

Social Entrepreneurship: Village Owned Enterprises Development Strategy

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ABSTRACT

High rates of poverty and unemployment, social problems and free competition in both urban and rural areas are problems that need to be addressed appropriately by the government. The government and all related parties need to empower and protect the community by supporting, developing and multiplying the existence of social entrepreneurship. One form of social entrepreneurship in the village is establishing Village-Owned Enterprises (BUMDes). This research wants to know the extent of social entrepreneurship as one of the BUMDes development strategies. This study used a qualitative research method, with interviews with several reliable sources in Bhinor Village, Paiton District, Probolinggo Regency. This study shows several factors for the successful implementation of social entrepreneurship as a strategy for developing BUMDes. There are four patterns of BUMDes development strategies, namely: *first*, empowering local communities in exploring the potential of the village. *Second*, optimizing Corporate Social Responsibility in developing BUMDes. *Third*, collaborating with Micro, Small and Medium Enterprises (MSMEs) to develop local products. *Fourth*, promoting BUMDes business units through social media. In short, social entrepreneurship has been proven to develop BUMDes that have succeeded in growing the economy in the village.

Keyword : Social Entrepreneurship, Community Empowerment, Corporate Social Responsibility, MSMEs, and Social Media.

1. INTRODUCTION

Village-owned enterprises are one of the instruments aimed at increasing the capability of villages in increasing their economy independently. Village Original Income (PADes) does not only rely on injection of funds from the government but requires creation and innovation autonomously from the village micro level. Even though the village economy has been the domain of government programs for a long time, the dominance of the government in programs has actually become an inhibiting factor for rural communities to innovate (Sulaksana & Nuryanti, 2019). The establishment of BUMDes functions to support the welfare of rural communities to accelerate their economy with productive and independent efforts.

The perspective of establishing BUMDes reconstructs development starting from the village as outlined in the framework of President Jokowi's Nawacita program, (Rohim, 2018). The follow-up of this program is shown by the diaspora empowerment program, as well as providing facility support for village communities so that the formation of BUMDes is expected to support the acceleration of the village economy more quickly. This downstream development conception is a new paradigm in village development, especially after the Village Law is implemented.

The legal basis for establishing BUMDes refers to Law Number 6 of 2014 concerning Villages, to be precise chapter 10 Articles 87-90. In this article, it is stated that the government, from the central to the district level, must provide assistance and provide capital support to develop BUMDes. Facilitation includes community empowerment in the business sector to manage village-owned resources. Thus, BUMDes becomes a forum at the village level that accommodates natural resource management and encourages community participation to increase the economy through creative efforts so that gradually the village can revive its economy without capital assistance from the government.

On the way, the characteristics of the resources or assets owned by the villages differ, both due to demographic, educational and geographic factors. However, what is more, important is the level of education that is supported through empowerment. At the level of empowerment, village progress rests on the management of the village government. Optimal village income through BUMDes depends on effective BUMDes governance, both in managing economic potential and making collaborative contacts with other parties. PDDT Regulation No. 4/2015 in Article 4 states that one of the considerations for establishing BUMDes is the initiation of the village government or village community.

Previous research has shown that the development of social entrepreneurship through BUMDes is linked to an analysis of regional potential which is also a management asset. Sulaksana and Nuryanti (2019) in their research in Cibunut Village, which is an agricultural area and mountain slopes, show that BUMDes take advantage of the village's potential by renting out mountain land to local communities, management of agricultural kiosks to

accommodate the needs of people who mostly work as farmers, and management of automotive circuits. which is done in collaboration with youth organizations. Furthermore, a study conducted by Sukarta et al., (2020) shows that BUMDes is a place that needs to be considered to raise the community's economy with local products that are supported by the strength of the Traditional Village in Karangasem Regency. Research (Hilman, 2017) in Gunung Malang Village as the Entrepreneurial Village shows that this labelling should go hand in hand with the exploration of business institutions such as BUMDes as an effort to facilitate people's productive businesses, especially products from bamboo handicrafts. Broadly speaking, these studies indicate that the characteristics of village assets or resources have a major influence on the main purpose of the BUMDes being formed.

Empowerment provides opportunities for parties who have authority in policymakers or decision-making from a community group. The application of aspects of democracy and participation with a focus point on local wisdom will be the basis for efforts to strengthen the potential of local communities. Community empowerment is also focused on strengthening individuals, both community members and community institutions. The main approach in the concept of empowerment is to place the community not only as an object but also as the subject or actor of development. BUMDes is an organization or institution, one of which empowers the community, from exploring the potential to participating in managing BUMDes. The ultimate goal is to make the community independent and economically prosperous.

To achieve its goals, BUMDes must be able to promote the business units it manages. In an age of sophisticated technology like now, the use of social media is an inexpensive means of promotion by relying on the internet network. In traditional marketing, companies communicate with consumers through advertising, direct marketing, personal selling, sales promotion and public relations using print and electronic media which are referred to here as traditional media (Widyaningrum, 2016: 231).

This study aims to analyze the BUMDes development strategy through a social entrepreneurship perspective. This research is an exploration of previous research that has not specifically revealed aspects of social entrepreneurship that prioritize the potential for cooperation with external parties from the village government.

2. LITERATURE REVIEW

The literature review is used to provide an overview of the concepts used in research. The concepts or references used in this study are as follows:

2.1 Social Entrepreneurship

The concept of social entrepreneurship is different from business entrepreneurship. What makes the difference is the goal. Business entrepreneurship has the aim of encouraging entrepreneurial activities but lies in the spirit to pursue profit or enrich yourself. Meanwhile, even though social entrepreneurship aims to benefit from economic activities, the results of these benefits are to help the community and empowered communities (Juwaini, 2011: 257).

A social entrepreneur is someone who understands social problems and uses his entrepreneurial abilities to make social changes, especially in the fields of social welfare, education and health (Santosa, 2007). An entrepreneur who changes the business environment, a social entrepreneur will act as an agent of change for the environment, look for opportunities, improve systems, find new approaches and create solutions to better environmental changes (Dees, 1998).

Based on the above understanding, it can be concluded that social entrepreneurship fosters an entrepreneurial spirit and carries out a social mission, which is not just looking for profit for oneself but thinking about the fate of others.

2.2 Community Empowerment

World Bank in Mardikanto and Soebiato (2015: 8) defines empowerment as an effort to provide opportunities and abilities for (poor) people to be able to dare to speak out or voice their opinions, ideas, or ideas, as well as the ability and courage to choose something (concept, methods, products, actions, etc.) that are best for the person, family and society. In other words, community empowerment is a process of increasing the ability and attitude of community independence.

The community empowerment program should rationally involve or participate in a larger portion of the community because the community knows what needs and what must be done, but the government continues to carry out the supervision pattern by providing assistance from related agencies in implementing program activities in the field the program of activities is running as expected.

Based on some of the definitions of empowerment above, it can be concluded that community empowerment is a series of activities to strengthen the strength or empowerment of vulnerable and weak groups in society, including individuals who experience poverty problems, so that they have empowerment in meeting their daily needs both physically, economic, as well as social, such as self-confidence, as well as conveying aspirations, having a livelihood, participating in social activities and being independent in carrying out life's tasks.

2.3 Corporate Social Responsibility (CSR)

The World Business Council for Sustainable Development (WBCSD) defines Corporate Social Responsibility (CSR) as an action or movement that aims to improve the economy and quality of life for employees and their families, as well as improve the quality of life for the communities around the company (Januarti, I. 2005)

CSR is the theoretical basis of the need for a company to build a harmonious relationship with the local community. Theoretically, CSR can be defined as the moral responsibility of a company to its strategic stakeholders, especially communities or communities around its work area and operations. CSR views companies as moral agents. With or without the rule of law, a company must uphold morality (Daniri, MA 2008).

Based on the above understanding, it can be concluded that CSR is a company effort to build cooperation with all stakeholders around the company for the sustainability of the company itself. With the existence of corporate CSR, it is hoped that it can build a positive image of the company. In addition, the existence of CSR is expected to be able to empower the surrounding community and be able to build with the concept of sustainability.

2.4 Micro, Small and Medium Enterprises (MSMEs)

MSMEs are independent productive business units, carried out by individuals or business entities in all sectors of the economy. MSMEs are productive efforts to be developed to support macro and microeconomic development in Indonesia and influence other sectors that can develop (Suci, YR 2017). MSMEs have a very large number and potential in absorbing labour so that their contribution to the formation of gross domestic product (GDP) is also quite large (Setyobudi, 2007).

Based on the above understanding, it can be concluded that MSMEs can provide opportunities for micro and small economic actors in society. This can be beneficial for the community and BUMDes because they can collaborate in developing businesses owned by the community and business units owned by BUMDes.

2.5 Social Media

The rapid development in the world of technology and information has made the internet an effective means of communication and is in great demand by the public. Social media is also argued as the right media for marketing because of the ease of access (Zarella, 2010). Using social media through blogs, social networking, Facebook, and Instagram is a strategic step in marketing product results (Romdonny, J., & Rosmadi, MLN 2018).

2.6 Village Owned Enterprises (BUMDes)

BUMDes is a village business institution that is managed by the community and the village government to strengthen the village economy and is formed based on the needs and potentials in the village. Apart from being a social institution in the village, BUMDes also acts as a commercial institution that aims to benefit and be used for the welfare of members, the community and as one of the Village Original Revenues (PADes).

The existence of BUMDes is expected to be able to answer problems in the village because BUMDes is not a physical development program carried out by the government but community empowerment. Community empowerment programs are more difficult to measure success than infrastructure or physical development that can be seen and measured.

3. METHODS

This study uses a qualitative paradigm with a descriptive research type. Qualitative methodology is a "research procedure that produces descriptive data in the form of written or spoken words from people and observable behaviour. This type of research is descriptive research. "The purpose of this descriptive study is a study that describes in the form of descriptive words and not numbers so that what is collected is the key to what has been researched (Moleong, 2016).

The reason for using a qualitative paradigm with this type of descriptive research in this study is because the researcher tries to reveal facts that occur in the field. The data collected was carried out by in-depth interviews with resource persons at BUMDes Bhinor Energi in Binor Village, Paiton District, Probolinggo Regency, East Java Province. The main interviewees were the Head of Binor Village and the Head of the BUMDes. Meanwhile, additional resource persons were fishermen community groups, tourism awareness groups, and heads of micro, small and medium enterprises who were selected by purposive sampling. Secondary data (hard data) were obtained from field observations during fieldwork.

4. RESULT AND DISCUSSIONS

Social entrepreneurship is inseparable from community empowerment. The community empowerment program that is deliberately carried out by the government aims to facilitate local communities in planning, deciding and managing their resources so that in the end they have the ability and independence economically, ecologically and socially in a sustainable manner (Munawar, 2011: 88). BUMDes is a business unit that is inseparable from the concept of social entrepreneurship and community empowerment programs. This study discusses how social entrepreneurship is one of the strategies to develop BUMDes in Binor Village, Paiton District, Probolinggo Regency. BUMDes Bhinor Energi is a BUMDes that has succeeded in reducing unemployment and can contribute hundreds of millions of rupiah Village Original Income (PADes). In addition, he received several prestigious awards at the level of East Java Province and won First Place in the Community Development and Engagement category at the 2020 BUMDes Award event organized by the Sepuluh November Institute of Technology. The discussion of the results of this study are as follows:

4.1 Empowering local communities in exploring village potential

The establishment of BUMDes cannot be done carelessly, because it is certain that it will experience failure or bankruptcy. Based on these facts, carefulness is needed in exploring the potential of the village so that the BUMDes will get benefits that have an impact on the sustainability of the BUMDes business and the welfare of the village community, as well as a source of Village Original Income (PADes).

The establishment of BUMDes Bhinor Energi was inseparable from the concern of the village head "Hostifawati" over the bad habits of the local village community, namely those who littered, both household waste and livestock manure around the coast, making the coastal area slum and a source of social problems.

The beach has good potential for economic activity because it has good corals that can be used for tourism activities such as snorkelling and fishing. In addition, every year there is a traditional event, namely picking the sea, as a form of gratitude for the local community for relying on a source of income from the sea, namely as fishermen.

Based on these facts, the village head and community groups feel challenged to change the mindset and image of the community in the following ways:

4.1.1 Provide enough trash

To prevent people from making trash carelessly, namely by providing trash bins. This was done because previously in the area there were no trash bins available, so the community argued that they littered because trash bins were not available.

4.1.2 Make enough toilets for residents around the beach

Open defecation is a bad habit that has lasted for a long time by the local community. Changing this behaviour is very difficult, so the village government allocates a village budget to build toilets. In addition, there is close supervision by the village head, village officials and involving community leaders. This effort succeeded in changing people's behaviour, so that in 2017, they received an Open Defecation Free (ODF) certificate from the Probolinggo Regency Government, namely the Village Free from Defecation Competition.

4.1.3 Plant a cypress tree

This is done to prevent abrasion and as a means of supporting the beauty along the coast. Initially, there was rejection by the fishing community because they could not lean their boats to the shore. However, the village head and community groups who care about the environment always provide continuous direction and supervision, ultimately being able to change the behaviour of the community and the coastal area to be more beautiful.

4.1.4 Improve road access to the beach

The road access which was originally a path and muddy during the rainy season is no longer visible after the Village Government repaired the road with paving and road widening. Besides that along the road is painted in colours, so that the beach is called "Pantai Kelir".

4.1.5 Set up a market every weekend

The more beautiful the beach and the surrounding environment, and the more people, both local and outside villagers, as well as the holding of an annual event on the beach, so that the village head and local community have the idea of establishing a market every Sunday. The market is named Dewi Harmoni Market.

In addition to the above efforts, the Village Government also optimizes the participation of women from the Family Welfare Empowerment Mobilization Team (TPPKK). This non-formal organization, in every routine meeting, discusses how to optimize the potential in the village.

Based on these facts, the village head was encouraged to form BUMDes Bhinor Energi with a focus on tourism villages on Kelir Beach and changed its name several times, namely Dewi Harmoni Beach. In 2018, he established a BUMDes with a capital investment of 75 million Rupiah by making paving, gazebo and stalls for village people to sell local products.

In 2019, develop the BUMDes Bhinor Energi business by building a new business unit on the east coast, namely Bohay Beach, which is engaged in culinary and tourism businesses and the sale of local community products.

4.2 Optimizing Corporate Social Responsibility in developing Village Owned Enterprises

The establishment of BUMDes Bhinor Energi was inseparable from the existence of corporate social responsibility (CSR) PT.PJB UP Paiton. This company provides support in the field of human resource development (BUMDes management) and BUMDes facilities and infrastructure.

4.2.1 Human Resource Development (HRD)

Human Resources (HR) is an important factor in the management structure. With superior human resources, it is hoped that they will be able to manage and compete with similar and different businesses. One form of support carried out by CSR is by:

4.2.1.1 Providing training to BUMDes administrators

Providing training related to how to manage BUMDes professionally by inviting related agencies within the Probolinggo Regency Government, namely: Community and Village Empowerment Service, Regional Revenue Agency, Marine and Fisheries Service, Youth and Tourism Office of the Probolinggo Regency Government.

Through these agencies, BUMDes managers learn about managing BUMDes, optimizing the marine sector, and how to create and manage tourist destinations that attract tourists to attend Bohay Beach which is managed by BUMDes.

4.2.1.2 Comparative Study of BUMDes management

In addition to providing training in managing BUMDes by related agencies in the Probolinggo Regency Government, the CSR of PT. PJB UP Paiton also supports this in financing the comparative study of BUMDes management activities to BUMDes Tirta Mandiri, Ponggok Village, Polanharjo District, Klaten Regency, BUMDes Sumber Sejahtera in Pujon Kidul Village, Pujon District, Malang Regency, Buleleng Regency Tourism Office, Bali Province.

The comparative study was conducted to learn how to optimize village potential, manage BUMDes and learn related regulations related to BUMDes. The existence of this CSR helps BUMDes to develop and BUMDes managers gain insight so that it makes BUMDes a professional institution so that it has an impact on the success of achieving BUMDes goals.

4.2.2 Development of Facilities and Infrastructure

In addition to human resource development, CSR is also in the form of infrastructure and facilities development, namely the construction of many stalls and gazebos as well as the construction of a cafe that became the embryo of "Bohay Beach" on the east side. In addition, the provision of equipment and tourist destination equipment for snorkelling. The existence of adequate facilities and infrastructure can support existing tourism village activities managed by BUMDes.

CSR is not only provided by PT. PJB UP Paiton but also given by PT. YTL in developing BUMDes businesses on the west coast, namely the Sunday market. This CSR program made several gazebos and several tents which were used for selling by the local community. With the existence of this CSR, the existence of traders is more organized and invites the public's interest to shop and travel on the west side of the beach.

The existence of CSR both in the development of human resources, and facilities and infrastructure has a positive impact on the development of BUMDes and the sustainability of the community's economy and reduces the unemployment rate in Binor Village and around the company.

4.3 Cooperating with Micro, Small and Medium Enterprises (MSMEs) to develop and sell local products

The majority of Binor village people work as farmers and fishermen, while those for entrepreneurs are still minimal. So far, some people have a business (making products) such as Packaged stick products, in the form of mustard sticks, celery, corn, red spinach, spinach and golden branches. Before the existence of BUMDes, people sold their products independently or individually at their homes. Based on these facts, BUMDes Bhinor Energi collaborates with UMKM Citra Lestari to market products produced by the community for sale at BUMDes locations on both the west and east coasts.

In addition to processed products, the fishing community feels a tremendous impact because fish catches from fishing do not need to be sold outside the area anymore, it is enough to sell them in BUMDes because this BUMDes is not only active in tourist villages but also the culinary business. Based on the results of an interview with the Chairman of BUMDes, Mr Abdul Komar, the culinary business is the business unit that gets the most profit compared to the tourism business unit. The tourism village business was introduced first, but the fact is that many people are interested because of the culinary business unit. Tourists who want to travel to Banyuwangi, Bali or vice versa first stop by at BUMDes Bhinor Energi because of the marine fish culinary business unit.

BUMDes can market products produced by the community and fish caught by local fishermen can be optimized by collaborating with local MSMEs that have an impact on the welfare of the community. The collaboration between BUMDes Bhinor Energi and UMKM Citra Lestari has a positive impact on the community because it can move the wheels of the community's economy.

4.4 Promote BUMDes business units through social media

Social media is a medium for socializing and interacting, and attracting people's attention to have view and visit links that contain information on various things including products offered by individuals and companies. Based on these facts, it is only natural that every individual has a social media account that can be used for friendship networking purposes or as a means of doing business, namely offering the resulting products.

Based on the opportunities offered by the use of social media, BUMDes Bhinor Energi is highly optimized to promote its business units. This is done because social media can promote at a very low cost. After all, because it only uses smartphones and internet networks. Besides that, promotion through social media can reach all social media users not only domestically but also abroad.

BUMDes Bhinor Energi has social media accounts in the form of Facebook (Binor Harmony), Instagram (binorharmonyresto) and Twitter. With this social media, BUMDes always promotes every activity and tourist spot as well as other business units to attract visitors to come to BUMDes.

5. CONCLUSIONS

Based on the descriptions presented in the discussion above, it can be concluded that social entrepreneurship can be used as a strategy in developing BUMDes. This can be seen from the steps taken, namely: first, empowering local communities to explore the potential of the village. Second, optimizing Corporate Social Responsibility in developing BUMDes. Third, collaborating with Micro, Small and Medium Enterprises (MSMEs) to develop local products. Fourth, promoting BUMDes business units through social media.

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