

CHAPTER I

INTRODUCTION

1.1 Background of the Project

Village-Owned Enterprises (BUMDES) are village business institutions that are managed by the community and village government in an effort to strengthen the village economy and are formed based on the needs and potential of the village. BUMDES is a pillar of economic activity in the village that functions as a social institution and commercial institution. In addition, BUMDes also acts as a social institution that takes sides with the interests of the community through its contribution in providing social services. Meanwhile, as a commercial institution, it aims to seek profit through offering local resources to the market. Susanti (2015)

The new paradigm to build and strengthen regions and villages within the framework of the Unitary State of the Republic of Indonesia, the village is the smallest unit of the state that is very close to the community and in real terms directly touches the need for community welfare. Strategy Development of village economic potential through BUMDES is a good alternative solution to reduce dependence on government assistance and be able to become an independent village. Akhmad and Astuti (2020)

BUMDES was born as a new approach in an effort to improve the village economy based on the needs and potential of the village. The management of BUMDES is fully implemented by the community, namely from the village, by the village, and for the village. The way BUMDES works is to accommodate community economic activities in an institutional form or business entity that is managed professionally, but still relies on the original potential of the village. This can make community businesses more productive and effective. Susanti (2015)

In the future BUMDES will function as a pillar of the nation's independence as well as an institution that accommodates community economic activities that develop according to the characteristics of the village in order to improve the

welfare of the village community. In establishing BUMDES it is recommended by the government based on law no. 6 of 2014 concerning villages provides law on BUMDES as collective village economic actors to improve the welfare of village communities. Susanti (2015)

The establishment of BUMDES is based on Law no. 32 of 2004 jo. Law No.23 of 2014 concerning Regional Government, Law No.6 of 2014 concerning Villages and Government Regulation No.72 of 2005 concerning Villages. In Law no. 32 of 2004 in conjunction with Law no. 23 of 2014 concerning Regional Government in article 213 paragraph it is stated that "Villages can establish Village-Owned Enterprises in accordance with the needs and potential of the village". In article 1 point 4 of the Minister of Home Affairs Regulation Number 39 of 2010 concerning Village-Owned Enterprises, BUMDES is defined as: "Village-Owned Enterprises, hereinafter referred to as BUMDES, are village businesses formed/established by the village government with capital ownership and management is carried out by the village government and the community.



Figure 1.1 BUMDES Air Putih Jaya
Source : Processed data 2021

According to Puguh, (2015) BUMDES as an instrument of village autonomy means to encourage the village government to develop the potential of the village according to the village's capabilities and authority, while as an instrument of community welfare, namely by involving the community in managing BUMDES as well as a program designed by the government to improve

people's lives for the better. The way BUMDES works is by accommodating community economic activities in the form of an institution or business entity that is managed professionally, but still relies on the village's original potential in accordance with the village's capabilities and authority. The ideal BUMDES is able to become the axis of village community life, because its goal is to fulfill community needs, is able to absorb the production capacity of the community and its access is open to all village communities.

In general, the definition of a workshop is a meeting where a group of people with interests, expertise, or professions in a particular field are actively involved in discussions and intensive activities on a particular subject or project.

Another opinion says that the notion of a workshop is an activity where several people who are experts in a particular field gather with a group of people with the same professional background and interact with each other to discuss certain problems.

1.2 Identification of Project

Based on the background above, the formulation of the problem that the author will raise is “Business Development Strategies For Bumdes Air Putih Jaya”.

1.3 Purpose of the Project

1.3.1 Main Purpose

The main objective in achieving Workshop On Business Development Strategies For Bumdes Air Putih Jaya .

1.3.2 Specific Purpose

The specific project purpose that are expected to be achieved in the writing of this Undergraduate Thesis are as follow:

1. Find the strategy for the business development of BUMDES Air Putih Jaya.
2. Find the obstacle factors for the BUMDES Air Putih Jaya.
3. How to develop the BUMDES business of Air Putih Jaya
4. Find ways to improve the financial statements of BUMDES Air Putih Jaya.

1.4 Significance of the Project

The significance of this research are Increase insight and understanding of the workshop strategy for developing BUMDES AIR PUTIH JAYA.

1.5 Time and Place of Project Implementation

The implementation carried out by the author is in Air Putih Village, Kec. Bengkalis and Implementation time required to complete this project is from June to November.

1.6 Writing System

The writing systematics of the final project Workshop On Business Development Strategies For Bumdes Air Putih Jaya is as follow:

CHAPTER 1 : INTRODUCTION

In this chapter the author describes the Background of the Project, Identification of the Project, Purpose of the project, Significance of the Project, Time and Place of Project, and Writing System.

CHAPTER 2: LITERATURE REVIEW

In this chapter, the author describes the theory needed to strengthen the reasons for making the project and the design of the project to be discussed, namely previous research and theoretical foundations.

CHAPTER 3: PROJECT COMPLETION METHODS AND PROCESSES

In this chapter the author describes the Project Preparation, Project Implementation Plan, Project Accomplishment Plan, and Schedule and Estimated Costs.

CHAPTER 4: RESULTS AND DISCUSSION

In this chapter the author describes the analysis of the final project results, namely the final project implementation report.

CHAPTER 5: CONCLUSION AND SUGGESTION

In this chapter there are a number of conclusions and suggestions as a description of the final project report.