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# STRATEGY OF VILLAGE-OWNED ENTERPRISES JOINT VENTURES IN THE VILLAGE OF SEBAYAN IN IMPROVING INCOME OF THE VILLAGE

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### **ABSTRACT**

This research was conducted in Sebayan Village, Sambas District, Sambas Regency, West Kalimantan Province. This study aims to determine (1) the strategy of Village-Owned Joint Business Entities in increasing the original income of the village, (2) Supporting factors for Joint Business Village BUM in increasing the original income of the village. (3) the inhibiting factors of the Joint Business Village BUM in increasing the original income of the village. The approach and type of research used is a qualitative approach and a descriptive type of research. Data collection techniques use observation, interview, and documentation techniques. The data technique used is an analysis or SWOT method. The results showed that improving the strategy showed that the company is in a very favorable condition because it has the strength so that it can seize several existing opportunities so that it can be possible to continue to improve, increase growth, and achieve maximum progress.

Keywords: Strategy, Village BUM, Original Village Income

### INTRODUCTION

Villages are often synonymous with educational backwardness, low economic growth, stodgy and traditionalists. Village development is a heavy point of national development, because the village is a sub-section of the national territory that directly touches the community. But until now, there is still a gap between the urban and rural areas. Various efforts to overcome the gap have been made by the government. In 1994 the government established the Presidential Program for Disadvantaged Villages which then developed other programs, namely the District Development Program implemented by the Ministry of Home Affairs, Urban Poverty Reduction Program is a program of the Department of Public Works and others. The programs formed are carried out according to their departments. Since 1998 there have been several fundamental changes, namely the existence of a decentralized system, reform of the state financial system and a national development planning system, which affects all government programs, including programs formed by the government to overcome gaps between regions. (Triyanto, 2014)

The construction of village units is very influential on the growth of national development. Independent villages are a high level of participation from the community because they have the desire to advance, as evidenced by the work and ability of the village to meet their needs. Independent villages are concentrated on trisakti namely; karsa, works, and sembada. If a village has reached the trisakti, then the village can be said to be an independent village (Sidik, 2015). The form of economic institution referred to is a Village-Owned Enterprise. Village-Owned Enterprises is a business entity whose entire or most of its capital is owned by the Village through direct participation sourced from separate village assets so that it can manage assets, services, and other businesses for the welfare of the community in the village (Article 1 number 6 of Law No. 6/2014 concerning Villages). Village-Owned Enterprises are expected to be able to spearhead the village economy managed by the village community. The

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substance and philosophy of Village-Owned Enterprises must be interpreted with the spirit of others and self-help as an effort to strengthen the economic aspects of village government. At this stage, Village-Owned Enterprises will move in line with efforts to increase the original source of income of the village, encourage the economic activities of the existing community so that, Village-Owned Enterprises as an institution that can overshadow that aspect. This effort is also important in order to reduce the role of free-riders who often mark up prices in people's economic activities through the practice of rentiers. (Amalina Sri Kusuma Dewi, 2014).

The establishment of Village-Owned Enterprises is carried out to build villages through village community empowerment programs to increase the productivity and diversity of village businesses, build and strengthen institutions that support production and marketing patterns, the availability of adequate facilities and facilities to support the rural economy, and increase natural resources as the beginning of rural economic growth. In accordance with this opinion, Village BUM is expected to be able to increase the potential of the village as a whole and can be felt directly by the village community with the existence of Village-Owned Enterprises. The community can make Village-Owned Enterprises as a distribution of aspirations for community needs, a place for local human resources to develop village potential, and the use of capital from village funds to be managed optimally for the development of village community recognition. (Garnies Lellyana Sagita, 2017).

The Qur'an in Islam's well-being is not measured in terms of material but also non-material, such as spiritual, moral values and social harmony. In the economy, humans have a level of need and desire to achieve benefits for welfare. Islamic scientist As-Syathibi divides basic needs into three, namely aldharuriyah (primary needs) where these needs include religion, soul, reason, descendants and property that are the basis for human life. These five things must absolutely be fulfilled or owned by man (Kementerian Agama RI, 2008). Fulfilling needs has also been said by God in Q.S Fussilat (41) verse 10 which reads:

The translation;

"And he created on earth those solid mountains upon it. He endowed her and he determined on her the level of her foods (inhabitants) in four terms. (that explanation is in answer) to the people who ask." (Q.S. Fussilat 41:10).

From the interpretation of the verse above, it can be seen that Allah Almighty has created everything to meet human needs as needed. The fulfillment of needs in Islam is three, namely aldharuriyyah (primary needs), al-hajjiyyah, which is the secondary needs needed by humans to facilitate their lives, eliminate difficulties and become better preservers of the five basic human elements. and al-tshaniyyah is a complementary need or has achieved two needs, namely primary needs and secondary needs.

In connection with the above opinion, the organizational development strategy needs to be seen in Village-Owned Enterprises so that what is the purpose of forming a Village-Owned Enterprise can be achieved. Strategy cannot be separated from how the planning can be realized properly so that, what is the vision and mission of the organization can be achieved. Villages are required to have Village-Owned Enterprises as stated by the Chairman of the Central Leadership Council of the Association of Village Government Apparatus throughout Indonesia Wargiyat that Village-Owned Enterprises must be owned by each village as a superior organization aimed at optimizing the potential of the village. Another reason is based on the direction conveyed by the village minister that there are 4 points that must be budgeted in the village fund. The four

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programs are the establishment of Village-Owned Enterprises, superior programs for rural areas, facilities and sports. The establishment of Village-Owned Enterprises is based on Law No. 6 of 2014 concerning Villages in Article 87 paragraph (1) which reads "Villages can establish Villages" Owned Enterprises called Village-Owned Enterprises," and paragraph (2) which reads, "Village-Owned Enterprises are managed in the spirit of kinship and cooperation," and paragraph (3) which reads, "Village-Owned Enterprises can run businesses in the economic sector and or public services in accordance with the provisions of the laws and regulations", so that Village-Owned Enterprises can play an active role in the village community, not only as an organization, but also provide services for the welfare of the community (Deky Aji Suseno, 2016).

Based on Peer Village Regulation Number 3 of 2016 and Decree Number 3 of 2017, it is stated that The Joint Business Village-Owned Enterprise was established with the intention of, among others, helping to increase Village Original Income and providing services to the community in the field of providing community needs, increasing business opportunities in meeting community needs, assisting the Village Government in reducing poverty and improving community welfare, as a forum for village units, as a center of economic services and realizing an economic unity of peer community members, as a function of institutions or business entities that provide services, carrying out general benefits in the development of the village economy (Jurnal Desa, 2019)

### **METHODS**

The research method used is qualitative research. This study uses a descriptive approach. Descriptive research is a study that seeks to describe a symptom, event, event that occurs at the present moment. Through descriptive research, researchers try to describe the events and events that are the center of attention without giving special treatment to the events (Andi Prastawo, 2012). Teknik pengumpulan data menggunakan observasi, wawancara dan dokumentasi. Sementara untuk teknik analisis data adalah proses menyusun dan mencari data secara otomatis yang diperoleh dari wawancara, catatan lapangan, dan dokumentasi, dengan cara merumuskan dengan metode swot. Sedangkan untuk pengecekan keabsahan data dalam penelitian kualitatif meliputi uji, credibility, transferability, dependability, dan confirmability (Sugiyono, 2015).

### **RESULTS AND DISCUSSIONS**

In developing village businesses, it requires good handling in order to create an independent village community and can carry out its activities as optimally as possible. There needs to be a support or village community institution that is able to see and regulate the potential of village businesses, Village BUM is expected to be able to become a pioneer for village communities in ihat and regulate village businesses. Business entities owned by the Joint Business Village in carrying out their duties as village business institutions are expected to be able to have a significant good influence on the village community. Increasing the original income of the village in order to improve the ability of the Peer Village government in the implementation of village government and development and community services, one of which is:

- 1. Developing economic potential in rural areas to encourage the development and economic capabilities of rural communities as a whole.
- 2. Realizing an independent and resilient economic and social institution of rural communities can provide services to the needs of the community.

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- 3. Creating entrepreneurial opportunities, increasing togetherness, reducing unemployment and becoming a pillar of socio-economic activities in the village.
- 4. Providing services for productive business needs for the poor and as a vehicle for learning economic, social enterprises creates equal business opportunities and increases the income of rural communities.

In this study using a SWOT analysis, this analysis describes every strength, weakness, opportunity, and threat from Village-Owned Enterprises Of Sebayan Village Joint Ventures in carrying out their activities. Based on the results of observations made by researchers, there is a picture of the environment they face, both from within the company's own environment. (strength and weakness) as well as from outside the company environment (opportinity and threat).

Tabel I. SWOT Analysis of Village Native Income Increase

Strength	Weakness
1. Promotional Media	1. Lack of Regulatory Understanding
2. Types of Business Units	2. Public Awareness
3. Quality of Human Resources	3. Limited Administration Management
4. Investment	4. Limited Funds
5. Location Location	5. Limited Fertilizer Quota
Opportinity	Threat
Opportinity 1. Technological Developments	Threat  1. Pluktuasi Price
1. Technological Developments	1. Pluktuasi Price
Technological Developments     Support and Participation	Pluktuasi Price     The Existence of Competitors

Table 2. Matriks SWOT

IFAS	STRENGTHS (S)  1. Promotional Media 2. Types of Business Units 3. Quality of Human Resources 4. Investment 5. Location Location	WEAKNESSES (W)  1. Lack of Regulatory     Understanding  2. Weak Public Awareness  3. Gestion administrative  4. Limited Funds  5. Limited Fertilizer Quota
OPPORTUNITIES (O)  1. Technological    Developments  2. Support and    Participation  3. Business Development    Potential Local    Economic Resources  4. Cooperation between	STRATEGY (SO)  1. Maximize and improve the business units of production facilities with the results of selling fertilizer by means of promotional media.	<ol> <li>STRATEGY (WO)</li> <li>Adding business unit programs to increase local income and economy.</li> <li>Partnering with other Village-Owned Enterprises and farmer groups.</li> </ol>

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Village Governments	2. Improving the quality of service in the activities of business units carried out  3. Expanding the program of business units of Village Owned Enterprises Usaha Bersama	3. Providing training to citizens to build the quality of human resources.
TREATHS (T) Price fluctuations There are competitors Government regulation Covid-19 Disaster price game	STRATEGY (ST)  1. Always oriented in improving the local economy and maintaining the good name of Village-Owned Enterprises  2. Utilizing increasingly sophisticated technology and maximizing sales and existing business units through promotional media  3. Establish close cooperation and mutual respect for agreed norms	1. Establish good relations with local governments, village governments, communities and actively collaborate with partners of Village-Owned Enterprises  2. Maintaining product quality and always providing good service to consumers.

### IFAS Matrix (Internal Strategis Faktors Analysis Summary)

The analysis of the conditions of the internal environment is selected through two elements, namely strengths and weaknesses. The assessment of weights and averages on each component is based on the consideration of researchers from the results of the research conducted. Such results can be seen as in the following table:

Table 3 Respondents' Statements and Assessments of Internal Strategies

	Statement					Re		R	P						
No	Strengths	k	k.	k.	k.	k.	k.6	k.	k.8	k.9	k.1	k.11	k.12		
110			2	3	4	5		7			0				
		1													
1	Promotion	4	4	4	4	3	4	4	2	3	4	4	3	43/12=3,58	3
	al Media														
2	Types of	4	5	5	5	5	5	4	4	3	5	4	4	53/12=4,41	4
	Business														
	Units														
3	Quality of	5	3	4	3	4	4	4	3	4	5	4	2	45/12=3,75	3
	Human														

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	Resources														
4	Investment	5	5	5	5	5	4	4	3	3	5	4	3	52/12=4,33	4
5	Location	5	5	5	5	5	5	4	5	4	4	4	4	55/12=4,58	4
	Location														

	Statement				F	Resp	onde	ent A	ssess	men	t			R	Р
No	Weakness	k.	k.	k.	k.	k	k.	k.	k.	k.	k.1	k.	k.12		
		1	2	3	4		6	7	8	9	0	11			
						5									
1	Regulatory	2	2	2	3	2	2	3	2	3	2	3	3	24/12=2	2
	Understan														
	ding														
2	Public	2	2	2	4	2	3	3	2	3	1	3	3	30/12=2,5	2
	Awareness														
3	Administra	3	3	3	4	3	4	4	2	3	3	3	4	39/12=3,25	3
	tive														
	Manageme														
	nt														
4	Limited	4	3	2	4	3	5	3	4	2	3	3	3	39/12=3,25	3
	Funds														
5	Limited	2	3	3	4	3	5	2	2	2	1	2	2	31/12=2,58	2
	Fertilizer														
	Quota														

Table 4. IFAS Matrix of Increasing Original Village Income

No	Factor	Weight (%)	Average	Sum
	Strength	l		
1	Promotional Media	0,2	3	0,6
2	Types of Business Units	0,2	4	0,8
3	Quality of human resources	0,2	2	0,4
4	Investment	0,2	3	0,6
5	Location stratejik	0,2	4	0,8
	Total	1		3,2
	Weakness			
1	Regulatory Understanding	0,2	2	0,4
2	Public Awareness	0,2	2	0,4
3	Administrative Management	0,2	3	0,6

	, , , , , , , , , , , , , , , , , , , ,	P		
4	Limited Funds	0,2	3	0,6
5	Quota limite dengrais	0,2	2	0,4
	Total	1		2,4

The IFAS matrix table explains the results of filling out the questionnaire internal factors of strength obtained the highest total score of 4 in the statement regarding the type of business and location of Village-Owned Enterprises and the lowest total score of 2 on the statement of the quality of human resources. The total average answer score for the statement of strength was 3.2 Meaning that the respondent Agreed to 5 statements as a force factor in the strategy of Village-Owned Enterprises to increase the original income of the village.

Meanwhile, internal strategy factors that are weaknesses (weakness) obtained the highest total score of 0.6 in the administrative management statement and the lowest total fund limitation on the statement of regulatory understanding, public awareness, limited fertilizer quota obtained both had a score value of 0.4. The total average answer score for the weakness statement was 2.4 meaning that the respondent Agreed to 5 statements as a weakness factor in the village-owned enterprise's strategy to increase the original income of the village.

### Matriks EFAS (Eksternal Strategic Factors Analysis Summary)

The analysis of the conditions of the external environment is selected through two elements, namely, opportunities and threats. The assessment of weights and averages on each component is based on the consideration of researchers from the results of the research conducted. These results can be seen in the following table:

Table 5 Respondents' Statements and Assessments of External Strategies

	Table 3 Respondents Statements and Assessments of Ex								LAL	CIIIa	1 ottategies				
	Statement				Re	spon	dent	Asse	essme	ent					
No	Oppeortunity	k.	k.	k.	k.	k.	k.	k.	k.	k.	k.	k.	k.	R	P
		1	2	3	4	5	6	7	8	9	10	11	12		
1	Technologica	4	3	4	4	3	5	4	2	3	4	3	4	43/12=3,58	3
	1														
	Development														
	S														
2	Support and	4	4	4	5	5	5	4	4	3	3	3	4	48/12=4	4
	Participation														
3	Business	4	4	4	4	4	5	4	4	3	4	4	3	47/12=3,91	3
	Development														
	Potential														
4	Local	4	2	4	5	3	4	3	4	3	4	3	2	41/12=3,41	3
	Economic														
	Resources														
5	Cooperation	4	4	4	5	4	5	4	5	4	3	4	3	49/12=4,08	4
	between														
	Village														
	Regulations														

	Statement				Re	spon	dent	Asse	essme	ent				R	P
No	Threar	k.	k.									k.			
		1	2	3	4	5	6	7	8	9	10	11	12		
1	Pluktuasi	2	2	3	2	3	3	3	3	3	2	2	3	31/12=2,58	2
	Price														
2	The	3	3	2	2	2	3	4	3	3	2	3	2	32/12=2,66	2
	Existence of														

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	Competitors														
3	Government Regulation	2	1	1	4	1	5	4	3	3	3	3	3	33/12=2,75	2
4	Game Price	2	2	2	2	2	2	3	3	3	2	4	3	30/12=2,5	2
5	Disaster COVID-19	4	3	3	1	3	3	3	3	3	3	2	1	32/12=2,66	2

Table 6. IFAS Matrix of Increasing Original Village Income

No	Faktor	Weight (%)	Average	Sum
	Opportunity			
1	Technological Developments	0,2	3	0,6
2	Support and Participation	0,2	4	0,8
3	Business development potential	0,2	3	0,6
4	Local economic resources	0,2	3	0,6
5	Cooperation between Village	0,2	4	0,8
	Regulations			
	Total	1		<mark>3,4</mark>
	Threat			
1	Pluktuasi Price	0,2	2	0,4
2	L'existence de concurrents	0,2	2	0,4
3	Government Regulation	0,2	2	0,4
4	Game Price	0,2	2	0,4
5	Disaster COVID-19	0,2	2	0,4
	Total	1		2

This table describes the results of filling out the questionnaire for external factors of opportunity obtained the highest total score of 0.8 on the statement of support and participation, cooperation between village governments and the lowest total score of 0.6 on the statement of technological development, business development potential, local economic resources. The total average answer score for the opportunity statement was 3.4 meaning that respondents Strongly Agreed to 5 statements as an opportunity factor in the Village-Owned Enterprises' strategy to increase the original income of the village.

Meanwhile, the external strategy factors that become threats explain the results of filling out the questionnaire of external factors of threat obtained a total score of all 0.4 each in each of the statements above. The total average answer score for the threat statement was 2, which means that the respondent stated that they disagreed with the 5 threat statements above as a threat factor in the village-owned enterprise's strategy to increase the original income of the village.

A more flexible picture of the SWOT analysis that has been carried out, it is necessary to use a table of internal and external factors submitted in the form of a questionnaire to the research respondents. In this questionnaire, researchers selected 12 respondents to fill out the questionnaire that had been prepared. The selection of respondents is based on the considerations of the researcher, namely, people who have positions in the company and know with certainty the matters related to the problem being studied.

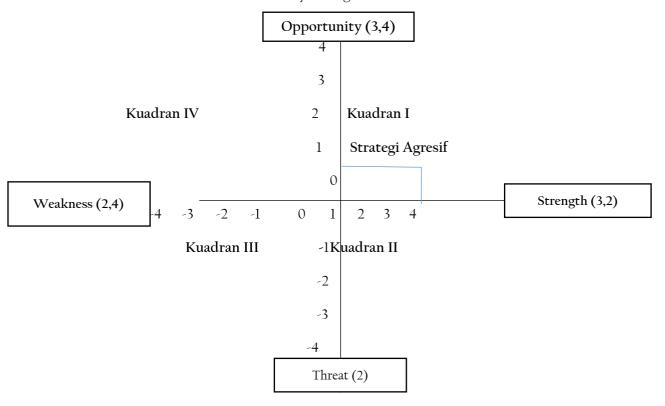
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### **SWOT Analysis Diagra**

Table 4. Comparison of Internal and External Scores

Internal	Ekternal
Strength – Weakness	Opportunity – Threat
3,2 – 2,4	3,4 - 2
0,8	1,4
X	Y

From the comparison results in the table above, it can be seen that the strength score is greater than the weakness score with a difference of 0.8 and the opportunity score is greater than the threat score with a difference of 1.4. Then the results of the analysis of internal and external factors obtained can be described in the SWOT analysis diagram below:



### Information:

Quadrant I: This is a very favorable situation. The company has opportunities and strengths so that it can take advantage of the opportunities that exist. The strategy that must be applied in this condition is to support an aggressive growth policy (growth oriented strategy). Quadrant II: Despite facing various threats, the company still has internal strengths. The strategy that must be applied is to use the power to take advantage of long-term opportunities by means of a diversification strategy (product/market). Quadrant III: The company faces enormous market opportunities, but on the other hand, it faces some internal constraints/weaknesses. Business conditions in quadrant 3 of product categories or business units with a low market share, the focus of this company's strategy is to minimize. Quadrant IV: This is a very unfavorable situation, the company faces various internal threats and weaknesses. Les résultats de l'analyse SWOT ont obtenu un score moyen de Forces (Forces) = 3,2

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Scores de Faiblesse (Faiblesse) = 2,4 Scores d'Opportunités (Opportunités) = 3,4 et Scores de Menace (Treaths) = 2.

### **CONCLUSION**

After conducting research on Village-owned enterprises Usaha Bersama in Desa Sebayan, researchers can draw several conclusions as follows: (a) Village-Owned Enterprises of Joint Ventures are improving their competitive strategy by maximizing the facilities and production business units and adding more various business units to increase local economic income and sell various quality subsidized and non-subsidized fertilizers at affordable prices, maximize freight forwarding services to improve sales strategies by utilizing technological advances, and maintain the company's image in the eyes of the public. (b) The weighted value of the Internal Strategic Factors Analysis Summary (Matrix IFAS) is 0.8 which indicates that the position of the Joint Venture Village-owned enterprises has a very strong internal position. Meanwhile, the weighted value of the External Strategic Factors Analysis Summary (Matrix EFAS) is 1.4 which indicates that the Joint Business Village-owned enterprises in facing the dynamics of the external environment of the company's position is relatively strong, (c) Village-owned enterprises Usaha Bersama is in the first square, this shows that the company is in a very favorable condition because it has the strength so that it can seize several existing opportunities so that it can be possible to continue to improve, increase growth, and achieve maximum progress.

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