

## Empowering Rural Communities Through Bumdes by Reviving Home Industry

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### Abstrak

The purpose of this program is to implement community empowerment by optimizing the role of Bumdes in pioneering village businesses. This will encourage the real sectors of community business so that it will grow the home industry. Encouraging the people's economy is no longer planned and implemented from the top structure but development will be effective if done on the awareness of the community itself. Empowerment is the key to the paradigm of building from the village. Problem solving is carried out using the participatory observation method by directly integrating into the daily activities of the community to track the potential and problems of empowerment, which will then be formulated into a program which is then carried out. Formal activities are carried out in the form of seminars and training as a medium for formulating business potential and improving the skills of the village-owned enterprise and the community. Training on making sago pudding and yam ice cream was practiced as an effort to stimulate and inspire to develop community creativity. The entire program implementation is carried out collaboratively between all empowerment partners, namely the village government, bumdes, the community and students. The sustainability of the partnership will continue through coaching on management or accounting aspects.

*Keywords: empowerment; bumdes; home industry*

### 1. Introduction

The development of the nation and state cannot focus only on advancing urban areas. The number of villages is much more than urban areas, as well as the people are more in villages. The stark development inequality between cities and villages is a classic problem that persists to this day. So that a development strategy is needed so that equitable development can occur. Community empowerment is a solution to get people out of economic inequality by developing their own programs according to the availability of local resources [1].

Development has been carried out by placing the community as an object of development that receives all programs from the government. The old paradigm (development) that was more oriented to the state and capital turned into a new paradigm (empowerment) more focused on local communities and institutions that were built participatory. The community occupies the leading position that initiates, manages and enjoys development. The state is a facilitator and opens a conducive space for the growth of local initiatives, participation, and institutions [2].

The potential of the village is believed to be very large to be developed through community empowerment. The presence of Bumdes is one of the government's strategies to eliminate the gap between cities and villages. The existence of a village fund budget as stated in UU No. 6 of 2014 concerning Villages which is quite fantastic in value is a strong instrument

to support the achievement of the ideals of a prosperous community. The village government is expected to be the driving force as an agent to break the spirit of community entrepreneurship. As a village fund manager, the village government has the power in terms of policies to potentialize natural and human resources.

Community empowerment plays a role in improving the quality of human resources, especially in changing community behavior to achieve a better standard of living. Providing motivation will encourage people to be able to explore their potential and dare to act to improve their quality of life [3]. Programs like this will have a big impact if they reach rural communities.

The role of the village government can be the manager and architect of the village economy so that the capabilities of a village head are very decisive for the economic empowerment of the village. In addition, one of the indicators of the success of a region or region is from the economic side, then economic growth will be seen from the increasing number of institutions that initially started from the level of micro and small enterprises that continue to grow into large businesses [4]. Bumdes is a village business that is unique because it is a collective property driven by collective action between the village government and the community. In addition, the nature of bumdes is also more inclusive than cooperatives, private and group businesses. This openness makes Bumdes a collectivity of the potential of all village components to collaborate to advance the village economy and mutual welfare. Kinship through deliberation as a value of local wisdom strongly supports the fulfillment of these collective efforts.

Strong support from the village head and effective village government is the main key to the progress of a village economic business which is also largely determined by the support of community participation. This collaboration must be a strong commitment to move forward together by managing a business that is entrusted to people who have an entrepreneurial spirit and have sufficient managerial skills. Potential mapping and careful planning in order to establish healthy business practices will depend on the managerial management. As Endah [5] in the conclusion of her article states that community empowerment is a way for local potential to be built so that it is useful, has the ability and strength to change lives for the better.

As a collective effort, the role and function of bumdes cannot only be profit-oriented, but rather an empowerment process to drive the people's economy. The business model of bumdes should not kill community businesses that have been running but can be business partners to grow and develop together. Village development efforts aim to improve the quality of human life and poverty reduction, through the provision of basic needs, the development of facilities and infrastructure, the development of local economic potential, and the sustainable use of natural resources and the environment, by prioritizing togetherness, kinship, and cooperation as the service carried out by [6] , [7] and [8]

The positive impact of reviving village businesses will create opportunities and market networks that support the community's public service needs. The market network pioneered by Bumdes will be a stimulus for the birth of villagers' businesses in the form of home industry which is also very supportive of Bumdes' business. Growing the people's industry will absorb labor so that it will answer the problem of unemployment. The absorption of labor will increase people's income which has implications for increasing the level of community welfare. On the other hand, it will also contribute to the Village's Original Income.

The economic progress of an area will always add a multiplier effect to improving community welfare through improving public services, growth and equitable distribution of the village economy. The development strategy by the central government, namely building Indonesia from the periphery by strengthening regions and villages within the framework of the Republic of Indonesia through village funds, is expected to no longer make the community an economic spectator, but as an economic actor who is empowered to improve and determine scenarios on the people's economic stage. Agricultural production will no longer be accommodated without being processed but people will be able to process their own production into more valuable commodities with creativity to add economic value. So that it is not only intended to meet basic needs but further to increase the dignity and dignity of economic life[1].

So far, market prices have been played by middlemen who, on the basis of extracting personal profits, control prices to village farmers as a result of the creation of dependence on funds. With the larger Village Fund, the village government and Bumdes should see and solve the economic inequality. The priority of using Village Funds for community development and empowerment is the reason for the change in the village economic paradigm. Village funds are a solution to the progress and welfare of the village. Opportunities to grow people's economic activities with home industry as a response to changing times must be encouraged, especially through Bumdes as a pillar of the village economy. Empowerment is the main target that must be realized to achieve an economically prosperous rural community..

## **2. Method**

### **1) Location and Participation of Activities**

This activity is located in Padang Kalua Village, Lamasi District, Luwu Regency. This village is an agricultural area and the majority of the population are farmers. However, the average land ownership is narrow so that it has not been able to become an adequate economic source. Therefore, Bumdes must be present as a creator of creative works to encourage the village economy and will affect community creativity [9]. Bumdes will be a mediator and facilitator of household products so that it will nourish the home industry.

The empowerment process is not without challenges because field obstacles will be encountered such as fiscal limitations and technological problems [10], so all elements need to take part. The community empowerment will be carried out by involving student groups as field driving forces, village governments, village community groups and Bumdes administrators as empowerment partners. The parties will collaborate on the program.

### **2) Troubleshooting Methods**

Based on the results of interviews and observations to the village government, village leaders and communities obtained several problems as follows : first, Bumdes has been established and has been complete with its management but has never done or owned a business. Second, the community, especially housewives, has the ability to be creative to make a product of economic value but is constrained by market partners.

Based on the above problems, Bumdes is the key to the fakuman because if Bumdes is empowered, it will have a multiplier effect on the community, therefore the settlement strategy carried out is:

- 1) Mapping village business potential through counseling and training to the village government, Bumdes and the community.
- 2) Forming partnerships between campuses through lecturers and students with the village government, Bumdes and village communities to always collaborate in order to revive the village economy with community empowerment through the revitalization of Bumdes.

### 3) Methodology of Tracking and Implementation of Activities

Mapping village potential is carried out by applying the participant observation method where lecturers and students intermingle with the community (stay in the village for a week) to track the main problems and identify relevant business potential. The results of these observations become a study and will be discussed in discussion forums through seminars and training to provide motivation and field practice.

In order for this program to continue to grow, campus partnerships with village governments, bumdes and communities continue to be established by making lecturers and students as consulting / coaching partners and field technical according to partnership needs. Given the availability of village funds, the financing of activities is expected to be mostly a burden on village partners.

This activity is carried out in a planned and systematic manner as in table 1 so that the achievements of program objectives can be measured properly. Activities are fully carried out in the village for approximately 1.5 months.

Table 1 Rundown of Community Empowerment Activities

<b>Thursday, July 6, 2023</b>		
Activity Time	Activity Description	Information
10 : 00 WITA	Go to the Community Service Location	Team
13 : 10 WITA	University of Muhammadiyah Palopo Student Admission at Lamasi District Office	By Sub-district Head
15 : 30 WITA	Reception at the Padang Kalua Village post	Village head and apparatus
20 : 00 WITA	External meeting with supervisor and village head of Padang Kalua.	
<b>Friday, July 7, 2023</b>		
Activity Time	Activity Description	Information
10 : 30 – 11.00 WITA	Observation to the village officials' house	Team
13 : 00 WITA	Obesvasi ke rumah warga	Team
<b>Saturday, July 8, 2023</b>		
Activity Time	Activity Description	Information
10:00–11:30 WITA	Observation in Padang Kalua Village	Team

13 : 00 – 17 : 00 WITA	Preparation of Work Program	Team
<b>Thursday, July 13, 2023</b>		
Activity Time	Activity Description	Information
09 : 30 – 11 : 30 WITA	Program Seminar at Padang Kalua Post	Team
13 : 00 – 14 : 00 WITA	External meetings with supervisors	Team
20 : 00 – 21 : 30 WITA	Breafing in order to discuss the work program that has been in the seminar	Team
<b>Friday, July 14, 2023</b>		
Activity Time	Activity Description	Information
21 : 30 WITA	Sago Pudding Making Simulation	Team
<b>Tuesday, 18 Juli 2023</b>		
Activity Time	Activity Description	Information
08 : 30 – 10 : 30 WITA	Socialization to the community	Team
14 : 00 WITA	Preparing Entrepreneurship Training equipment	Team
15 : 30 – 17 : 30 WITA	Implementation of Entrepreneurship Training (Sago Pudding and Sweet Potato Ice Cream)	Tim dan Kelompok Masyarakat
20 : 00 WITA	Evaluation as well as internal meetings	Tim
<b>Monday, August 7, 2023</b>		
Activity Time	Activity Description	Information
07 : 00 WITA	Put up a banner of bumdes seminar	Team
08 : 00 WITA	Setting up seminar equipment	Team
09 : 30 WITA	Opening and Implementation of Bumdes seminar	Pemdes and Bumdes partners

Source: Field Data

### 3. Result and Discussion

#### 1) Empowering Bumdes to Start Village Business

The establishment of Bumdes was always motivated by the hope of the growth of the village economy. Thus, it is no longer relevant to stand only because it meets government laws and regulations but must be based on the spirit of change. If Bumdes has been established, it has become imperative to do something according to its function, namely as a village-owned enterprise that will start a business or business that benefits the village and its community.

Bumdes is a business entity that accumulates the power of village government and society, so the potential to progress is very possible. Especially if it involves the campus, because the role of universities is very vital in terms of developing programs that can have an impact on accelerating creativity for the community or that directly touch the community [11]. There is no other choice for bumdes except to immediately start the type of business that will be run. Empowered Bumdes will accelerate community empowerment. The fear of failure will be minimized if the partnership of the local government, bumdes, communities and universities collaborates with each other.

Bumdes empowerment activities in this program are carried out in the form of mapping business potential and also equipped with business management training. Through bumdes seminars. In this activity, the training material consisted of two sessions with speakers coming from lecturers from the University of Muhammadiyah Palopo as in table 2 and figure 1 who had experience in coaching Bumdes.

Table 2 Bumdes Seminar Materials and Resources

No	Source Person	Material Title	Participants
1	Dr. Antong, SE, M.Si	Community Empowerment Through Bumdes	Village Government,
2	Rahmat Solling, SE, MM	Community Creativity Program as an Effort to Revive MSMEs	Bumdes and Community

Source: Field Data



Figure 1 Bumdes Seminar and Training Activities (Source: Field Data)

This seminar and training became a place to undo the crush between all activity partners to find a form of business type that suits the capabilities of bumdes. The first material describes the types of relevant businesses according to village potential such as the business of buying and selling agricultural and plantation products, agricultural machinery rental business, livestock and fish farming business and tourism village opportunities. In principle, the village government, which is attended by the village head (temporary official) and the chairman of the Village Consultative Body (BPD), agreed to advance the village economy through the empowerment of bumdes so that it will plan in the next year's village budget and continue to make Muhammadiyah University as a partner.

The opportunity for bumdes to become village economic agents is very potential considering the large village funds owned by Padang Kalua village. Throwing problems at each other was also found in the field between the bumdes management and the village government. Community participation in planning the allocation of village funds greatly determines the

effectiveness of the program [12]. The improvement that must be done is a matter of the capability of the management of bumdes by selecting personnel who have strong managerial abilities and motivation. Similarly, the budget of bumdes must continue to be proportioned according to the business plan. The presence of the campus mediates as well as solutions to these problems in the form of empowerment.

## 2) Towards a Cottage Industry: Field Collaboration Action

Moving the wheels of the village economy will run well if all components in the partnership collectively synergize in an integrated manner to make practical efforts. The form of effort carried out does not have to be grandiose but small and simple will be more meaningful as long as it is carried out with sincerity of spirit. The business will grow if it starts to be planted and hope will always drive potential and creativity over time. Work regardless of failure, because the road will be recognized if it is walked. Togetherness will remove doubts for the hope of a mutually prosperous life together.

The partnership of lecturers and students with the village government, Bumdes and community groups is a potential force to change something. The collectivity of all parties will empower the potentials of the village, both natural and human resources. Students as field mobilizers will invite the community to turn on the passion and spirit of entrepreneurship. A family approach is the best way to break the ice so that gaps or awkwardness can be eliminated. Empowerment to community groups is carried out directly by carrying out training programs for making economically valuable products whose materials are very abundant in the village. The products produced in the training were sago pudding and sweet potato ice cream. The manufacture of this product is actually not the substance of this activity but as an inspiring example for the community that something simple can be turned into an attractive and economically valuable product. The purpose of the practice is to empower the community with its resources. In figure 2 it is shown about making sweet potato ice cream made from sweet potatoes which is very easy to find around the village and also demonstrated making sago



Figure 2 Training and Practice of Making Sago Pudding and Sweet Potato Ice Cream (source: field data)

pudding. Sago is one of the staple foods of the people of Padang Kalua village and all villagers have stock in their respective homes.

Activities based on field practices are believed to provide enlightenment to the community so that they have inspiration and motivation to revive home-based businesses needed by the market [13]and [14]. The tendency of people, especially housewives, to use social media can be a supporter of marketing the products produced. This household business will continue to develop as a home industry and will have an impact on increasing people's income.

This community spirit must be maintained so that the partnership relationship with universities remains sustainable by making Padang Kalua village as a foster. Business feasibility will survive if the supporting aspects can be met, namely technical, market, management and social aspects [15].This fulfillment will stimulate the level of production that will be carried out according to market passion by looking at the level of usefulness in the community.

#### 4. Conclusion

The role of Higher Education in its Tridarma is expected to provide benefits for empowering the community in its service programs. Partnership relationships with villages and community groups become a practice for every academic person. The activities carried out will continue to change and develop along with the times. The knowledge base by the campus must be passed down to the community to respond to changes that occur. Moving forward together is a principle that continues to be imbued to continue to work.

The consequence of a partnership is to ensure its survival. The program will not only stop after field activities are implemented but will continue to support each other. This sustainability will be followed up with a memorandum of understanding between the village government and bumdes and universities. Coaching will continue to be carried out as needed in terms of management coaching including accounting problems.

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