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ACCOUNTABILITY OF VILLAGE GOVERNANCE IN REALIZING SELF SUFFICIENT VILLAGES: A CASE STUDY OF VILLAGE-OWNED ENTERPRISES

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Abstract— The legal framework governing BUMDes is outlined in Law No. 6 of 2014 concerning Villages, designating BUMDes as business entities. Subsequently, Law No. 11 of 2020 on Job Creation and its derivative, Government Regulation No. 11 of 2021 on Village-Owned Enterprises, specify that BUMDes is a legal entity. However, in Cirebon Regency appears to be a perceptual misalignment or lack of synchronization between information disseminated on social media platforms and the actual status of BUMDes. The research objectives are to analyze the accountability of village governance in improving the form of Village-Owned Enterprises and their accountability in fostering self-sufficient villages. Employing a juridical-empirical research methodology, the study reveals a discrepancy between information circulated on social media and the actual situation. In reality, there are two forms of BUMDes in Cirebon Regency: those with legal standing and those without. Specifically, there are 68 legally recognized BUMDes and 344 non-legally recognized BUMDes out of a total of 412 villages in the region. In conclusion, variations in data and responsibilities are observed within village governance. The coexistence of legally recognized and non-legally recognized BUMDes leads to divergent management approaches and accountabilities for the villages.

Keywords— *Law of Regional Autonomy; Ilage Governance Accountability; Village Owned Enterprises*

I. INTRODUCTION

The Indonesian government has implemented the Nawacita agenda, which is a strategic plan aimed at driving the development of Indonesia. One of the objectives of Nawacita is to enhance the development of Indonesia's rural areas by bolstering the regions and villages within the framework of the Unitary State. Villages have their own government, which is managed autonomously without hierarchical structures with higher structures. The legal community unit that has been converted into a village must have a government that will carry out the authority, rights and obligations of the village and organize regional government. Law Number 6 of 2014 on villages has provided legal standing and a strategic basis for developing and empowering village communities towards independent and prosperous villages. Law Number 6 of 2014 on Villages provides recognition and handover of power at the village scale, which includes the authority to empower village communities regarding the village economy under the potential, opportunities and capabilities possessed by the village. One of the examples is to establish a Village-Owned Enterprise (BUMDes). The function of BUMDes is expected to encourage community economic growth. BUMDes is unique in terms of the resources, such as resources that come from the village and is managed by the village community. As an economic organization owned and managed by village communities, BUMDes has great potential to improve the economy and welfare of village communities. In this way, BUMDes can solve economic and village welfare problems, which are often neglected by the government.

From year to year, BUMDes continue to experience changes, for example in Law Number 6 of 2014 on Villages, which states “Village-Owned Enterprises, hereinafter referred to as BUMDes, are business entities whose capital is wholly or owned by the Village through direct participation in comes from village assets which are separated in order to manage assets, services and other businesses for the greatest welfare of the village community.” In order for villages to be more independent, a regulation was issued in Law Number 11 of 2020 on Job Creation stating that “Village-Owned Enterprises, hereinafter referred to as BUMDes, are legal entities established by villages and/or together with villages to manage businesses, use assets, develop investment and productivity, providing services, and/or other types of business for the greatest welfare of the village community”.

The derivative/implementation of the Job Creation Law is contained in Government Regulation Number 11 of 2021 on Village-Owned Enterprises. After issuing Law Number 11 of 2020 on Job Creation, there are 2 forms of economic organizations in villages, namely business entities that are legal entities and business entities that are not yet legal entities (only business entities). With the position of BUMDes as a legal entity, BUMDes has become a strong legal subject. BUMDes will encourage village progress and business so that villages will improve and villages will be more independent.

From social media, records were got regarding BUMDes data in Cirebon Regency, namely that 3 villages do not yet have BUMDes, 100 BUMDes have legal entities and the rest do not yet have legal entities. The data is from 412 villages in Cirebon Regency. However, in reality, the data on BUMDes which are legal entities, has not yet reached 100. From this, it can be seen that there is actually an inconsistency/out-of-sync between the government reported on social media and what actually exists in the field. There are still many BUMDes that have not yet become legal entities, which also occurs because BUMDes in Cirebon Regency have not been maximized and are still a note of the Cirebon Regency government in encouraging the economy of village communities. Based on the problems found in this research, the aim is to analyze the responsibility of the village government to improve the form of Village-Owned Enterprises and to analyze the responsibility of the village government in realizing an independent village.

II. METHOD

This study employs an empirical juridical methodology. A research study is conducted by combining primary, secondary, and tertiary legal materials, which are secondary data, with primary data collected in the field. The purpose of this research is to analyse the planned difficulties. This study employs qualitative research, which refers to legal standards outlined in laws and regulations, as well as societal norms that are dynamic and evolving.

III. RESULTS AND DISCUSSION

In Indonesia there are several forms of business entities, business entities are juridical (legal) and economic entities that use capital and labor to seek profits that manage the economy, namely BUMN, BUMS, BUMD and most recently there is a form of business entity called BUMDes. BUMDes is separate from other business entities because BUMDes is a business entity whose formation is proposed through village deliberations under Article 7 paragraph (1) of Government Regulation Number 11 of 2021 on Village-Owned Enterprises, namely “BUMDes is established by 1 (one) Village based on Deliberation Villages and their establishments are determined by Village Regulations”.

BUMDes is so important for villages that the provisions for BUMDes were first regulated in Article 213 of Law Number 32 of 2004 on the Regional Government. The explanation of article 213 is that Village-Owned Enterprises are legal entities as regulated in the Legislation. Law Number 6 of 2014 on villages regulates it in more detail. This Village Law regulates BUMDes in Chapter BUMDes is a legal entity established by a village and/or together with villages to manage business, use assets, develop investment and productivity, provide services, and/or other types of business for the greatest welfare of the village community.” From the existence of Law Number 11 of 2020 on Job Creation, its derivatives/implementing regulations are regulated in Government Regulation Number 11 of 2021 on Village-Owned Enterprises and regarding BUMDes it is also regulated in the Minister's Regulation of Villages, Development of Disadvantaged Regions and Transmigration of the Republic of Indonesia Number 3 of 2021 on Registration, Data Collection and Ranking, Guidance and Development, and Procurement of Goods and/or Services for Village-Owned Enterprises/Joint Village-Owned Enterprises.

Of the many changes experienced regarding BUMDes regulations, to date there are 2 forms of business entities in the village, namely:

Village-Owned Enterprises are incorporated
Village-Owned Enterprises are regulated in Law Number 6 of 2014 on villages. In the latest regulations, BUMDes are required to have a legal entity, but in reality, there are still many BUMDes that do not have a legal entity because there are no sanctions that regulate if a BUMDes does not have a legal entity. So, there is still a lack of BUMDes that have legality as legal entities. The factors that cause BUMDes to become a legal entity (not yet a legal entity) are:
The first factor is that villages do not apply for BUMDes to become a legal entity because of the complexity of the processing process in uploading the requirements for BUMDes to become a legal entity. BUMDes must have an AD/ART report, whereas for BUMDes that are not yet legal entities and are just starting out, it will be difficult to make these reports.
The second factor is the lack of synergy between the Village Government (head of village). In a village, the village head is the one who has an important role because in the BUMDes

organizational structure, he is an advisor. What is meant in this case is that it is still rare for village heads to spend funds villages to invest capital in BUMDes in large amounts, because if the participation given by the village is in a small amount, it will cause the BUMDes to run in place and go bankrupt.

The third factor, the village potential in Cirebon Regency is tiny and quite difficult to explore, so there are still many villages who are confused about exploring what kind of village potential.

The fourth factor, there is still a lack of training held/provided by the Cirebon Regency Government to strengthen and increase the capacity of the community or BUMDes members because in the village there is still a shortage in Human Resources (HR) matters.

Village-Owned Enterprises which have legal entities To become a Legal Entity, it must have characteristics, including: Separated assets;

Having a specific goal;

Have their own interests;

There is an orderly organization.

However, even though there are BUMDes that are not yet legal entities (only business entities), their establishments already use characteristics based on this information. It's just that the difference between BUMDes which is a legal entity, and BUMDes which is a business entity, is in the certification. BUMDes as a legal entity, have a certificate as a legal entity. BUMDes as legal entities are regulated in Law Number 11 of 2020 on Job Creation and its implementing regulations, namely Government Regulation Number 11 of 2021 on Village-Owned Enterprises and Regulation of the Minister of Villages, Development of Disadvantaged Regions and Transmigration of the Republic of Indonesia Number 3 of 2021 on Registration, Data collection and ranking, guidance and development, and procurement of goods and/or services for village-owned enterprises/joint village-owned enterprises.

BUMDes which are legal entities have many benefits, namely BUMDes get legalization/certainty in law, make it easier to get capital participation from investors, make business licensing easier, make loans to banks easier, can open up business opportunities for local communities, and reduce poverty levels.

TABLE I. LISTS OF BUMDES IN CIREBON REGENCY

Recapitulation in Registering BUMDes till 24/10/2023	
Revising names	5
Verified names	245
Registering legal entity	2
Revising legal document entity	37
Verified legal document entity	68

In the two forms of business entities in the village, there are differences in the accountability of the Village Government, namely:

Judging from the role theory (Interpersonal Role), the Village Head in managing BUMDes as a legal entity and BUMDes as a business entity has a difference, namely as an advisor to BUMDes. In managing BUMDes as a legal entity, their role is good so that they can communicate with the entire village community, whereas the role of the Village Head in BUMDes as a business entity is only to communicate with a portion of the community or only those who deal with BUMDes.

Roles related to information (Informational Role), legal entity BUMDes are quicker to receive information regarding socialization with the community directly or holding meetings with village administrators which will later be conveyed to the community to improve BUMDes while business entity BUMDes are still less fast in regarding information and need more help in improving BUMDes.

The role of decision makers (Decisional Role) and Planning (Planning), for BUMDes with legal entities, decision makers and planning are much more mature and better prepared than for BUMDes with business entities. Because BUMDes as a legal entity has more experience with the ups and downs of BUMDes business activities compared to BUMDes as a business entity.

Organizing function, in BUMDes as a legal entity, the village community takes an active part in managing BUMDes, whereas the opposite is true for BUMDes as a business entity.

Judging from the function of providing encouragement (Actuating), between BUMDes as a legal entity and BUMDes as a business entity, they have carried out under the BUMDes management regulations, but there are differences in the final results.

Establishing self-sufficient communities that can thrive and make advancements in the economic, infrastructure, social, and cultural domains can only be accomplished through effective governance by the Village Government. Upon implementation, the principles of good governance will effectively harness the capabilities of local communities to enhance their quality of life.

The indicator set developed in the developing village index was developed based on the concept that in order to move towards a developed and independent village, a sustainable development framework is needed, where social, economic and ecological/environmental aspects are forces that complement each other and maintain the village's potential and ability to improve village life. The relationship between independent villages and BUMDes is in the economic resilience index, because BUMDes themselves are one of the economic institutions that are expected to be one that contributes to the source of village income. Because of the importance of BUMDes in economic terms, village help is needed. Village help is not accompanying the implementation of projects entering the village, nor is it accompanying and supervising the use of village funds, but providing complete help to the village.

To become an independent village, a village really needs cooperation between all parties in the village. Because

cooperation makes villages better, in making villages independent, the responsibility of the village government, namely the village head, is very important to optimize the use of village funds, it will encourage villages to be more advanced, such as providing better public service facilities, as well as providing employment opportunities. For its citizens. The availability of jobs in villages will reduce unemployment and poverty. The more independent a village is, the more it will become a pioneer in its role in alleviating poverty in the country. All village development programs must be planned by the village government, together with the BPD and the village community. These programs must be carried out by deliberation to suit the needs of the community, whether it is improving the quality of basic services, basic village economic facilities and infrastructure, and empowering village communities.

TABLE II. DATA OF VILLAGE STATUS IN CIREBON REGENCY

No	Village Status	2022		2023	
		Number of Village	Percentage	Number of Village	Percentage
1	Independent	79	19.17%	128	31.07%
2	Developed	235	57.04%	240	58.25%
3	Developing	98	23.79%	44	10.68%
4	Abandoned	0	0%	0	%
5	Most abandoned	0	0%	0	0%
		412		412	

IV. CONCLUSIONS

The accountability conducted by the Village Government in BUMDes with legal entities and BUMDes with business entities varies. For BUMDes that have legal structures, the Village Government consistently provides support for the initiatives undertaken by the village community and readily allocates substantial capital investments to promote the advancement of the village economy. BUMDes and the Village Government possess extensive expertise in harnessing the potential within the village, having encountered both successes and setbacks in establishing businesses. The collaboration between the Village Government and the village population is highly effective, resulting in meticulous preparation of the BUMDes work programme. Meanwhile, the BUMDes, which are corporate entities, are currently facing significant challenges and require assistance or advice from the Cirebon Regency Government.

In order to achieve self-sufficiency, a village necessitates the harmonious collaboration of all its constituents, as such cooperation serves to enhance the overall functioning and prosperity of the village. The Village Government, specifically the village head, plays a crucial role in achieving village independence by effectively utilising village funds. This will

result in the advancement of the village, including the provision of improved public service facilities and increased employment opportunities for residents. Enhancing job opportunities in rural areas will effectively alleviate both unemployment and poverty. As a village becomes more self-reliant, it will increasingly take the lead in its efforts to reduce poverty throughout the country. Therefore, it is imperative to carefully strategize all village development programmes. These programmes must be implemented via careful consideration to meet the needs of the community, whether it involves enhancing the quality of essential services, developing basic economic amenities and infrastructure in villages, or empowering village populations. It is desirable for the information shared on social media and the actual statistics to align, as this would enable the development of more effective policies for BUMDes, which serve as the foundation for economic growth in rural areas. There is an expectation for improved collaboration between village governments and village communities to achieve self-sufficiency in villages, particularly in the area of village economics, specifically BUMDes. Currently, there is a lack of effective cooperation between village governments and communities in achieving village independence.

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