

Implementation of village empower program in supporting form of institutions of village business institutions (BUMDes) (Study on Dayang Suri Village Bungaraya Sub district Siak Regency Riau Province)

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Abstract

The purpose of this research is to investigate the implementation of village empowerment program in support of institutional formation of Village Owned Enterprise (BUMDes). The research carried out at Dayang Suri Village, Bungaraya Sub district, Siak Regency at UED-SP Karya Bersama. The data used consist of secondary data in the form of documents relating to the implementation of village empowerment program in support of the formation of BUMDes and primary data in the form of direct observation of research location and interview with key informant. Data analysis employed in descriptively qualitative. Based on the result, it mentioned that into the preparation stage, implementation and principles of management of UED-SP Karya Bersama program has been relatively good. However, there are still less maximal aspects such as lack of socialization conducted by village government, lack of transparency or clarity of information by village fund managers and lack of village facilitators as facilitators in decision making.

Keywords: poverty, community empowerment, savings and loans, transparency

INTRODUCTION

Regional autonomy provides the widest possible authority to regions to carry out regional activities independently, concretely and responsibly or often called decentralization principles. The success of the regional autonomy system is strongly influenced by the readiness and ability of the regions to manage and empower the available resources (Widjaja, 2010).

In the context of regional autonomy and in order to empower the available resources to accelerate poverty alleviation, the Riau Provincial Government has issued a policy for the implementation of village/urban-village empowerment program (PPD) Decree of Riau Governor Decree KTPS/132/BPPM/2005 dated March 31,2005). PPD is a program that aims to accelerate poverty reduction based on the economic development of the community through the provision of Village Business Funds.

Furthermore, based on Riau Governor Regulation No. 21 of 2011 on General Guidelines and Technical Guidelines of Village Empowerment Program (PPD) Riau Province, the mission to be achieved from PPD are: 1) Accelerating poverty alleviation through community economic development by providing Village Business Fund; 2)

Strengthening village community institutions; 3) Encouraging the institutionalization of participation development systems; 4) Encouraging the active role of sectoral services to meet the basic needs of village /urban village community.

The whole process of PPD activities essentially has three dimensions: 1) Empowering the community to determine its own needs, plan development activities, implement transparently and responsibly; 2) Providing support for the creation of a conducive environment to realize the role of society in development, especially in the efforts to improve their own welfare; 3) Providing Village/Urban Village Business Funds to finance the economic activities of village/urban village community. The implementation of PPD consists of two types of activities, namely: 1) Regular activity of village development planning through sectoral; 2) Micro-economic activities through Village Business Fund managed by the Savings and Loan/UED/K-SP Economic Enterprises.

This study aims to analyze the implementation of village empowerment program in supporting the establishment of village-owned enterprises (BUMDES) by taking cases on UED-SP Karya Bersama located in Dayang Suri Village, Bungaraya Sub district, Siak Regency. As an embodiment of PPD, in this village has been formed BUMDES institutional based on the Decree of Village Head Dayang Suri Bungaraya Sub district Siak No. 15 of 2014 on the establishment of Economic Enterprises Savings and Loans (UED-SP) Karya Bersama. The initial capital of UED-SP Karya Bersama amounting to Rp 500,000,000 comes from Local Government Budget (APBD) Siak Regency Year 2014.

METHODS

This type of research is qualitative research in order to analyze the implementation of village empowerment in support of institutional formation of Village Owned Enterprises (BUMDes) in Dayang Suri Village, Bungaraya Sub district, Siak Regency. According Sugiyono (2011) qualitative research is a study used to analyze one or more variables without making a comparison or connect between variables one with other variables.

The data used consist of secondary data and primary data. Secondary data is obtained from the review of books as well as information and related documents. Primary data was obtained through observation, documentation and interviews with key informant related to UED-SP Karya Bersama. The key informant interviewed is given as follows:

Table 1. The key informat interviewed

Name	Position	Date of interview
Mr.Warsan	Cadre of Dayang Suri Village community development	April 22, 2016
Mrs.Wati	Chairman of UED-SP Karya Bersama	April 22, 2016
Mr.Marimin	Penghulu (headman) Dayang Suri Village	April 25, 2016
Mr.Amirullah	Chairman of the Village Consultative Body (BAPERKAM) Dayang Suri	April 25, 2016

Furthermore, the data obtained were analyzed descriptively qualitative. Qualitative descriptive method is a method used to analyze and develop arguments by way of describing, comparing, interpreting data and facts found in the field.

RESULTS AND DISCUSSION

Implementation of village economic savings and loan business program (UED-SP)

The implementation process of UED-SP follows the activities of the Village Empowerment Program: 1) Stages of program preparation; 2) Implementation of activities of village business funds; and 3) Principles of management.

Stages of program preparation

The flow of the program preparation stage includes sub-stages: 1) The first stage of deliberation village; 2) Identification of potential and excavation of Ideas; 3) Verification of proposed village funds activities; 4) The second stage of deliberation village (Widjaja, 2010). Subsequently, the sub-stages are detailed as follows:

a. The first stage of deliberation village

Participants of the deliberation are all villagers or at least attended by 50 people, at least 10% consists of women and at least 10% must represent the poor. The agenda of the first phase of village consultation is: 1) Program socialization to all levels of society; 2) Selecting and establishing community development cadres; 3) Establish the chairman of Bapekam as general supervisor; 4) Select and assign UED-SP managers; 5) Setting the location of the notice board; 6) Establish the name of UED-SP agency.

Nevertheless, in the implementation of the first phase of village consultation in Dayang Suri Village was only attended by 35 people. This is due to the limited time of socialization so that there are still some people are not invited. Subsequently, in this meeting, the community development cadre was elected, the chairman of Bapekam as general supervisor and manager of UED-SP and the institutional name of UED-SP Karya Bersama (*The result of interview with Mr. Marimin as Village Implementer and Mr. Amirullah as Chairman of Bapekam was elected*)

b. Identify the potential and excavation of ideas

Following the first stage of deliberation village, village counselors conducted training for community development cadres followed by identification of village potentials as well as excavation of ideas aimed at assisting villagers in formulating village vision and mission. At this stage, the village assistants in assisting community development cadres undertake the following activities: 1) deliberation to carry out social mapping and village potency; 2) to impose sanctions for members/groups submitted to the second stage of deliberation village; 3) together UED-SP management prepares UED-SP UED-SP and UED-SP (UED-SP) articles of association and budget to be established and submitted in the second phase of village consultation forum.

c. Verify the proposed village fund activities

Verification includes administrative checks and completeness of proposals and field checks. Examination of administrative documentation of proposed utilization plan

(RUP) by UED-SP joint management credit analyst Stat of Joint Works. (*Result of interview with Mrs. Wati as Head of UED-SP*)

d. The second stage of deliberation village

After conducting the verification of the proposed activities, the second stage of deliberation village is held to: 1) determine the size of the loan services and the return schedule for each funded activity; 2) Establish a schedule for disbursement and distribution of village business funds; 3) Establish management incentives and operational costs of UED-SP; 4) Information on revolving plan and revolving mechanism; 5) Agree on sanctions for the implementation of village business funds activities.

The result of the consultation stipulates: 1) the loan disbursement is done at the beginning of the month so that the maturity is early in the month because the community is mostly paying at the beginning of the month; 2) interest or margin of 1.5 percent per month; 3) the amount of fines that must be paid for the beneficiaries who make the payment arrears is Rp. 1000 / day.

Activity implementation

Analysis of the implementation of activities includes indicators of program implementation activities, namely:

a. Requirement as a beneficiary of village business funds

Basically, all villagers are entitled to get loans from village funds with predetermined criteria. The conditions that must be fulfilled by the prospective beneficiaries are: 1) Photocopy of identity card (KTP); 2) Proposal of loan plan; 3) Borrowing Rp. 1.000.000,00 provided the Family Card (KK); 4) Borrowing Rp. 1.000.000,00 - Rp. 5.000.000,00 on condition of BPKB motor; 5) Borrowing Rp. 5.000.000,00- Rp. 15.000.000,00 provided the land certificate.

Requirement as a beneficiary of village business funds is not difficult and the community is able to fulfill it. According to Mrs. Wati (Head of UED-SP):

"The average community already has ID cards, so I think it is easy to meet the requirements as a beneficiary of UED-SP Karya Bersama fund. Likewise for other requirements that match the size of the loan proposed. "

b. The process of channeling the village business funds

The process of business fund disbursement is done after the beneficiaries complete the requirements. The beneficiaries of the village business funds made a letter of credit agreement (SP2K) with the UED-SP manager known to the village head, supplemented by the document of the proposed activities of the beneficiaries. The UED-SP Manager makes a letter of loan agreement with the holder of the village business funds account known to the village counselor and the chairman of the BPD, supplemented with the proposed document of the results of the discussion at the second stage of deliberation village forum. Furthermore, UED-SP Manager makes a fund disbursement plan (RPD) in accordance with the needs, supplemented with a Paying Letter (SPB) and a list of disbursement plans (RPD).

c. Accountability of funds

In accordance with the agreed rules, UED-SP managers are obliged to account for funds to the community through village consultation forums. Accountability no later than 10 days after all/all disbursements of village business funds are distributed to the community and village business fund managers are required to disseminate information on status of funds managed through information boards and other media on a regular basis.

Accountability of village business funds has been done well by managers of savings and loan economic enterprises (UED-SP). However, the manager only gives monthly report to penghulu Dayang Suri Village as general supervisor. According to Mrs. Wati (chairman of UED-SP):

"We from UED-SP Karya Bersama management each month to give monthly report to the head of Dayang Suri Village as the general supervisor of the village program, only about the information board for the status of fund that we manage has not been done."

This statement is supported by Mr. Marimin (penghulu Dayang Suri Village):

"The manager of UED-SP Work together every month has given monthly report to the general supervisor, and if there is my spare time as general supervisor to make unexpected visit to office UED-SP Work together."

Principles of Management

To support the achievement of the village empowerment program in managing the Savings and Loan Economic Enterprises (UED-SP), the implementation must be in line with the principles of management. The principles of management include: 1) Partiality to the poor; 2) Transparency; 3) Participation; 4) Decentralization; 5) Healthy Competition.

a. Partiality to the poor

Every activity undertaken, both of the process and the utilization of the results of the activity, should consider the greatest benefit to the poor group (more benefit from the poor).

The principle of managing the village business funds has been in favor of the people or poor people in the Dayang Suri village. Mrs. Wati (chairman of UED-SP) stated:

"UED-SP funds have been targeted by poor people who use them, maybe only a few percent who enjoy the rich are proven to be many planters / farmers who take advantage of these funds and most of them earn mediocre."

b. Transparency

All operations of PPD activities must be transparent (open) and known to the public at large. With transparency or openness then everything done will be accountable to the community (accountable).

The management of the UED-SP village business fund has not been done transparently or openly and is known to the public at large. According to Mrs. Wati (chairman of UED-SP):

"We, from UED-SP Karya Bersama manager have not posted any information boards for the status of the funds we manage."

This is reinforced by the statement of Mr. Amirullah (Chairman of Bapekam):

"On the information board for UED-SP fund status is not yet available in UED-SP office together, I also hope that in the future there will be information boards for the delivery of information to the public".

c. Participation

Understanding participation is the involvement of the community actively, especially the poor at every stage of the activity, from the stage of socialization, planning, implementation, controlling, preservation and development activities.

Community participation in every stage of activity at UED-SP has been going well. In addition, community participation in the utilization of village business funds also experienced a relatively rapid increase. This is supported by the statement of the chairman of UED-SP (Wati's mother):

"Public participation in the utilization of village business funds or UED-SP Work together increased, to the number of waiting lists for the next beneficiary. The public considers borrowing at UED-SP Work with a margin of only slightly 1.5%." (Interview, Friday 22 April 2016, 10.30 am, UED-SP Office Works together).

d. Decentralization

Decentralization means the granting of authority to the community or more fundamental is the extent to which communities regain their autonomous rights to manage development independently and participatively. Elements of the village apparatus and facilitators/ facilitators program only act as facilitators in every decision in the community.

Still lack of facilitators / assistants who help the community in decision making so that there are still people who do not understand the intent and purpose of UED-SP itself. This is supported by the statement of Mr Warsan (Community Development Cadre):

"Dayang Suri villagers are still many who do not know the purpose of UED-SP because of lack of information and the lack of facilitator for the community."

e. Healthy Competition

The implementation of the principle of healthy competition in UED-SP Karya Bersama has not been maximized. There are still some activities that have not been maximized by the managers and the community. In addition there are still actions or violations that occur in the implementation of the program. This is due to the absence of a facilitator as a companion of beneficiaries and decision-making is still based on individuals and groups. According to Halilintar and Saputra (2017), in order for the principles of healthy competition to be implemented properly, in the implementation of

standard and objective policies required coordination between the parties involved, so that will minimize errors.

CONCLUSIONS AND RECOMMENDATIONS

Conclusions

Several conclusions related to the implementation of village empowerment program in support of institutional formation of Village Owned Enterprises (BUMDes) in Dayang Suri Village Bungaraya Sub district Siak Regency is given as follows:

1. Stages of preparation of the program, already running well, because the activities have been implemented according to the program that has been planned. However, it is not maximized due to time constraints, so not all communities receive information about the program socialization.
2. Implementation phase of activities ranging from requirements as a beneficiary, the process of channeling to accountability made by the manager to the fullest.
3. The principles of program management that are sided with the poor, transparency, participation, and decentralization have worked well. But in the implementation of the principle of healthy competition has not been maximized because there is no facilitator as a companion to the user and decision making

Recommendations

1. The village government should be transparent and also involve all communities for each activity in order to be in direct contact with the community and in accordance with the wishes of the community. So far there is still a policy taken by the village government.
2. There should be a unity between the manager of the village business funds with the community and with the village government, in order to avoid a lot of arrears made by UED-SP fund users.

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