

THE APPLICATIVE MODEL OF THE VILLAGE-OWNED ENTERPRISES (BUMDES) DEVELOPMENT IN NORTH SUMATERA

Agus Suriadi¹, Rudjiman², Kasyful Mahalli², Nurman Achmad¹, Iskandar Muda²

¹Faculty of Social and Political Science, University of North Sumatera – Indonesia

²Faculty of Economic and Business, University of North Sumatera – Indonesia

ABSTRACT: *The aim of this research is to analyze and form the organizational structure for the village business unit. Besides, it also aims at analyzing the appropriateness the business on the potency of the village of Rawang V and Air Joman Baru, Asahan regency-North Sumatra-Indonesia as the example for North Sumatera province due to the Village Regulation that will be applied. Moreover, it also happens in Marjanji Aceh and Loburapa viillage, the Aek Songsongan sub-district, Asahan regency. The research belongs to the qualitative research. The sample of the research was the village of Rawang Pasar V and Air Joman Baru as well as Marjanji Aceh and Loburapa, Aek Songsongan sub-district, Asahan regency- North Sumatra-Indonesia. The research method was conducted by Focus Group Discussion. The result of the result is the formation of the Village owned enterprisesn (BUMDes) as the results of the activities of institutional strengthening, training and technical guidance. Moreover, the role of the university as the village socio-economic institutions of the BUMDes is expected to empower and improve the village economy, improve the Revenue of Villages (Pades), improve the processing potential of the village in accordance with the needs of society and become the backbone of the village economic growth and equity.*

KEYWORDS: Village Owned Enterprises (BUMDes), Village Own Source Revenue (PADes), Public Economy and Villages Budget Revenue (PADes).

INTRODUCTION

Background of the Problem

The development of the economic basic in the villages has been applied in along time ago by the government through some programs. Unfortunately, it has not given the satisfying result. Many factors caused the programs cannot reach the maximum result, one of the dominant factors is the high governement intervension, as the result, it makes the villagest difficult to be creative and inovative in managing and applying the economic machine in the villages. The system and mechanism of the economical organization in the village cannot walk effectively and it has implications for the reliance on government assistance so it makes villagers less independent.

In the prespective of the development with the local ability-based, Caventa and Valderama in Surahman (2013) state that the development success is measured by how much people are able to leverage local resources at their disposal which categorically consist of:

- Human resources, which covers the total population, household, education and expertise conditions and health conditions of citizens.

- Natural resources, which covers resources of land, water, forests, mines, biological resources and environmental sources.
- Financial resources, which covers Sources of existing financial resources such as savings, loans, subsidies, and so on.
- Physical resources, which covers basic infrastructure, such as transport, housing, water, energy sources, communications, production equipment and facilities which help people to earn livelihood.
- Social capital resources, which covers networks of kinship and culture, as well as membership in a group, mutual trust, social institutions, social institutions and traditions that support, as well as access to social institutions that are broader.

There are various obstacles that have been faced by villagers in implementing development include:

- Limited ability to process and utilize the natural resources available.
- Remoteness and limited physical infrastructure.
- Weak institutional capacity of the business opportunities that exist services and trade.
- Limited access to sources of economic progress include the following: capital access, access to production technology,
- Access to business management, knowledge and skills of human resources,
- Access to market information and production sustainability efforts.

The institutional as what has been mentioned above is called Village Owned Enterprises, as what has been mentioned in the Law No.32 of 2004 on Regional Government and Government Regulation (PP) No. 71 of 2005 on the village. The establishment of these enterprises must be accompanied by efforts to strengthen the capacity and supported by policy area (district) which facilitate and protect these businesses from the threat of the large capitalist competition. BUMDes management also becomes very important in supporting the strengthening of the Villages Revenue (Pades). As we know that revenue from the village consists of village enterprises, the wealth of the village, the results of self-help and participation, the results of mutual cooperation, as well as the miscellaneous of the village revenue legitimate . If PADes can be improved then the village will get the funds management and financing for the construction of the village, it will form the independence of the village to meet the needs of the construction of public facilities in the village. This will make the village to not only wait for the development of the local government or central government. It is based on the survey in the pilot village which is designed from the Village of the Rawang Pasar V, Panca Arga Asahan sub-district and the village of Air Joman Baru, Air Joman Asahan subdistrict. There are some excellences of the district:

1. Rawang Pasar V village-Rawang Panca Arga Asahan sub district

It has the potency to develop Asahan Village owned Enterprises

- 1) From the economic point there Pump owned by Village that can be used for those who use a water pump to irrigate rice fields. During this time the water pump is controlled or managed by the villages.
- 2) STM dues are regularly held by the community
- 3) Mothers have a social gathering savings that can be developed as a business entity owned village savings and loans.
- 4) Furthermore, in addition to economic factors, Rawang village V market has a strong social potential.
- 5) Besides the head of the village had attended training in Bogor on the establishment BUMDes, so it is more in sync in the implementation of the program.

2. Air Joman Baru village-Air Joman Asahan sub-district

- 1) From an economic point, there is a river sand transport businesses managed by local communities.
- 2) Society has a large participation which is the main asset in building the village. This is evidenced, levies or voluntary contributions given by the residents of each harvesting or transporting palm FFB.
- 3) Besides, society has always held a non-governmental rural development with pure, such as creating a road ditch costly. For those who have the money they contribute, and for those who do not have money, they help by being the labor force.

All of these reasons are the main assets of these villages chosen as a pilot villages in Asahan regency. As the provisions of the implementation, Asahan District Government has set the Regional Regulation No. 3 of 2007. As the final destination, BUMDes as an instrument of social capital which is expected to be the prime in bridging efforts to strengthen the village economy.

LITERATURE REVIEW

Public institutions in Empowerment

Korten (1993), states that development is the process by which members of a community as individually to increase capacity and institutions to generate sustainable improvements and uneven in quality of life according to their own aspirations. In the context of institutional strengthening, the necessary structural changes to local institutions towards the improvement of living standards, productivity, creativity, knowledge and skills as well as institutional capacity to always survival and able to adapt to social changes in surrounding. Village finance is parallel with the regional and local finance for the village as a government entity has autonomy in governance and financial management of the village as it is a subsystem of financial management. As the Government Regulation No. 72 of 2005 on the village, the village was given the authority, among others:

1. Existing government affairs based on the origin of the right to the village;
2. Government affairs under the authority of district / city submitted its settings to the village;
3. co-administration of the Government, Provincial Government and Regency / City; and
4. Other government affairs by legislation submitted to the village.

Financial planning and budgeting of village should systematically be written into the Budget of the Village (APBDesa) as the annual financial plan of the village administration. Budgeting in Budget of the Village should be prepared with reference to a predetermined plan. Villages development planning set out in the Medium Term Development Plan of Villages (RPJMDes) for a period of 5 years and from Medium Term Development Plan of Villages then it is lowered to the village Development Action Plan (RKPDDes) It is annually, where the Medium Term Development Plan of Villages and the village Development Action Plan be the basis for the preparation of the Draft of APBDes implemented in a participatory manner.

The Regulation of the Minister No. 37 of 2007 on the Financial Management of the village, about the village financial management, including: a) the right to earn income of the village own source revenue; b) the obligation to hold the village of village government affairs; c) the acceptance of the village; d) the expenditure village and e) the wealth of the village which is managed separately. While the principle of management of village finances are managed in an orderly manner, obey the laws and regulations, effective, efficient, economical, transparent, accountable, participatory and accountable under the principles of fairness, appropriateness and benefits to society that are managed within one year of the budget.

Village Government Budget

Village government budget consists of Revenue, Expenditure and Financing. village source revenue is all legal income for village and can be valued in money and the government is entitled to the village recognized as an addition to the wealth of the village consists of: (PP No. 43 of 2014)

1. Village own source revenue consists of operating results, the wealth of the village, the result of self-help and participation, the results of mutual assistance and other legal village own source revenues;
2. Tax-sharing and levies district / city is a source
3. Part of the financial balance of funds received by the central and local district / city, known as the Village Fund Allocation (ADD). The purpose of the provision is a) to finance government programs in conducting village government and community empowerment; b) improving governance in the country to carry out services, government, community development and empowerment based on the authorities; c) increase the ability of the society institutions, d) increase revenue, employment and business opportunities, e) encourage increased community self-help mutual assistance.
4. Financial assistance of government, provincial government and district / city governments. Giving the purpose of financial aid is a) support the accelerated

development of rural communities; b) reduce the financial imbalance between villages; c) finance the implementation of tasks.

5. Grants and donations are not binding on third parties can be obtained through cooperation between the government of the village with a third party in managing the efforts of a particular economy, or it can be in the form of gifts, donations, endowments, grants and others.

The financial Aspect in the Study of Villages Business Feasibility

Finance is one business function that aims to make the investment decision-making, financing, and dividend of rural businesses. The investment decision is intended to produce the policy relating to (a) policy optimally allocating funding sources, (b) a policy of working capital (c) investment policies that have an impact on the wider corporate strategies (mergers and acquisitions) (Atterton, 2001) quite fathomable major in optimizing the financing decision is to establish the capital structure (debt and equity) which is optimal as a basic assumption in deciding how much money and how the composition of loans and own funds were added to support investment policies so that the financial performance of the company can grow healthily (Saragih, 2005).

The Previous Research

The research conducted by Thomas (2013) shows that the management of village fund allocation (ADD) in the construction carried out and assembled on-stage phase of activity inside allocate all the funds the village where these funds come from the budget allocation of village funds. Based on the regulation of the head regency of Tana Tidung which concerns that the management of funds allocated in the village of Tana Tidung district has been established with the purpose of the fund to 30% ADD of the implementation activities and operational personnel expenditure and 70% for the implementation of public expenditure activities and community empowerment. 30% of the funds ADD run in accordance with the instructions and 70% of the ADD running less than optimal because it realized on physical development in 2010 and 2011 while in 2012 over the procurement of goods. Low human resources village officials and lack of coordination regarding the management of ADD become a bottleneck in the management of the Village Fund Allocation prose in the village of Sebang.

Emawati (2007), conducted research with the title: Analysis of Financial Tofu Industry Feasibility(Case Study: Trading Business Know Bintaro, Tangerang, Banten) The results of financial feasibility with 100% own capital was stated feasible with 605.670 million NPV, IRR 28.52%, Net B / C Ratio 1.51%, its PBP 3 years 2 months 11 days, the ROI for the year amounted to 11.49 1,2,3,4,6,7,8,9 while for the year to 5 and 10 at 20.43 and 30.63, BEP production volume amounted to 22 617 packs or revenue of the total production cost of Rp. 90,288,893, - per month and BEP selling price of Rp. 2.850, - per pack.

RESEARCH METHOD

Research Design Draft

This research is a descriptive research where a research that explains the above phenomena that exist and describe clearly from the object of research.

The Location of the Research

This study uses primary data and secondary data such as the results of the field survey in North Sumatra, especially in the village of Rawang Pasar V dan Air Joman Baru Asahan dan and also Marjanji Aceh village

Data Collection Method

Primary data was collected by researcher directly from the source. This data is taken through a survey by direct interview using a list of questions to respondents..

Operational Limitation

- a. The feasibility study is a method of assessment of an idea about a possible business feasibility of business ideas that exist in the study site.
- b. Business development is an activity where the issued money / resources for business development with the hope to get the results in time will come to the village treasury.
- c. Financial aspect is the potential development of village enterprises in terms of financial aspects (financial) in this regard includes PBP, NPV, IRR and BCR in the village unit.

Analysis Method

This analysis is used to solve problems that are qualitative and quantitative. The analytical methods used are:

1. Payback Period (PP) is a specific period of time that shows the flow of revenues (cash in flows) are cumulatively equal to the amount of investment in the form of present value.
2. Net Present Value (NPV), is the method used to calculate the present value of the cash receipts in the future.
3. Internal Rate of Retrune method (IRR)
Is the ability of a company in the development of real effort to provide a level of profit, the higher the IRR can be achieved.
4. Benefit Cost Ratio (BCR) or Net B / C
Net B / C is the ratio between net positive benefit that has been discounted (+) with a net negative benefit that has been discounted.
5. Break Even Point (BEP)

BEP is the break-even point where $TR = TC$. Terjadinya BEP depends on acceptance of a long stream projects could cover all operating and maintenance costs as well as other capital costs.

The Business Development Strategy Method

Methods of business development strategies are examined using SWOT matrix can be seen in Table.

Table 1. Matriks of SWOT

<div style="text-align: center;"> <div>Internal</div> <div>External</div> </div>		
	<i>Strengths (S)</i>	<i>Weakness (W)</i>
	Strategy (SO)	Strategy (WO)
	<i>Threats (T)</i>	
	Strategy (ST)	Strategy (WT)

Source : Kadafiah, 2003.

DISCUSSION

The Activities of the Facilitation of Village Owned Enterprises Development

As a condition of its implementation, the Government has set the Asahan District Regional Regulation No. 3 of 2013. Village Business Enterprises as an instrument of social capital (social capital) is expected to become prime over the bridge strengthening the economy in village areas. Through the Community Empowerment Board (Bapemas) Asahan, 4 villages developed as Village Business Enterprises located in District of Aek Songsongan i.e. Village of Marjanji Aceh and Rawang Pasar V and Air Baru Joman completed with each potencies. To strengthen the village institutions, including the strengthening of economic potential, it is expected to be an example for other villages in Asahan so it is expected that villages in Asahan can respond to the dynamics of development and village development in accordance with the new Village regulation. Based on the field survey, there are some basic indicators of excellence, among other villages are in the following table:

Table 2: Village Characteristics

No	Description	Village	
		Loburapa	Marjanji Aceh
1	Area	5.76 Km ²	13.10 Km ²
2	The Height of Area	108 DPL / Plan	111 DPL / Plan
3	Geographic position	Border between village M. Aceh - Kab. Tobasa - Kab. Labusel	Border between village Labusel Rappa - Mekar Marjanji - Kab. Labura
4	Tribe	85 % Batak	70 % Java
5	Distance between city to village	24 Km / 5 Villages	9 Km / 7 Villages

6	Population	2.471 people / 566 Families	2.515 People / 586 Families
7	The average of productive age 20 - 59 years old	1.190 people	1.194 people
8	Business		
	- Farmer	1.357 People	1.763 People
	- Mining	7 People	3 People
	- Building/ transport	25 People	49 People
	- Trader	147 People	119 People
	- Financial institution	1 People	1 People
	- Service	14 People	15 People
9	Public Facility / School	6 People	5 People
10	Poor Family	169 Family	238 Family
11	Tourism Object	1 Simanik waterfall	2 Simosa Mosa waterfall and 7 dams
12	Farming area		
	- field	468 Ha + 10	927 Ha + 5
	- Pool	2 Ha	-
	- Paddy field	36 Ha	22 Ha
	- Corn	36 Ha	22 Ha
13	Rice Farmers Group / Plantation	5 Groups	9 Groups
14	Livestock population		
	- Cow	171 Livestock	589 Livestock
	- Buffalo	-	9 Livestock
	-Goat	52 Livestock	89 Livestock
	- Pig	40 Livestock	-
	- Chicken	1121 Livestock	18632 Livestock
15	Aquaculture Inland	4 Pools	8 Pools
16	Household Craft / Small Industry	3 Families	8 Families
17	Market 1	1 market	1 market
18	SHops	4 Shops	5 Shops
19	Mini shop	23 Mini shop	34 Mini shop

Sources: Field survey (2015).

While some potential for two (2) villages can be summarized as follow:

Table 3: Advantages Labura Village and Marjanji Aceh Village:

NO	LOBURAPA VILLAGE	MARJANJI ACEH VILLAGE
1	Simanik River Falls Tourism in hamlet I	Bedang natural tourism 7
2	Nature waterfall Aek Natimul in Hamlet IV	Nature waterfall Sima - mora
3	Cultural tourism object of Pesta Gandang Parmalin	Tourism object of Tong Kahan
4	Source of Water (Mineral Water) in Hamlet IV	Arum rapids Rafting Fun Travel
5	Stone quarry of Padang in Hamlet IV	Waterfall of Tangkahan Bedeng
6	Potential depths of Fresh Water Fish in Hamlet V	Mineral water / water Bannerman in Hamlet II
7		Coral stone quarry in Sungai Asahan
8		Pedas mine in Hamlet III
9		Livestock Freshwater Fish of Kampung Sawah in Hamlet IV
10		PDAM / Pipeline Water Source for 600 Km from Simora - Mora River
11		Water Dam Remains Netherlands 2 Ha for Tourism object and Fresh Water Fish Farming
12		Market

Sources: Field data(2015).

Based on the table that the economic potential to be developed in two (2) large villages and need assistance in order to be driven and shaped facilitator, the village business enterprises is developed. The research team conducted meetings in the village with Apparatus of the village, community leaders, religious leaders, youth leaders and others who helped to provide input and contribute ideas about the potential and the state of the respective Village to be considered the team to select two (2) villages in addition to the establishment of a pilot village Business Enterprises in Asahan. Furthermore, researchers socialize and prepare statements and commitments the village elected readiness to fully support the process stages of formation village Business Enterprises signed by the village chief and the head of Loburapa and Marjanji Aceh, Aek Sosongan sub district, District of Asahan. Furthermore, the team facilitate the meetings and contribute our thoughts as the village of stage deepening plan of village Business Enterprises formation and proposed management plan of village Business Enterprises to be designated by the elements of society that are present.

ECONOMICAL AND FINANCIAL ASPECTS

Business Analysis

Business analysis is needed in an effort to determine the feasibility of enlarging the activities of a business. Analysis of business includes revenues, profits, R / C (Ratio), PP (Payback Period), BEP (Break Even Point) and COGS (Cost of Production). For potential Freshwater Fish in Kampung Sawah of Hamlet IV can be developed the Potential Goldfish with a feasibility analysis:

The income from the gold fish selling

Goldfish Sales revenue is the revenue earned from the sale of Goldfish. Details of the revenue from business Goldfish enlargement can be seen from the following calculation:

- a. Seed number = 50,000 / entire pool / cycle
- b. Realization 70% = 70% x 50,000 = 35,000 tails
- c. Harvest weights 180 grams / tail
 - Crop / pool / cycle = 180 g / fish tail x 35,000 = 6,300 kg
- d. 1 year = 3 cycles
 - Yields / pool / year = 6,300 kg x 3 cycles = 18.900 kg
- e. Swimming enlargement 5 units
 - Total yield per year = 18,900 kg x 2 = 37.800 kg
- f. Sale price Goldfish is Rp.14.000,00 per kg
 - Total Revenue (TR) = 37,800 kg x Rp 14,000 / kg
 - = Rp. 529 200 000, -

Margin

Profit is the difference between total revenue with production costs. The margin derived from the production of goldfish is:

$$\begin{aligned}
 \text{Net Profit} &= \text{Total Revenue} - \text{Total Costs} \\
 &= \text{Rp. 529 200 000, -} - \text{USD 170 265 000, -} \\
 &= \text{Rp. 358 935 000, -}
 \end{aligned}$$

Net Present Value (NPV)

This method is a method of subtracting the present value of money with operational net cash flow on investment during the economic life including the terminal cash flow with an initial cash flow (initial investment). If the NPV is positive, the proposed investment of Rp.90.960.000.- as feasible, whereas if a negative NPV declared unfit. if NPV = 0 then the proposed Aquaculture of goldfish is feasible. Unknown net benefit Rp. 529 200 000 -

Rp.170.265.000 while the market interest rate is assumed at 14% then it is obtained a net benefit of Rp.358.935.000. Then $\text{Rp. } 358,935,000 / (1 + 0.14)^2 = \text{Rp. } 276\,188\,827$. It is obtained the conclusion that NPV is positive and deserves for the farming.

Internal Rate of Return (IRR)

The cash flow projections cash receipts of Goldfish seliing is assumed increased 10% due to price increases each year as follows:

Table 4: Calculation of Internal Rate of Return (IRR)

Cash Flow	Rp
Investment of the beginning of year	(90.960.000)
Cash Flow in first year	358.935.000
Cash flow in the second year	394.828.500
Cash flow in the third year	434.311.350
Cash flow in the fourth year	477.742.485
Cash flow in the fifth year	525.516.734
Cash flow in the sixth years	578.068.4-7
Bank interest	14%
Internal Rate of Return (IRR)	405%

Sources: Processed data 2015.

Based on the analysis it appears that an IRR of 405%, while the market interest rate of 14% ($\text{IRR} > i$). It can be concluded that the funding investation of theFish for Rp.90.960.000.- is assessed FEASIBLE.

Return cost Ratio (R/C)

R / C is the ratio between sales revenue with costs incurred during the production process to produce the product. Farm business will give the benefit when $R / C > 1$. The greater the R / C, the greater the level of benefits to be gained from these efforts .

$$\begin{aligned}
 R / C &= \text{Total Revenue} / \text{Total Cost} \\
 &= \text{Rp. } 529\,200\,000, - / \text{USD } 170\,265\,000, - \\
 &= 3.108096
 \end{aligned}$$

So, for every USD 1, - costs incurred would make a profit of Rp. 3,108.10, -

Payback Period (PP)

Analysis Payback Period (PP) aims to determine the time required to recover the costs of investments that have been incurred in a business.

$$\begin{aligned}
 PP &= (\text{Cost of Investment} / \text{Gain}) \times 1 \text{ year} \\
 PP &= \text{Rp. } 90.96 \text{ million} / \text{USD. } 529\,200\,000 \times 1 \text{ year} \\
 PP &= 0.1719 \text{ year}
 \end{aligned}$$

The capital cost of this effort will be back within a period of 1.7 years.

Break Even Point (BEP)

BEP is an analysis that is used to obtain the boundary breakeven point of sale value (Rp.) And amount (unit) of a business carried on. If this attempt to break even, it is said there are no advantages and disadvantages.

$$\text{BEP (Rp)} = \text{Fixed Costs} / 1 - (\text{Variable Cost} / \text{Revenue})$$

$$\begin{aligned} \text{BEP (Rp)} &= \text{Rp. 61.15039 million} / 1 - (\text{Rp. 109 115 000} / \text{Rp. 529 200.000}) \\ &= \text{Rp. 77,033,901} \end{aligned}$$

Fish fisheries activities Cuisine break even when revenues amounted to Rp.77,033,901.

$$\text{BEP (unit)} = \text{Fixed Cost} / \text{Price per Kg} - (\text{Variable Cost} / \text{Total Production})$$

$$\begin{aligned} \text{BEP (unit)} &= \text{Rp. 61.15039 million} / \text{Rp.14.000} - (\text{Rp. 109 115 000} / 37\ 800 \text{ Kg}) \\ &= \text{Rp.61.150.390} / \text{Rp.14.000} (2886.640212) \\ &= 1,513, 14 \text{ Kg} \end{aligned}$$

Goldfish rearing activities will break even when produce fish in size of 180 grams / tail as much as 1513 kg.

Cost of Production (HPP)

Cost of Production is the analysis used to determine the selling price of a product at the point of minimum.

$$\text{COGS} = \text{Cost Total} / \text{Total Production}$$

$$\begin{aligned} \text{HPP} &= \text{Rp.145.265.000} / 18,900 \text{ kg} \\ &= \text{Rp. 7685.98} / \text{kg} \end{aligned}$$

DISCUSSION

The village has the right to form village-owned enterprises (BUMDes or village BUM). Actually it signals began to appear on Law No. 22 of 2009. However, BUM village began to mushroom after explicitly stated in Law No. 32 Year 2004 on Regional Government. Support Provincial and District Government big enough. Ministry / Agency also has begun to respond with programs involving village-owned enterprises /village community of the economic development activities. Nevertheless, the efforts of regional governments and this government have not been optimal. Birth of Act No. 6 of 2014 on the Village is expected to be a source of new spirit of village-owned enterprises.

Act No. 6 In 2014 reaffirmed that the village can establish village-owned enterprises. BUM Village is a business entity of all or most of the capital is owned by the village through direct investments originating from the wealth of the village separated in order to manage assets, services, and other businesses for the welfare of the villagers. Provision of village-owned enterprises in Law No. 6 of 2014 set forth in Chapter X, with 4 chapters, namely Article 87

through Article 90 in Chapter X of the Act village is mentioned that the village can establish village-owned enterprises called village-owned enterprises. It is managed with a spirit of brotherhood and mutual cooperation. Businesses that can run village-owned enterprises as the effort in the economic and / or public service in accordance with the provisions of the legislation. Establishment village-owned enterprises is agreed and defined by Regulation village.

Technically village-owned enterprise still refers to the Minister of Home Affairs Regulation No. 39 of 2010 on village-owned enterprises. With the presence of Act No. 6 of 2014 and Government Regulation No. 43 Year 2014 About the Regulation on the Implementation of Law No. 6 of 2014 About the village and subsequently created to PP No.22 of 2015, then the next village gets a greater opportunity to increase its role in economic development rural communities. In this case the village-owned enterprises can be optimized instruments and its role as an economic institution which is a legal local village level to improve people's welfare and rural incomes.

This type of business that commonly exists in the village now is a new type of business services, and even then only limited microfinance services. The existing provisions, village-owned enterprises can develop various types of businesses in accordance with the needs and potential of the village. As a pilot, a business unit of microfinance potentially be used as a forerunner to the establishment of the village-owned enterprises. The strategy developed by the Government of Asahan District for the establishment of the village-owned enterprises facilitated the development of the village-owned enterprises, namely Rawang Pasar V Village and Air Baru Joman Village. Besides, the village owned enterprises are also developed in Marjanji Aceh dan Loburapa village, Aek Songsongan subdistrict, Asahan regency.

There are four (4) main agenda needs to be done to optimize the role of the village-owned Enterprises, namely:

1. Development and Institutional Strengthening. These stage included: formulation of regulations / arrangements, and structuring the organization. The government must revise Minister Regulation No. 39 Year 2010 in this regard need to conform with Law No. 6 Year 2014, as well as Government Regulation No. 43 of 2014. If we refer to the Regulation of the Minister of Home Affairs Number 39 Year 2010, the area is expected to: a) Develop Regional Regulation on Procedures for the Establishment and Management of Village-owned Enterprise minimal load on: forms of organization, management, rights and obligations, capital, profit sharing, profit and bankruptcy, cooperation with third parties, accountability mechanisms, guidance, and supervision of the public; b) Optimizing the role of the regional work units (such as the Community Empowerment Board and Village Government) in the development of the village –owned Enterprises;
2. Strengthening capacities (capacity building). Includes empowerment, training, and facilitation in stages. The government did it to the Local Government and Local Government doing to the village government and the village –owned Enterprises;
3. Strengthening Market. After village –owned Enterprises stands are expected to work together with third parties, market expansion, and gain facilitation of access to resources;

4. Sustainability. Include organizing, advocacy forums and promotion so as to get the ideal form of village –owned Enterprises and is increasingly gaining support from various circles, especially the community and business.

The presence of Law No. 6 of 2014 on the Village is expected to force all parties to consistently give a greater role to the Village Government in the implementation of village government, the implementation of village Development, Development of village Community and village Community Empowerment based community initiatives, the right of origin and customs of the village. It includes in providing the maximum to village-owned enterprises in developing the village economic activities.

CONCLUSION AND SUGGESTION

Conclusion

1. Management village-owned enterprises also becomeS very important in supporting the strengthening of Revenue Villages (Pades).
2. If Village source revenue could be improved then the village will get the funds management and financing for the construction of the village, so it will come true independence of the village to meet the needs of the construction of public facilities in the village. This will make the village to not only wait for the development of the local government or central government.
3. The establishment of village-owned enterprises in Asahan through drafting team Village Regulation (Perdes) and Tim formulator of AD / ART with the details of each -masing 5 people for one team representing elements of village government, community leaders, youth, the weak economy and the element of women's representation.

Suggestion

- 6) The purpose of the establishment of village-owned enterprises (BUMDes) is to empower and improve the economy of the village. Moreover, it must needs be done in a sustainable empowerment and institutional assistance.
- 7) Efforts to improve the Revenue Villages (Pades) the identification and mapping of potential activities to be conducted so that the potential of the village of the village in accordance with the needs of the people who got into Pades.
- 8) Business establishments village-owned enterprises to be performed on the entire village is in Asahan.

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