

Development Strategy of Village-Owned Enterprises Jaya Makmur Village Jenggawah Sub-District Jenggawah District Jember District

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Abstract: Many village governments have established BUMDES, but some have succeeded and some have failed. The purpose of this study was to determine the development strategy of BUMDES Jaya Makmur in Jenggawah Village. This research uses qualitative research methods, with interviews with several trusted sources involved in the development of BUMDES. The results of this study, namely: First; placing the best Human Resources in managing BUMDES. Second; community involvement in developing business units. Third; marketing innovation of business units, such as: cafe, restaurant. This research further explores the challenges in community involvement in developing BUMDES.

Keywords: Village-Owned Enterprises, Strategy, Development

Introduction

Economic development in rural areas has a very important role in supporting national economic development(Morgan et al., 2019). This is because villages are the basic foundation within the framework of a unitary state. However, economic development efforts in rural areas still face a number of obstacles such as limited capital, low quality of human resources, lack of supporting infrastructure, and low community participation(Andi Triyawan, 2020). This condition causes the poverty rate in rural areas to be much higher than in urban areas(Azzahra et al., 2022). Although the government has launched various village development programs, the results have not been significant in improving the welfare of rural communities due to too much government involvement which actually inhibits community creativity and innovation(Hasibuan et al., 2022).

To overcome these problems, Village-Owned Enterprises (BUMDES) are expected to become a new economic force in rural areas capable of driving the community's economy through the development and empowerment of local economic potential(Desiwantara et al.,

2021). The establishment of BUMDES is based on Law No. 6/2014 on Villages, with the aim to optimize village assets to benefit the welfare of the community (Tadesse & Muluye, 2020). But in reality, the management of BUMDES has not been optimal because there are still many managers and communities who do not clearly understand the substance of BUMDES (Nurwahidah et al., 2020).

Bumdes is a means of village management that helps develop and utilize the potential of the village, adjusting to the ability and capacity of the village to prosper the lives of rural communities (Sternier & Sternier, 2021). representatives from various layers of the village community have the authority to manage the management of BUMDES and participate in deciding the design of village development projects in order to improve the quality of life in rural areas (Puguh, 2015).

Jenggawah Village, Jenggawah Subdistrict, Jember Regency, is one of the villages that has established a BUMDes named BUMDes Jaya Makmur (Kyriakidis et al., 2021). Although it has been established since 2018 and has several business units such as tourism, shops, and a waste bank, the development of the BUMDes is still not optimal. The obstacles faced include limited capital, lack of understanding and community participation, immature marketing strategies, and lack of creativity and sustainability of business development (Araújo et al., 2021). Therefore, this research was conducted to identify and formulate an appropriate development strategy for BUMDes Jaya Makmur in order to optimize management, develop business units according to local potential, and increase independence and encourage sustainable economic growth in Jenggawah Village (Bibri et al., 2020).

Methodology

This research uses a qualitative approach with descriptive research type to analyze the development strategy of Jaya Makmur Village-Owned Enterprise (BUMDes) in Jenggawah Village, Jenggawah District, Jember Regency (Norman, 2019). Data were collected through in-depth interviews, observation, and documentation studies (Fernandez et al., 2019).

The determination of informants used purposive sampling and snowball sampling techniques. Informants were purposively selected based on their knowledge and

involvement in BUMDes management, as well as through recommendations from previous informants (snowball sampling)(Harriss, 2023).

Data collection was conducted by(Cargill & O'Connor, 2021):

1. In-depth interviews using a semi-structured interview guide with key informants such as BUMDes administrators, village government, and the community.
2. Passive observation of the operations and management of BUMDes Jaya Makmur.
3. Documentation study of relevant documents such as financial reports, BUMDes profiles, village regulations, and other supporting documents.

The collected data were analyzed by following the stages of qualitative data analysis from Miles and Huberman in (Sugiyono, 2015), namely data collection, data condensation, data presentation, and conclusion drawing/verification(Vanhove, 2022). To maintain data validity, this research uses source triangulation techniques by comparing data from various sources such as informants, documents, and observations that contain similar information(Anderson & Woodrow, 2019). Data analysis was conducted in a qualitative descriptive manner without using specific statistical methods. Important findings are presented in a narrative manner by supporting data from various sources(Doole et al., 2019).

Result and Discussion

The findings of this research reveal several efforts that have been made by BUMDes Jaya Makmur in developing its business units, but there are still several obstacles that cause these businesses to not be able to develop optimally(Stanitsas et al., 2019).

1. Placing the Best Human Resources in Managing BUMDES

One of the keys to successful BUMDES management is placing competent and qualified human resources. The best human resources will be able to manage BUMDES effectively and efficiently, and can optimize the potential owned by BUMDES. This can be achieved through a strict and selective recruitment process, as well as providing training and development to the human resources involved in the management of the BUMDES(Caineng et al., 2021).

2. Community Involvement in Developing Business Units

Community involvement in developing BUMDES business units is one of the important strategies. The community has an important role in determining the direction of BUMDES development, and can provide valuable input and suggestions. In addition,

community involvement can also increase the sense of ownership and community participation in BUMDES activities(Liu et al., 2019).

3. Business Unit Marketing Innovation

Marketing innovation of business units, such as cafes and restaurants, is one of the efforts made in this study. Marketing innovation can increase competitiveness and attract consumer interest in the products or services offered by BUMDES. This can be done through the use of digital technology, the development of creative marketing strategies, and the provision of products or services that are innovative and in accordance with community needs. the following business units are owned by BUMDES jaya Makmur(Scheyvens & Momsen, 2020):

a. Cafe and Restaurant Business Unit

One of the business units run by BUMDes Jaya Makmur is a cafe and restaurant that provides venue rental services for weddings, recreation, and gathering places. Despite having considerable potential given its strategic location, this business unit is still constrained in terms of marketing. The lack of an effective marketing strategy has led to low levels of visits and venue rentals, so the income from this business unit has not been maximized(Ruler, 2020). This finding is in line with esa septian's research(Septian, 2021) which states that the lack of marketing and promotion is one of the factors inhibiting the development of BUMDes business units. Therefore, it is necessary to develop a more innovative marketing strategy and utilize digital media to reach a wider market(Tsalis et al., 2020).

b. Waste Bank Business Unit

In an effort to empower the community, BUMDes Jaya Makmur once initiated a magot (larval caterpillar) cultivation program by separating organic and non-organic waste. This program ran well for some time, but then stopped due to problems that occurred in its implementation. The failure of this program was caused by internal factors such as the lack of awareness and participation of the community in managing waste properly. This finding is in accordance with research conducted by(Dayana, 2021) which states that low community participation is one of the obstacles in the development of BUMDes. Therefore, more intensive education and socialization efforts are needed to the community so that they can understand the importance of good waste management and the benefits that can be obtained from this program.

c. Loan Business Unit

In order to empower farmers in Jenggawah Village, BUMDes Jaya Makmur runs a fertilizer loan business unit with relatively affordable interest (Lamour et al., 2019). However, this business also failed due to crop failures experienced by farmers in the second harvest season. This shows that external factors such as natural and weather conditions are one of the risks that must be faced in running a business in the agricultural sector, as stated by Sunartiningsih et al. in his book (Sunartiningsih et al., 2020) which states that natural and weather factors are one of the challenges in rural agriculture. Therefore, risk mitigation strategies such as business diversification or the development of agricultural insurance are needed to anticipate possible crop failures in the future (Hollands, 2020). Overall, the findings above indicate that BUMDES Jaya Makmur still faces various challenges in developing its business units, both from internal and external factors (Soares et al., 2020). In order to develop optimally and achieve its goal of improving the welfare of the village community, BUMDES Jaya Makmur needs to formulate a more comprehensive strategy by considering these constraining factors (Emery & Flora, 2020).

Conclusion

This research aims to identify and formulate an appropriate development strategy for BUMDes Jaya Makmur in Jenggawah Village in order to optimize management, develop business units according to local potential, and increase independence and encourage sustainable village economic growth. From the research results, it was found that BUMDes Jaya Makmur still faces various challenges in developing its business units such as ineffective marketing, low community participation and awareness, and external risks such as natural conditions.

For the cafe and restaurant business unit, the strategy needed is to develop an innovative marketing strategy by utilizing digital media in order to reach a wider market. In the waste bank business unit, intensive education and socialization efforts are needed to the community regarding proper waste management and its benefits. As for the agricultural

loan business unit, developing business diversification or agricultural insurance can be a strategy to mitigate the risk of crop failure.

Overall, optimizing the management of BUMDes Jaya Makmur requires a comprehensive strategy that includes increasing the capacity of human resources, increasing community participation, business diversification, and the use of information technology in marketing and BUMDes operations.

The implementation of the right strategy is expected to encourage the development of BUMDes Jaya Makmur as a village economic driver capable of increasing the independence and welfare of the Jenggawah Village community. For future research, a more in-depth study can be carried out regarding effective digital marketing strategies for BUMDes business units as well as a feasibility study of business diversification in accordance with village potential.

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