;

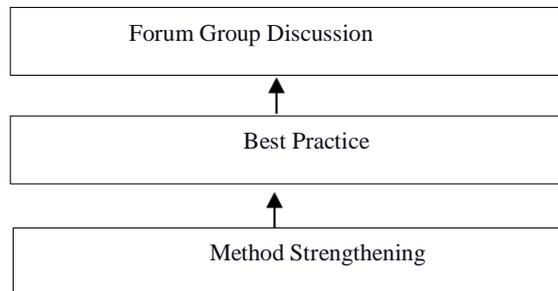


FIGURE 1. Methods

## RESULTS AND DISCUSSION

Capacity-strengthening training activities were carried out for a day with three lecturers from the Community Service Team as resource persons. The 15 participants, consisting of Supervisors, Management, and the Head of the BUMDesa Sidorejo Makmur Business Unit, attended the activity directly. The Head of Sidorejo Village, Herman, ST, opened the activity directly with the hope of increasing the knowledge and capacity of the management for the progress of this business entity belonging to Sidorejo Village.

Limited time is the main obstacle in conveying activity material optimally, but resource persons can utilize the available time to provide essential management points from planning accountability to BUMDesa development. In lectures, questions, and answers using brainstorming techniques, participants were invited to convey ideas from the human resources side in solving problems that have occurred so far. Document reviews were discussed to strengthen the capacity of administrators, including the BUMDesa AD/ART, SOP, and Law 6/14 concerning villages, along with their derivative regulations with material that the resource person had prepared. The spirit of BUMDesa as a joint venture owned by village residents is the target of resource persons in strengthening capacity and providing guidance to administrators to have the capacity in human resources (Tarlani et al., 2022).

The presenters presented the group discussion forum to reinforce understanding of simple bookkeeping, income projections and business administration management. It is hoped that the management of BUMDesa Sidorejo Makmur can realize bookkeeping using a simple accounting model with orderly administration and transactions, transparency and accountability in reporting activities. The presentation of cash books, bank books, and BUMDesa accounts is an essential target for reporting on village-owned businesses so that all administrators can understand them and understand them as a source of information for accountability and future business development (Putra et al., 2020).



**FIGURE 2.** Forum Discussion Group

The presenters presented national-level BUMDesa best practices to pump up the spirit of jointly owned businesses, capture new business potential and opportunities, and manage sustainable business units (Kamil et al., 2023). The village's potential was discussed through lectures and joint identification, and participants could map the potential for future business development.

In general, training and mentoring activities run smoothly despite many deficiencies in time and material presentation. Most participants' questions were about general understanding and did not address strategic matters in BUMDesa management.



**FIGURE 3.** Best Practice

The management of BUMDesa Sidorejo Makmur is also expected to understand the concept of modern business applications without ignoring the interests, prosperity and well-being of the local village community. It is necessary to create the idea of village traditions as a concept of community and state life in villages (Fuadi et al., 2022). This training aims to empower the community and advance the village community, which can ultimately improve its welfare. To achieve this, it is necessary to provide training and capacity strengthening so that village communities can explore the potential in the village and improve the welfare of the people of Sidorejo Village, Sukosewu District, Bojonegoro Regency. Training and mentoring activities generally run smoothly despite many deficiencies in time and material presentation. Most participants' questions were about general understanding and did not address strategic matters in BUMDesa management.

The management of BUMDesa Sidorejo Makmur is expected to have adequate managerial capacity in terms of human resources. Management is increasingly skilled in business administration and can optimize revenue projections for each business unit managed (Sumbodo et al., 2021). It is able to capture new business opportunities according to their potential and increase income in each business unit, increasing the Village's Original Income for community welfare.



FIGURE 4. Method Strengthening

## CONCLUSION AND RECOMMENDATION

The stages of implementing training and service activities can run smoothly according to schedule in Bali, Sidorejo Village, Sukosewu District, and Bojonegoro Regency. The participation and attendance of training participants are generally in the good category and have significant benefits for the community, especially the management of BUMDesa Sidorejo Makmur. The diverse knowledge and educational backgrounds of the participants require communication techniques and models that are acceptable to all.

Suggestions for further increasing the capacity of administrators are to continue learning from various media and business entity literacy available, both managerial and technical, about BUMDesa. The role of the village government is essential in providing an example to the community through training activities to increase capacity. Material needs to be adapted to needs through institutional assessments, and time and technical steps are required to anticipate obstacles and problems.

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