

Investment Motivation of Village Community Leaders in Badan Usaha Milik Desa (BUMDes)

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ABSTRACT: This study aims to understand, explore the motivations and values that encourage village community leaders to become investors and invest in Bumdes. This research uses a phenomenological research design. The phenomenological design was chosen because this design allows researchers to understand the life experience of a person or group, in this case BUMDes investors, for an event that is experienced, namely making investment decisions in BUMDes. This research was conducted at BUMDes Posi-Posi located in Guaemaadu Village, Jailolo District, West Halmahera Regency, North Maluku Province. The results of the research found indicate that the objectives of BUMDes Posi-Posi have not been fully realized. The significant increase in the productivity of the village community at this time cannot be felt because there are still very few productive economic businesses and micro-enterprises in Guaemaadu Village.

KEYWORDS: Village Development, Social Investment, Social Capital, Village Potential

INTRODUCTION

Bumdes is a concept developed as a manifestation of the economic community of a village (Yusuf et al., 2019; Zaman et al., 2021). Bumdes moves through the participation and support of the Village community in managing Village resources and assets. This concept has become very popular since 2014 since Law No. 6/2014 concerning Villages was ratified by the government. The existence of Bumdes is considered to have the potential to increase economic growth and sustainable village development (Pratiwi et al., 2019).

As a village-owned economic institution, the operational capital of BUMDES at the beginning of its establishment came from several sources such as capital participation from the village government (Arifin et al., 2020a), donations from the village community, investment from stakeholders or village community leaders, and other sources that have been agreed upon in village meetings. Even though it is a village economic institution, the organizational identity of BUMDES is very different from profit organizations in general. Bumdes has a double identity, namely as a village economic organization that is socially oriented and a profit-oriented organization (Permatasari et al., 2021).

The dual identity of Bumdes as a social-oriented and profit-oriented entity is an interesting thing to study (Pratiwi et al., 2019). This dual identity has an impact on investor behavior in making investment decisions at Bumdes. Seeing that the availability of capital for operations has been a constraint and limitation of Bumdes so far. Meanwhile, the laws and regulations governing guarantees for capital participation originating from the Village Expenditure Budget are still insufficient to cover the operational costs of Bumdes. So that

the role of investors from various stakeholder groups (Yan et al., 2021) (especially Village community leaders) is very much needed by Bumdes in supporting the continuity of their operations.

Despite the potential financial benefits that village-owned organizations can offer (Arifin et al., 2020b), some village community leaders choose to invest in these organizations even if they do not receive financial benefits directly. This phenomenon raises questions about the motivations and decision-making processes of village leaders who invest in village-owned organizations.

This study aims to understand, explore the motivations and values that encourage village community leaders to become investors and invest in Bumdes, even though they do not receive financial benefits directly. Through observation and exploration of the experiences of village community leaders and the factors that influence their investment decisions, this research aims to explain the complexities and nuances of community-based investment and their potential impact on just and inclusive village development.

This research draws on various literature from the fields of community development, organizational behavior, and decision-making, to provide a comprehensive examination of the motivations and decision-making processes of village leaders investing in village-owned organizations (Arifin et al., 2020b). The findings of this research will contribute to our understanding of the role that community-based investment can play in promote equitable and inclusive economic growth and development, and inform the development of strategies and policies aimed at supporting and promoting sustainable community-based investment initiatives.

LITERATURE REVIEW

Regulation of the Minister of Villages, Development of Disadvantaged Regions, and Transmigration of the Republic of Indonesia number 4 of 2015 concerning the Establishment, Administration and Management, and Dissolution of Village-Owned Enterprises explains that what is meant by Badan Usaha Milik Desa (BUMDes) are business entities whose capital is wholly or largely owned by the Village through direct participation originating from Village assets separated to manage assets, services, and other businesses for the maximum welfare of the Village community (Watts et al., 2019). The establishment of BUMDes is intended as an effort to accommodate all activities in the economic sector and/or public services managed by the Village and/or inter-Village cooperation. The village's ability to manage village wealth in order to achieve better development for the village requires the support of all village elements and resources. So that the Village through BUMDes is not only able to mobilize all of the Village's assets but also can improve the basic needs of the Village community, livelihood needs, and achieve prosperity for the Village (Pratiwi et al., 2019).

The position of BUMDes as a village economic institution that has an important role in realizing the welfare of the community, the village and the village government certainly has a goal in its establishment.

- a. Improving the village economy;
- b. Optimizing Village assets so that they are useful for the welfare of the Village;
- c. Improving community efforts in managing the village's economic potential;
- d. Developing community businesses in managing village economic potential;
- e. Creating opportunities and market networks that support the public service needs of citizens;
- f. Opening employment opportunities;
- g. Improving community welfare through improving public services, growth and equal distribution of the Village economy; And
- h. Increase the income of the Village community and Village original income.

In order to support this goal, it is necessary to make efforts to optimally and continuously increase and utilize Village-owned enterprises, and creativity from the Village government and Village community is needed for the sustainable development of Village economic institutions. Village-Owned Enterprises are built on the initiative of the Village community on the basis of cooperative, participatory and emancipatory principles (user-owned, user-benefited and user controlled) with a member-base and self-help mechanism. BUMDes which is managed by the village government together with the village community is formed on the basis of the needs and potential of the village itself. So that the development and management of BUMDes is not solely for the purpose of financial gain, but also accompanied by the aim of social benefits.

BUMDes and Village Community Empowerment

The village has a lot of natural potential that can be managed by the community for their welfare. One of the potentials that the village has is social capital. Social capital can be used to manage the natural potential of the village, for the purpose of prosperity for the village and its people (Zhao et al., 2011). The social capital of the Village community requires direction and support from the government in order to optimally manage the potential of the Village. Therefore, social capital can provide economic benefits (Park et al., 2015). Social capital can take the form of social networks, norms and rules, and trust in a community (Shrestha, 2013). Social capital can accelerate cooperation and coordination.

Much research has been done on social capital and economic benefits. For example, research on the ability of social capital to help businesses deal with conditions of economic uncertainty during Covid 19 (Bressan et al., 2023). In this case, businesses strengthen social capital through relationships between businesses and communities and other stakeholders. This relationship has the effect of increasing trust, collaboration and networking that saved businesses from the economic crisis during Covid 19. Apart from that, social capital is also used by a community in social media to increase customer attention to a brand through social trust, interpersonal relationships, social interaction, and networking between consumer social media brand communities (Purdue, 2001; Wong, 2023). The phenomenon of social media in the digital era still involves social capital to increase economic benefits.

Social capital is able to accelerate the process of understanding the structure of social networks within an organization. Organizations that have good social capital will easily transform information and knowledge into information of high value for the progress of the organization. This high-value information is created, obtained, stored, shared and utilized by organizations to survive in a competitive business environment. Social capital can help organizations carry out the information transformation process so that the organization succeeds in obtaining the expected results (Hossain et al., 2022).

RESEARCH AND METHODOLOGY

As explained earlier, the purpose of this research is to understand, explore the motivations and values that encourage village community leaders to become investors and invest in Bumdes, even though they do not receive financial benefits directly. In understanding and looking for answers to the problems to be studied, a systematic way is needed to solve these problems (Mohaghegh & Furlan, 2020). This systematic method becomes a reference for researchers to study how research is carried out. A systematic way that includes procedures used by researchers to describe, explain, or make sense of a phenomenon can be referred to as research and methodology. Methodology can be said as a tool used to

obtain answers to questions that are questionable, so the methodology aims to provide a work plan in a study.

The type of research that researchers use is qualitative research. Where this research is not a means to test objective theories by examining the relationship between variables. Rather, it is a means to explore and understand the meaning of the individual under study. This study uses a qualitative approach in gathering information on a main research phenomenon that is explored in research, informant participation, and sites in research (Mayer, 2015). Qualitative research is a process of research and understanding based on a methodology that uncovers a problem or social and human phenomenon (Collins, A., Joseph, D., & Bielaczyc, 2004).

Besides that, qualitative research is research that aims to understand the things experienced by research subjects (such as behavior, perceptions, motivations, and actions) holistically and by means of descriptions in the form of words and language in a special natural context and by utilizing various natural methods. Need a research approach that direction and objectives in accordance with the understanding of a problem under study. This is because this understanding emerges through perspective, including the definition and interpretation of the research subject. So to achieve the right direction and goals based on the problems studied, a qualitative research approach can be used. The use of a qualitative approach departs from the intention to understand the phenomena that are directly experienced by the subject (in this study are investors) behind "social reality" which refers to behavior in the decision to invest in BUMDes capital. Phenomena that are described in the form of behavior, perception, action, motivation, thoughts, and so on will be presented in a narrative formed by natural words and language using various methods. Thus, through qualitative research it can provide space to understand the various phenomena that occur. Qualitative research emphasizes the subjective aspects of behavior to understand what and how the meaning of a life phenomenon is formed.

Phenomenology comes from the Greek word *phainomai* which means "to see". Phenomenology has the meaning of allowing these conscious symptoms to show themselves (to show themselves). Something will appear as it is (things as they appear). Phenomenon is a reality or fact that is consciously experienced by someone and becomes a life experience. So that the main problem that must be explored and understood in the phenomenological approach is the meaning or meaning, structure and essence of the life

experience of a person or group of a symptom experienced. The main goal of phenomenology is to study how phenomena are experienced in consciousness, thought, and in action, such as how these phenomena are aesthetically valued or accepted (Gill, 2014). Phenomenology provides space to explore one's life experience, to find an understanding of how humans construct important meanings and concepts, within the framework of intersubjectivity (Jayawardena-Willis et al., 2021). This is due to an understanding of the world is shaped by relationships with other people. Even though the meaning that we create can be traced in the actions, works, and activities that we go through, there are still other people's roles in it. In understanding the construction of important meanings and concepts in one's life experience, we must release the involvement of the concepts and preconceived notions that we have previously about that person's life experience.

An important part of qualitative research is finding informants who want to participate in research. So that the informants who are the subject of this research are investors who invest in village-owned enterprises. Subjects were selected by snowball sampling with reference to their activities and their willingness to consciously explore and articulate their experiences regarding investment in BUM Desa. Qualitative methods treat participants really as subjects, not objects. This is where participants find themselves as valuable, because the information is useful. This research method provides a very large space for participants. They avoid being objectified by researchers who only answer questions that have been prepared and choose answers that are already available. This is caused by the main data source in research is the informants or participants themselves. Research participants are people who can describe their experiences, tell each of their stories with their understanding and insight. The depiction will reach a layer of depth of meaning, through interaction, exploration and explanation from the participants.

While the object in this study is social reality, which refers to the behavior of investors in the decision to invest in village-owned enterprises. Understanding social reality in investment activities carried out by investors, aims to understand the meaning of social reality which is framed through their characteristics, motives, perspective, or attitude of their life as investors in Village Owned Enterprises. Figure 1. is a Phenomenological Research Design:

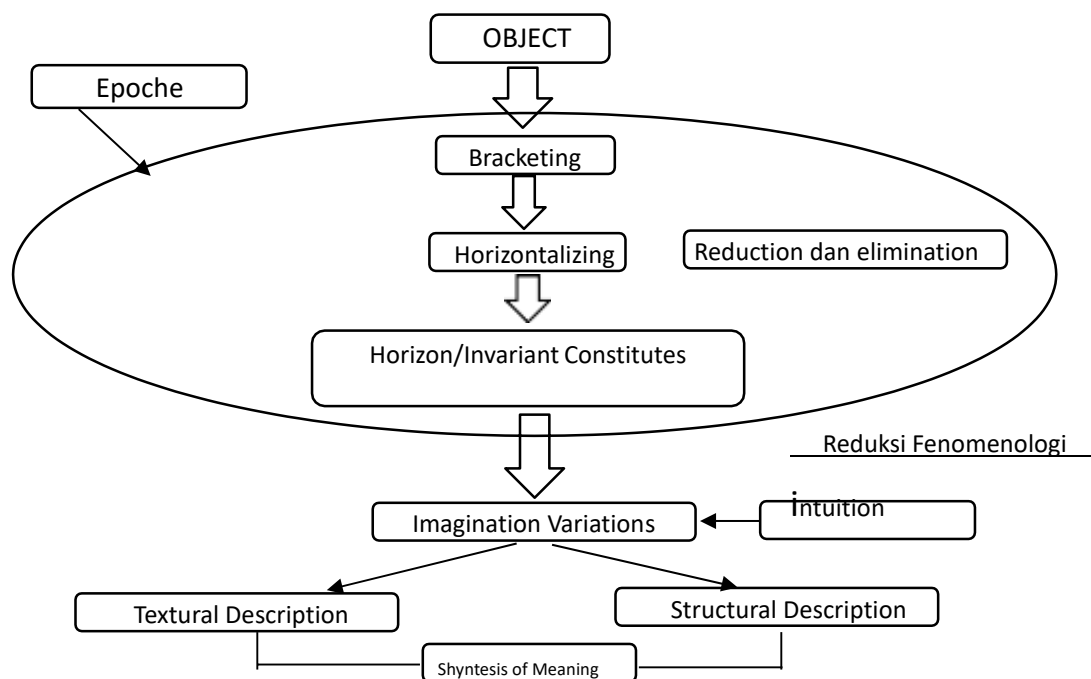


Figure 1. Phenomenological research design

FINDINGS AND DISCUSSIONS

The Role of BUMDes for the Community

BUMDes functions as a social institution and commercial institution. BUMDes "Posi-Posi" Guaemaadu Village, Jailolo District, West Halmahera Regency, North Maluku was established in 2017. This BUMDes develops hydroponics and is one of the pillars of its economic activities. As an institution, BUMDes Posi-Posi has the principles of efficiency and effectiveness in running economic business. Thus the existence of BUMDes is able to encourage the dynamics of economic life in Guaemaadu Village According to (PKDSP, 2007), what is meant by "village business" is a type of business that includes village economic services such as: 1) financial services business, land and water transportation services, village electricity, and other similar businesses; 2) distribution of nine staples of the village economy; 3) Trading of agricultural products includes food crops, plantations, animal husbandry, fishery and agribusiness; 4) Industrial and folk crafts.

To improve BUMDes Posi-Posi services, it must be implemented professionally and flexibly. The purpose of establishing BUMDes Posi-Posi is intended to increase the productivity of rural communities and develop real businesses at BUMDes so that they can absorb a larger workforce and increase income. It is expected that the profits from the hydroponic business formed by BUMDes Posi-Posi are in accordance with the potential that exists in the village, can maximize profits and advantages that will impact the Guaemaadu village community so that it can be used as a source of income for the people who manage BUMDes businesses. This objective is broadly in accordance with the

Regulation of the Minister of Villages, Development of Disadvantaged Regions, and Transmigration of the Republic of Indonesia No. 4 of 2015.

However, the results of the research found indicate that the objectives of BUMDes Posi-Posi have not been fully realized. The significant increase in the productivity of the village community at this time cannot be felt because there are still very few productive economic businesses and micro-enterprises in Guaemaadu Village. But on the other hand BUMDes Posi-Posi have been able to contribute Village Original Income (PADes) which is quite high. The turnover of BUMDes Posi-Posi is approximately 250 million rupiah per year. This fact is inversely proportional to the increase in the economy of the people of Guaemaadu Village, which is still uneven.

In this study the BUMDes managers who participated said that they still needed a lot of human resources, training and mentoring were also needed to improve the quality of human resources from BUMDes and to foster an entrepreneurial spirit. Managers also need strengthening in the field of HR management as well as marketing and strategic management capabilities in managing BUMDes.

The role of a good BUMDes can be seen from the relationship between services, profits, and sustainability. The quality of services provided to the community greatly influences other aspects. Starting with good service will automatically invite the public to participate in BUMDes, an increase in the number of human resources will also result in an increase in income and ultimately an increase in profits. Stable and increasing income and profits will maintain the continuity of the BUMDes itself.

The presence of BUMDes in Guaemaadu Village has brought changes in the economic and social fields. BUMDes profits are allocated to several parties with different percentages. The problem that often arises is the problem of recruiting BUMDes employees. Residents feel that BUMDes do not empower local people. On the other hand, there appears to be a demand for professionalism from residents towards BUMDes managers. These two things will raise a dilemma in BUMDes governance where BUMDes are required to work professionally, on the other hand they must accommodate demands for absorption of the local workforce, where local human resources have limited capacity and capability. Communication and outreach are things that need to be improved. Based on the results of interviews with participants, it is known that most people are still not socialized regarding the activities and performance reporting carried out by BUMDes. This can lead to public demands for transparency and accountability in the management of BUMDes.

Social Capital in Empowering Village Communities

Basically, each region has potential as a resource that can be developed by the community to improve their own welfare (Kusniawati et al., 2017). Through community empowerment, it is not only local potential that is developed, but social aspects in society are also developing. One of the social aspects that can be developed through community empowerment activities is social capital.

Community social capital can be observed through the positive habits/behaviours of the Guaemaadu village community such as the spirit of association that is harmonious and strong with intimate family nuances, values of tolerance, deliberation and positive habits/behaviors embedded through formal and informal organizations from the Guaemaadu village community. Social capital is identified as good relations, cooperation, mutual sympathy, and social relations among a group of individuals and families that form a social unit.

The results of the study show that the people of Guaemaadu village have a variety of routine habits and behaviors. For example, cleaning the environment once a week through community service activities on Sundays and carried out in turn in the village of Guaemaadu. Regarding habits and behavior, the research locations generally still have high togetherness. One of the habits that are carried out in the lives of neighbors is to carry out community service for environmental maintenance, cleaning canals, maintaining places of worship and other public facilities which after that ends with eating together. Joint activities like this can be the main capital in increasing the participation of residents in managing and maintaining existing infrastructure in their environment. Familiarity between the sub-district government and the Guaemaadu village community is a means of bonding between them so that in government

programs that require community involvement, residents participate without feeling forced.

Based on the results of research conducted by researchers in Guaemaadu village, it can be claimed that village communities utilize various social models in implementing the BUMDes program. The social model is as explained by (Fukuyama, 2002) that social capital can simply be defined as a series of informal values or norms that are shared among members of a community group that allows cooperation between them.

CONCLUSION

Based on the results of the research and discussion that has been described, the following conclusions can be drawn:

1. BUMDes play a role in supporting village economic independence.
2. BUMDes are not necessarily profit oriented but also social oriented. In an institution, both formal and non-formal, of course, there are different management patterns which regulate performance and will describe the professionalism of the institution. The purpose of BUMDes Posi-Posi has not been fully realized, as evidenced by the very few productive economic businesses and micro-enterprises in Guaemaadu Village. But on the other hand, BUMDes in Posi-Posi have contributed a lot to Village Original Income (PADes), which can be said to be high.
3. The problem that often arises is the problem of recruiting BUMDes employees. Residents feel that BUMDes do not empower local people. On the other hand, there appears to be a demand for professionalism from residents towards BUMDes managers.
4. The social capital of the Guaemaadu Village community is seen through the high participation of the community as evidenced by community service activities or mutual cooperation in managing and maintaining cleanliness. These gotong royong activities are carried out routinely either because of direct orders from the sub-district or gotong royong activities carried out on the basis of local residents' initiatives.

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Data Availability Statement: The data presented in this study are available on request from the corresponding author. The data are not publicly available due to privacy.

Conflicts of Interest: The authors declare no conflict of interest.

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