

Regional Regulation Intervention as Legal Literacy in Empowering Village-Owned Enterprises

Moh. Taufik

Lecturer at the Faculty of Law, Universitas Pancasakti Tegal

Author Correspondence: moh_taufik@upstegal.ac.id

Nuridin Nuridin

Lecturer at the Faculty of Law, Universitas Pancasakti Tegal

Mukhidin Mukhidin

Lecturer at the Faculty of Law, Universitas Pancasakti Tegal

Abstract. Tegal Regency regional regulation Number 2 of 2018 concerning Village-Owned Enterprises is a regional policy in the context of increasing the potential of village resources. The hope is that this regional policy can be a solution for developing village potential, which in Tegal district has a lot of village development potential. As well as increasing the potential of village business capabilities. With Village-owned Enterprises, it is hoped that the business potential in Tegal Regency, which has a large number of small and medium businesses and a high entrepreneurial culture, will certainly be the main requirement if the regional government can seize this opportunity to improve and empower the business world in Tegal Regency to the maximum. This research is a Normative Juridical Research on issues relating to the Job Creation Law and Village-Owned Enterprises policies. This research aims to determine the implementation of Tegal regent's regulation number 2 of 2018 concerning village-owned enterprises as well as solutions to obstacles in its implementation., in This research uses a qualitative data analysis method, namely normative juridical which is presented descriptively. Regent's Regulation number 2 of 2018 created a main strategy, namely Tegal Regency's commitment to improving the ranking of all indicators in investment policy in a better direction, structural improvements for all indicators, implementing ease of doing business for all communities, especially micro, small and medium enterprises through village-owned enterprises.

Keywords: Regional Regulation Intervention, Village Owned Enterprises, Legal Intervention, Village Potential Development.

INTRODUCTION

The central government has changed the approach to the village resource management model established by the village government because it is considered more responsive to empowering village communities after Law Number 6 of 2014 concerning Villages was enacted (Antlov, Wetterberg, & Dharmawan, 2016). Here, the formal "hybrid institutions" at the village level in question are Village-Owned Enterprises or what are called Village BUMs¹.

President Joko Widodo starting in 2014, the institution tasked with managing shared resources (natural tourism villages) is no longer the Ministry of Tourism but is now the task of the Ministry of Villages through the Village Fund policy (Viva, 2016). Village Funds given to all

¹Fajar Sidik, Empowering Village Communities Using Village-Owned Enterprises, Journal of Sociological Thought, Volume 5 Number 2, Agusuts 2018.

Village Governments by the Central Government are a realization of Law No. Village Funds given to all Village Governments by the Central Government are a realization of Law No. 6 of 2014 concerning Villages for physical (infrastructure) and non-physical village development (empowerment) of village communities. . During 2015-2019, the Central Government provided Village Funds to 74,958 villages in Indonesia with an average of each village receiving IDR 280 million (in 2015), IDR 628 million (in 2016), IDR 800 million (in 2017) and it is estimated that they will receive 1 billion per village in 2019 (Ministry of Finance, 2018)².

The Ministry of Villages then encouraged all villages in Indonesia to utilize Village Funds to establish and develop BUM Village institutions to accelerate efforts to reduce village poverty (Kompas, 2015). In just two years after Village Funds were provided starting in 2015, the Ministry of Villages was able to increase the number of Village BUMs significantly, namely from 1,022 units in 2014 to 21,811 units in 2017 (Kompas, 2017b; The Jakarta Post, 2017a). Under Joko Widodo's administration, establishing and developing Village BUMs became one of the Central Government's priority agendas. BUM Desa is a forum for managing jointly owned resources (natural tourism villages) and village-owned assets so that they are utilized as much as possible for the welfare of village communities based on the Regulation of the Minister of Villages, Development, Disadvantaged Regions and Transmigration (Permendesa) Number 4 of 2015 concerning BUM Village . However, at the grassroots level (village level), Joko Widodo faces serious challenges and it is not easy to realize the Nawacita program in developing villages because there are still many BUM Desa (around 65 percent of the total number of 12,848 units in 2016) who are not yet able to be active and productive, only just normative, and a formality in reducing village poverty.

Regional Regulation Number 2 of 2018 concerning Village-Owned Enterprises is a regional policy of Tegal district is a regional policy of Tegal district concerning village-owned enterprises. The legal basis for this policy is Law Number 6 of 2014 concerning villages, Law Number 23 of 2014 concerning Regional Government, Law Number 40 of 2007 concerning Limited Liability Companies, Law Number 12 of 2011 concerning the Formation of Legislative Regulations, Law Number 1 of 2013 concerning Microfinance Institutions.

²Harijono, R Maryunani, Economic Independence of the Village (Bumdes), Journal of economics and Finance, 3(2), 21–30. <https://doi.org/10.9790/5933-03232130>

The urgency of the Tegal Regency regional regulation Number 2 of 2018 Regent is in the context of increasing the potential of village resources. The hope is that this regional policy can be a solution for developing village potential, which in Tegal district has a lot of village development potential. As well as increasing the potential of village business capabilities. With Village-owned Enterprises, it is hoped that the business potential in Tegal Regency, which has a large number of small and medium businesses and a high entrepreneurial culture, will certainly be the main requirement if the regional government can seize this opportunity to improve and empower the business world in Tegal Regency to the maximum.

Regent Regulation number 2 of 2018 also makes efforts to increase community income and welfare. Village-Owned Business Entities are places of business so that they can provide certainty about business places which will provide benefits for banking access. Environmental permits so that there is no environmental impact after the business is running. Environmental problems are a crucial problem and cannot be underestimated, because many regions are trying to increase income but do not pay attention to environmental factors, resulting in greater losses, with many health problems and natural damage resulting in floods and landslides, where rehabilitation costs are even higher greater than the economic benefits.

Formulation of the problem

Based on the description above, the problems in this research are:

1. How is the implementation of Tegal Regency Regional Regulation Number 2 of 2018 concerning Village-Owned Enterprises in Tegal Regency?
2. What are the policy implications of Tegal Regency Regional Regulation Number 2 of 2018 concerning Village-Owned Enterprises in Tegal Regency?

RESEARCH METHODS

The nature of this research is library (library research). Library research is research carried out by examining library materials or secondary data. This research includes library research because the data used is mostly secondary data in the form of legal documents. The approach used in this research is philosophical. The philosophical approach in legal research is to examine law from an ideal perspective. This research uses a philosophical approach because the law studied is at an ideal level. The data source used in this research is secondary data. Secondary data is data obtained indirectly or provided by other parties. Secondary data is used as the main

reference which is available in written form in books, scientific journals or other written sources. Data collection techniques are carried out through conventional and online searches. Conventional literature searching is the activity of searching for library sources in data storage places. Meanwhile, online review is the activity of searching for library sources in cyberspace via the internet network. Conventional literature searches are carried out by searching for library materials in libraries, purchasing books, journals and attending scientific activities (seminars). Meanwhile, online searching is done by searching on the internet. The data analysis method used is qualitative. Qualitative data analysis is the process of organizing and sorting data into patterns, categories and basic units of description so that themes can be found which are presented in narrative form. This research uses qualitative data analysis because the data will be presented in a narrative-descriptive manner, not in numerical or numerical form.

DISCUSSION

Implementation of Tegal Regency Regional Regulation Number 2 of 2018 concerning Village-Owned Enterprises in Tegal Regency.

Regional Regulation Number 2 of 2018 concerning Village-Owned Enterprises is a regional policy of Tegal district is a regional policy of Tegal district concerning village-owned enterprises. The legal basis for this policy is Law Number 6 of 2014 concerning villages, Law Number 23 of 2014 concerning Regional Government, Law Number 40 of 2007 concerning Limited Liability Companies, Law Number 12 of 2011 concerning the Formation of Legislative Regulations, Law Number 1 of 2013 concerning Microfinance Institutions.

The urgency of the Tegal Regency regional regulation Number 2 of 2018 Regent is in the context of increasing the potential of village resources. The hope is that this regional policy can be a solution for developing village potential, which in Tegal district has a lot of village development potential. As well as increasing the potential of village business capabilities. With Village-owned Enterprises, it is hoped that the business potential in Tegal Regency, which has a large number of small and medium businesses and a high entrepreneurial culture, will certainly be the main requirement if the regional government can seize this opportunity to improve and empower the business world in Tegal Regency to the maximum.

Regent Regulation number 2 of 2018 also makes efforts to increase community income and welfare. Village-Owned Business Entities are places of business so that they can provide certainty

about business places which will provide benefits for banking access. Environmental permits so that there is no environmental impact after the business is running. Environmental problems are a crucial problem and cannot be underestimated, because many regions are trying to increase income but do not pay attention to environmental factors, resulting in greater losses, with many health problems and natural damage resulting in floods and landslides, where rehabilitation costs are even higher. greater than the economic benefits.

Purpose of Establishing Bumdes

That in order to increase the potential of village resources, the income and welfare of village communities need to be accommodated through various available economic business activities, namely village-owned enterprises. In accordance with Regional Regulation Number 2 of 2018 concerning Village-Owned Enterprises. The objectives of establishing a village-owned enterprise are as follows:

- a. Improving the Village Economy. The potential of the village is very large and has the opportunity to increase income for the village and local government. With Indonesia's natural wealth and especially Tegal Regency which has many natural treasures that can be exploited to become a source of the village economy.
- b. Optimizing village assets so that they are useful for village welfare. Village assets are quite numerous and extensive, if they are not regulated and managed well it will certainly not provide benefits to the village itself. Asset inventory is very important so that later the inventory can be developed into productive assets.
- c. Increasing community efforts in managing the village's economic potential. Many community businesses need to be accommodated in a good container and well programmed, so that these businesses can develop productively and be of benefit to the village community.
- d. Develop business cooperation plans between villages and/or third parties. Through the development of Bumdes, business cooperation between villages can be developed more optimally and also collaborate with third parties, for example with the business world, so that it can encourage more development of village assets and marketing channels for village products. more expansive.
- e. Improving community welfare through improving public services, growth and equalization of the village economy. Public facilities will develop well if village income increases. So

with Bumdes it is hoped that the construction of public facilities will be more numerous and beneficial for the community.

The role of BumDes

Village-Owned Enterprises are economic institutions that have an important role in realizing the welfare of village communities and village governments. The formation of a Village BUM can be a means of strengthening village economic institutions in exploring village economic potential as well as a means of utilizing the local economy. Therefore, Village-Owned Enterprises can be utilized as the backbone of the village economy by increasing village income and the welfare of village communities.

There are several roles of Village-Owned Enterprises which are based on Tegal Regency Regional Regulations. These roles include:

- a. The role of Village-Owned Enterprises is as a facilitator, where Village-Owned Enterprises are expected to increase local revenue. Bumdes can also provide solutions to village problems so that they can create good and positive changes for the village. Bumdes can also provide facilities for opening new existing businesses so that the types of businesses in the village can develop in large numbers.
- b. The role of Village-Owned Enterprises is as a Mediator, where Village-Owned Enterprises can socialize the results of business plans determined by the village. As well as from socializing the results of these business plans, they are developed into concrete activities. Often there is no follow-up to the existing socialization, so that with the existence of village-owned enterprises they can become executors of well-designed business programs.
- c. The role of Village-Owned Enterprises as a Motivator, where Village-Owned Enterprises encourage maximum business development and can increase the income and welfare of village communities. One thing that is of concern is that there are still many village people who do not have strong motivation to become entrepreneurs. So, through the development of Village-Owned Enterprises, it will be a motivation for the surrounding village community to develop and progress together.

Conditions for establishing Bumdes

Based on Regional Regulation Number 2 of 2018, the requirements for establishing a Village BUM are implemented by considering:

- a. initiative of the Village Government and/or Village community;

- b. Village economic business potential;
- c. natural resources in the Village;
- d. human resources capable of managing BUMDesa; And
- e. capital participation from the Village Government in the form of financing and Village assets handed over to be managed as part of the Village BUM business.

Management and Management

The management of BUM Desa is carried out by the BUM Desa management which is separate from the Village Government organization. So far, Bumdes are part of the Village Government, so their management is not professional and tends to be misused by village administrators for their own interests, so that many Bumdes do not develop well, and many even stop, due to low budgets. With the Bumdes management being taken on board professional, it is hoped that management will run effectively and efficiently.

After the management is elected, then the organizational form of the BUM Desa management consists of:

- a. Advisor; Advisors are usually taken from people who are competent in their field or village people who are considered qualified in terms of age and experience.
- b. operational executor or director; consists of people who are selected with competency and expertise and have full time to manage Bumdes and
- c. Supervisors are part of the organization whose function is to supervise Bumdes from a financial and operational perspective. This supervisory section carries out regular monitoring and evaluation duties, so that better improvements can be made.

Bumdes Rights and Obligations

Bumdes in carrying out their operations have rights and obligations, especially to the village. The main rights and obligations of Bumdes are to explore village potential, especially potential that comes from village-owned wealth. The potential of villages is enormous and if they are developed and empowered they will become extraordinary economic leverage. Many villages have large revenues and revenues by developing existing village potential, for example by developing village tourism, inviting investors to develop businesses in the village, building public facilities, and empowering natural potential by making it into a large business area.

Apart from exploring village potential, Bumdes is also expected to be able to make loans to increase capital. Business capital plays a very big role in driving the economy of village

communities. Many village people often borrow money from moneylenders to get business capital, so instead of being able to solve the problem, it actually adds to the problem, because the interest is quite large. With the existence of Bumdes, it is hoped that capital can be implemented on a rolling basis and carried out at affordable interest, so that the village economy can develop well.

Developing types of business is also very important, because with more types of business being carried out, it will be possible to increase Bumdes' income which in turn can improve the village economy. Developing business types is something that is not easy to do, this requires seriousness in managing village-owned business entities carefully, so that business types can increase qualitatively and quantitatively. Business development is increasing business turnover and assets, so through business development that is carried out carefully, it will become important and fundamental for the business world.

Another right and obligation of village-owned business entities is to collaborate with third parties, in this case an effort to expand the business, it is necessary to collaborate with private parties and with neighboring villages, as a corporate action effort to develop the business on a massive scale. Collaboration with third parties is also very essential so that business development can run well. Of course, in this case, care and accuracy is needed in carrying out collaborative relationships so that they can provide great benefits for the village and its community.

Implications of Regional Regulations Regarding Village-Owned Enterprises in Tegal Regency

The implications of the issuance of Regional Regulation Number 2 of 2018 have a broad impact on the development of Village-Owned Enterprises in Tegal Regency. With the issuance of regional regulations, the development of village-owned enterprises will run well and can increase the potential of village-owned enterprises both in terms of quantitative numbers and overall Bumdes turnover. The following are some of the implications of regional regulation Number 2 of 2018 concerning village-owned business entities.

Number of Bumdes in Tegal Regency

The number of village-owned business entities (Bumdes) in Tegal Regency in line with the strengthening of legal normative in the form of regional regulations has increased in terms of quantity and quality. Regency [Tegal](#) continues to receive additional Village-Owned Enterprises (BUMDes). There are 168 registered BUMDes from 281 villages. Of the 168 that are already operational, [BUMDes](#) operates in various sectors. There are those in the Agrotourism sector, Gallon

Water, and other sectors. The potential of villages in Tegal Regency which have good natural panoramas, such as in Bojong District, Bumijawa, also has a positive impact, with the presence of several village tourist attractions whose management is carried out by Bumdes, so that they can increase the village's financial resources and empower the economy in the surrounding villages. .

Not all of the 168 existing Bumdes can produce maximum results. Some are still beginners and some are still in early development. According to the Regional Government's expert staff on village economic development, M Jamroni, there needs to be assistance for BumDes which are still new and in the initial development stage, so that it is hoped that they can develop optimally and can have a big impact on village empowerment both financially and in terms of human resources. Meanwhile, the Coordinator of Experts for the Village Community Development and Empowerment Program (P3MD) of Tegal Regency, Muhajirin, said that the establishment of BUMDes was an instrument of social capital which was expected to become a bridge connecting villages with the economic sphere outside them, thereby strengthening the economy in rural areas.

"The important point in establishing BUMDes is to improve the village economy, increase Village Original Income, improve the management of village potential in accordance with community needs and become the backbone of village economic growth and equality," he explained. With seriousness in managing and expanding the BUMDes program, Muhajirin is confident that he will be able to turn underdeveloped villages into independent villages. "Advanced Indonesia will be realized if the village is developed and the village progresses because the economy in the village is moving, poverty is eradicated and many productive creations emerge from the village, be it in the fields of agriculture, tourism and others."

Separately, the Director of BUMDes Sinar Rembulan, Rembul Village, Bojong District, Hafidzin Ichsan, revealed that there are several sector units that will be developed. From Trade, Social, Production, Services and Tourism units. However, only two units are running. "The two units are a social unit in the refill water development sector under the Ringga Water brand and a trading unit in the rice management sector. Meanwhile the other units are in process and will be developed soon this year."

For units in the Ringga Water refill water sector in one month there are almost 1000 gallon water refills and in the future will be further developed extensively and will be packaged as attractively as possible. With the operation of these two sector units, BUMDes Sinar Rembulan Rembul Village has generated Village Original Income (PADes).

Absorption of BumDes Funds in Tegal Regency

With the existence of regional regulations regarding Bumdes, the regional government, in this case the Tegal Regency Government, has budgeted for the empowerment of BumDes. Village Financial Assistance (Bankeudes) 2022 is now entering the second semester of the third quarter. In order to monitor and evaluate the absorption of budget funds for Village-Owned Enterprises, the Tegal Regency Government collaborates with various related agencies, so that they can optimally monitor the implementation of village fund management. One of those involved is Commission A DPRD of Central Java Province.

Commission A of the Central Java Provincial DPRD carried out monitoring in Tegal Regency, to see to what extent the absorption of Bumdes funds had been carried out. In this case, Commission A of the Central Java Provincial DPRD is trying to ensure that Bankeudes can be maximally utilized for village development. One of the areas being monitored is Tegal Regency. During a dialogue with the Head of the Tegal Regency Dispermasdes Desy Arivianto and his staff, Friday (5/8/2022), Member of Commission A of the Central Java Province DPRD, Sunarno, said that Bankeudes distribution had now reached 85%.

Commission A encourages BUMDes to be absorbed immediately because many people have been waiting for these funds. Obstacles that occur in the field must be communicated and coordinated well between the village government and related agencies. The arrival of Commission A was in order to supervise and monitor the extent of bankeudes uptake. Apart from that, Commission A also views BUMDes as driving the economy at the village level so they need to be well developed so that they have a positive impact on the community. "We ask for input so that the budget that has been prepared can be on target and have an orderly administration," said Sunarno accompanied by Plt. Head of Dispermasdes dukcapil, Central Java Province, Didi Haryadi.

CONCLUSION

Based on the discussion, it can be concluded as follows:

1. Implementation of Regional Regulation Number 2 of 2018 concerning Village-Owned Enterprises in Tegal Regency means that there is a clear legal basis regarding clarity and certainty regarding the procedures for establishing, roles and rights and obligations of Bumdes, so that it can provide clarity in order to increase the potential of villages to become

more productive and can increase cooperation with villages or other private parties to develop Bumdes businesses and income more optimally, especially for the benefit of villages and regional governments.

2. The implication of the issuance of Regional Regulation Number 2 of 2018 is an increase in the number of Village-Owned Enterprises in Tegal Regency as well as maximizing the absorption of funds to village communities in using and utilizing funds through village-owned enterprises, so that the circulation of funds circulates healthily and productively in village communities. . Apart from that, funds for the development and empowerment of village-owned enterprises are also maximally utilized for the establishment of new Bumdes so that the establishment of Bumdes becomes more widespread in Tegal Regency.

BIBLIOGRAPHY

- Ansari, Muhammad Insa. "Omnibus Law to Organize Investment Regulations.". *Rechts Vinding Journal*, Vol. 9, no. 1, 2020.
- Baidarusa, Muhammad et al. "Review of Investment Regulations to Increase Interest in Strategic Infrastructure Investment in Indonesia." *BPPK Journal* Vol. 11, No.1, 2018..
- Busroh, Firman Freaddy. "Conceptualization of Omnibus Law in Resolving Land Regulation Problems". *Legal Arena Journal* Vol. 10, no. 2, 2017
- Fajar Sidik, Empowering Village Communities Using Village-Owned Enterprises, *Journal of Sociological Thought*, Volume 5 Number 2, Agustus 2018.
- Harijono, R Maryunani, Economic Independence of the Village (Bumdes), *Journal of economics and Finance*, 3(2), 21–30.<https://doi.org/10.9790/5933-03232130>
- Irma Mayasari, Governance of Preparing Business Plans for Regionally Owned Enterprises, *Rechvinding Journal*, pp. 1-10, 2020.
- Kusmayadi, Rudy Catur Rohman. "Authority of Regional Government in Organizing Regional Investment" *Pusaka Journal* July Dec 2015 edition.
- Muhammad Zainul Arifin, The Role of the Investment Coordinating Board in Facilitating Foreign Direct Investment Activities for Companies in Indonesia, *Jurnal Nurani*, 2018..
- Nara Sima Murti, Electronically integrated Business Licensing Services based on government regulation number 24 of 2018, *Sriwijaya University, Master of Law Program*, 2019.
- Rusmanto, Wieky Media. "Evaluation of City/Regency Licensing and Non-Licensing Service Policies in the West Java Province Region". *Scientific Journal of Master of Administrative Sciences (JIMIA)* No.2, Year XI 2017

Legislation

Law of the Republic of Indonesia Number 23 of 2014 concerning Regional Government

Republic Law No.11 of 2020 concerning Job Creation

Republic Law Number 12 of 2011 concerning the Sequence of Invitational Laws

Tegal Regency Regional Regulation Number 2 of 2018 concerning Village-Owned Enterprises.