

Enhancing Community Welfare through Participatory Management of Village-Owned Enterprises: A Case Study in Pematang Serai Village, Langkat District

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ABSTRACT

This study aims to examine the contribution of participatory management to improving community welfare through BUMDes in Pematang Serai Village, Langkat. Qualitative case studies are conducted through interviews and observations. The results show that participatory management is significant in empowering BUMDes and improving community welfare. Active community participation in the decision, planning, implementation, and evaluation of BUMDes has a positive impact on income, access to public services, and quality of life. This research makes an important contribution in understanding the role of participatory management in improving welfare through BUMDes. Relevant policy implications are outlined to support sustainable BUMDes and welfare in Pematang Serai Village.

INTRODUCTION

Rural development is an important component in national and regional development, considering the number of people living in rural areas. However, development planning so far tends to be top-down and rural communities are often considered as objects of development, not as subjects who play an active role. The main goal of development is to improve the quality of life of the community, but development at the village level still has not reached expectations due to various obstacles such as accessibility and lack of community participation.

Community participation in village development is very important, because without such participation, the community is only an object of development and has no participation. Therefore, the community must be actively involved in all stages of development, from planning to evaluation. Participatory management involves communities in all aspects of development, including planning, organization, direction, coordination, and supervision.

Village-Owned Enterprises (BUMDes) are economic institutions in the village managed by the community and village government. BUMDes play a role in strengthening the village economy and utilizing the existing economic potential. In addition, BUMDes also function as social institutions that provide services to the community. Through BUMDes, it is hoped that economic empowerment can be carried out by involving all rural communities through existing entrepreneurial economic business groups. This will improve the village economy and community welfare.

One of the BUMDes established with the aim of supporting or strengthening the village economy is BUMDes located in Pematang Serai Village, Tanjung Pura District, Langkat Regency. As one of the villages that has a lot of potential, especially in the field of fisheries and agricultural products. Therefore, a BUMDes was formed that can help the community to sell the results of their business

In this context, the establishment of BUMDes is based on Law Number 32 of 2004 concerning Regional Government, which aims to increase Village Original Income (PADesa). BUMDes have a focus on commercial and social aspects that benefit rural communities.

LITERATURE REVIEW

Community Welfare

Welfare is one aspect that is quite important to maintain and foster the occurrence of social and economic stability, this condition is also needed to minimize the occurrence of social jealousy in society. Furthermore, the acceleration of people's economic growth requires economic policies or the government's role in regulating the economy as an effort to maintain economic stability. Community welfare refers to conditions in which members of society at large experience a good life, quality, and meet their basic needs. The well-being of society involves the physical, economic, social, and emotional aspects of the lives of individuals and groups in Society (Yanti et al., 2023.) (Sari et al., 2023) . According to public welfare is an inseparable part of the economic

development paradigm, economic development is said to be successful if the level of people's welfare is getting better. (Senses et al., 2022)

Participatory Management

Community participation encourages the emergence of entrepreneurship and new local economic initiatives. When communities are involved in economic decision-making and have access to resources, knowledge, and opportunities, they tend to develop sustainable enterprises. These efforts can create new jobs, increase community incomes, and promote inclusive local economic growth Active (Daulay et al., 2024). community participation in the process of planning, implementing, and monitoring development programs can increase community ownership of development. This leads to improved quality of life, poverty reduction, and increased access to public resources and services (Shadow et al., 2024)

BUMDes

BUMDes is a business entity with the construction and ownership of a village whose role is expected to be able to help and strive for the community in meeting daily needs, increasing the insight of the village community, and becoming a business opportunity or employment. With the establishment of BUMDes in a village, it is expected to be able to strive, strengthen and improve the economy in rural areas for the energy needs and optimization of a village. Village-Owned Enterprises (BUMDes) is a manifestation of the mandate of Village Law No. 6 of 2014 with the hope of developing and preserving assets so that economic independence in rural areas is achieved. The establishment of Village-Owned Enterprises (BUMDes) can be carried out by each Village Government.

METHODOLOGY

This research uses a type of qualitative research based on the philosophy of positivism to study the condition of natural objects, with the researcher serving as the main instrument. Data collection is triangulated and data analysis is carried out inductively or qualitatively. The results show that qualitative approaches emphasize importance rather than generalization. After the data is obtained, it is then presented using qualitative descriptive analysis techniques, namely analytical techniques in the form of describing or revealing the characteristics of the variables that are the focus of researchers, namely human resource management in the management of Village-Owned Enterprises (BUMDes) in Pematang Serai Village, Tanjung Pura District, Langkat Regency. The population in this study is the Manager of Bumdes Mozaik located in Pematang Serai Langkat. The data analysis method is part of the data testing process whose results are used as adequate evidence to draw research conclusions (Daulay, 2022) (Sugiono, 2018) . The qualitative data analysis technique used is the Miles and Huberman model with steps of data collection, data reduction, data presentation and drawing conclusions.

RESEARCH RESULT

Pematang Serai Village is one of the villages in Tanjung Pura sub-district, Langkat Regency, North Sumatra province. The distance from Medan City to Pematang Serai Village is approximately 75 Km which can be reached in approximately 2 hours. In Pematang Serai Village there are 7 hamlets directly adjacent to the banks of the river with a total of 2693 people. People in Pematang Serai Village have the livelihood of fishermen, farmers, animal husbandry, fisheries, craftsmen, cottage industries, and tourism. Pematang Serai Village is one of the villages that has been successful and transparent in managing Village Funds.

The Effect of Participatory Management on Bumdes Mozaik Pematang Serai Langkat Village

Community participation in every village activity agenda is the responsibility of the village community. People who care about the village will certainly always be involved in activities aimed at advancing the village. The process of community involvement in each village activity agenda is called community participation. According to participation, it is a process that allows for better interaction between stakeholders so that innovative agreements and actions are more likely to be created in the deliberative process, where space for listening, learning, reflection and initiating a joint action occurs. (Suharto, 2010)

Table 1. Mapping Community Participation in BUMDes Mozaik Pematang Serai Village, Langkat

Community Participation	Bumdes Mozaik
Decision-Making Participation	BUMDes Company at Village Deliberation Community Representative Approach
Implementation Participation	BUMDes Manager Customers/sellers of goods and only
Evaluation participation	Annual BUMDes Evaluation Forum Approach of Community Representatives and Management
Overview of Community Participation	Involving the Community in the General Decision of Community BUMDes as Managers, Customers and Employees

In general, these four BUMDes have opened space for community participation in the BUMDes management process. The participation space is open from every process and program running of the BUMDes business unit. However, the degree of public participation in BUMDes can be identified as running diversely.

BUMDes with a high level of participation in practice are due to the large participation space from the management space of existing institutions and business units. Many business units and running smoothly resulted in a good level of community participation. Meanwhile, BUMDes whose business units are few and not running smoothly make the level of community participation low.

Analysis of Bumdes Empowerment through Participatory Management in Improving Community Welfare

The BUMDes Mozaik program is important in realizing the economic development of the community and helping village income which is in accordance with the understanding of Village-Owned Enterprises (BUMDes) is a village institution established by the village government and capital ownership comes from the village, while the management is carried out by the village government and the community in accordance with the Pematang Serai Village Regulation with the aim of helping to improve community welfare through potential resource utilization.

The implementation of the BUMDes program in community empowerment is one form of government attention in helping the economy of rural communities and village original income. Helping the community's economy in the hope of having a positive impact on the welfare of the community. BUMDes institutions make the economic axis of communities and villages. BUMDes Mozaik Pematang Serai Village is a village institution that has provided many needed facilities.

Table 2. Business Field of BUMDes Mozaik

No	Name of Business Field	Business Type	Start Running
1	SPP Business Field	Save and Borrow	2016
2	Livestock Business Sector	Tratak Rental	2018
3	Business Fields of BRI-LINK	BRI-Link	2018
4	Ice Cane Business	Ice Cane Seller	2018
5	Tourism Business Sector	Getek Online	2019
6	Agricultural Business Sector	Agriculture	2019
7	Waste Bank Business Field	Waste Bank	2019

Analysis of the results of the implementation of Bumdes empowerment through participatory management in improving community welfare

The existence of BUMDes Mozaik in community empowerment makes opportunities for the people of Pematang Serai Village, by opening job

opportunities. In terms of economy, it provides income for the people of Pematang Serai Village with the existence of BUMDes. In addition, it also increases village income which later the results can be used for the benefit of the village and develop the BUMDes Mozaik program. The utilization of proceeds for the village can be used to improve the infrastructure of Pematang Serai Village and develop the potential of the village. The development of BUMDes Mozaik also motivates other villages to utilize natural resources and local potential.

Indicators of program success in community empowerment can be seen from the increase in financial capacity that can help people's income by reducing poverty (Sumodiningrat, 1997). Based on this, the implementation of BUMDes Mozaik has provided benefits and provided income for the people of Pematang Serai Village. Success in a program is also used to increase village potential and develop the BUMDes Mozaik program.

CONCLUSIONS AND RECOMMENDATIONS

Based on the results of the study, it can be concluded that the BUMDes Program is used to empower the community in Pematang Serai Village, with clear goals and measures to utilize potential. The resources of program implementation in utilization and the needs achieved, the characteristics of implementing agents are realist for constraint factors in the implementation of socialization programs, the tendency attitude of implementing agents has received support from institutions, communication between organizations has been structured in community empowerment, and the implementation of social, economic, and political environments can empower communities by utilizing their potential. Community empowerment programs can enhance action in various ways through the use of resources and encourage communities to participate in their implementation to achieve the goals that have been set since their inception.

The result of the implementation of the BUMDes program in community empowerment in Pematang Serai Langkat Village is the improvement of the standard of living of the village economic sector and the community by utilizing resources by utilizing village potential, so that people can empower themselves by developing themselves to be more independent and creative. There is a close social relationship between the BUMDes program and its community through the entrepreneurial community.

ADVANCED RESEARCH

This research still has limitations so it is necessary to carry out further research related to the topic "Enhancing Community Welfare through Participatory Management of Village-Owned Enterprises: A Case Study in Pematang Serai Village, Langkat District" to perfect this research, as well as increase insight for readers.

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