## The Role of Village-Owned Enterprises "Bersama Sei Rampah" in Community Empowerment of Firdaus Village, Sei Rampah District, Serdang Bedagai Regency

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#### **ABSTRACT**

The purpose of the study was to analyze the role of Village-Owned Enterprises "Bersama Sei Rampah" in Community Empowerment of Firdaus Village, Sei Rampah District, Serdang Bedagai Regency. The method used in this research is descriptive qualitative research method. Data collection techniques in this study were field research conducted by means of observation, interviews, documentation, and literature research. The results showed that the Village-Owned Enterprises "Bersama Rampah" in empowering the community's economy functioned to increase community's ability to develop their businesses. The savings and loan business unit established by the Village-Owned Enterprises "Bersama Sei Rampah" provides opportunities for community to obtain new jobs, and is able to help the community mobilize its potential. The Village-Owned Enterprises "Bersama Rampah" provides motivation and stimulus for the community in developing their business in order to increase the family's economic income.

*Keywords:* Role, Village-Owned Enterprises, Community Empowerment

#### INTRODUCTION

National development aims to create a just, materially and spiritually equitable society based on Pancasila and the 1945 Constitution of the Republic of Indonesia within the framework of the Unitary State of the Republic of Indonesia which is independent, united, and has people's sovereignty. The emphasis of development is placed on the economic sector which is the main driver of development in line with the quality of human resources and is encouraged to be mutually reinforcing, interrelated and integrated with development of other fields that are carried out in harmony, harmony and balance for the success of development in the economic in order to achieve national development goals and objectives. Starting from this development, the government and the people of Indonesia have an obligation to explore, process and foster these natural resources in order to achieve a just and prosperous society in accordance with Article 33 of the 1945 Constitution. Most of the population lives in rural areas which make up 70% of the total population in Indonesia. So that the central point of development is rural areas.

The importance of rural development is that by placing the village as the target of development, efforts to reduce various income disparities, the gap between rich and poor, rural and urban disparities will be more realized. as a result of the inclusion of development programs into the countryside for the sake of accelerating the implementation of rural development, as well as the implementation of a modern bureaucratic system nationally (Suyanto,

1996). So far in the village there has been a set of institutions that have emerged and arise from the local community's initiatives to fulfill the necessities of life that must be fulfilled. In general, these local institutions are still very traditional in nature with various shortcomings that exist in terms of modern organization. Whereas on the other hand the government as a Stakeholder of the development program really needs a very qualified institution to become a forum for development and even the most appropriate means for accelerating rural development. Based on this kind of reality, government has issued a policy regarding the need for the establishment of modern institutions in the context of implementing development in rural areas with the consideration that modern social institutions created by the government specifically designed are development activities will provide greater opportunities for the success of that development. itself rather than government using existing social institutions which are generally cultural, religious and traditional.

The phenomenon of the existence of such traditional social institutions is not just a coincidence, but has become a common reality in society. Where the village community turned out to prefer to join and be active members of social institutions. Village-Owned Enterprises are business entities that are managed independently by the village, with the help of village officials and the community. As stated in Law Number 6 of 2014 concerning villages, it is hoped that villages can manage the economy independently. Firdaus Village, Sei Rampah District already has a savings and loan business that has been established by the village since 2016. The purpose of establishing the Village-Owned Enterprises is expected to have a role in regulating the economy in the village with the savings and loan business which is expected to be a prime over in bridging efforts strengthening the economy in rural areas. To achieve this condition, strategic and tactical steps are

needed to integrate the potential, market needs, and the preparation of the design of the institution into a plan.

The final goal, Village-Owned Enterprises as an instrument is a social capital that is expected to be a prime over in bridging efforts to strengthen the economy in rural areas. To achieve these conditions, strategic and tactical steps are needed to integrate the potential, market needs, and the preparation of the design of the institution into a plan. In addition, it is necessary to pay attention to localistic potential and policy support from the government above to eliminate the low surplus of village economic activities due to the possibility of not developing the economic sector in rural areas. So that the integration of agricultural systems and structures in a broad sense, integrated trading businesses, and services will be used as guidelines in institutional governance.

So that rural people can develop their potential so that they are not harmed and benefit more, a backflow is needed in the distribution of natural resources and policies in this case is a Village-Owned Enterprises. The government is expected to create a business climate that encourages healthy economic development, both in improving the welfare of members and the surrounding community, as well as participating in building the national economic system. As economic an organization, the development of Village-Owned Enterprises cannot be separated from the competitive conditions it faces with other economic actors. Economic institutional systems and mechanisms in rural areas do not work effectively and have implications for dependence on government assistance so that it kills the spirit of independence.

Saragi (2004:54) in his book mentions that there are 5 goals for establishing a Village-Owned Enterprises, namely:

- 1. Improving village financial capacity.
- 2. Development of community business in the context of poverty alleviation.

- 3. Encourage the growth of community businesses.
- 4. Social security providers.
- 5. Service providers for rural communities.

However, the aim of the Village-Enterprises to improve Owned community's economy has not been fully realized. Based on the author's observations, in the management of Village-Owned Enterprises funds there are still revolving funds that are not on target and lack of supervision by the management because there are still many customers who borrow funds from these Village-Owned Enterprises, their business is not growing and cannot increase their income or economy, even only enough for daily needs, only a few of them whose economy is increasing. But there are also customers whose businesses have grown after getting loan funds from Village-Owned Enterprises. The purpose of the study was to analyze the role of Village-Owned Enterprises "Bersama Sei Rampah" in Community Empowerment of Firdaus Village, Sei Rampah District, Serdang Bedagai Regency.

#### LITERATURE REVIEW

#### Role

Role is a form of responsibility related to the position, function and authority of a person or group of people. The role can also be said as individual behavior that is important for the social structure of society (Soekanto, 2003:244).

The role is very important because it can regulate a person's behavior, besides the role causes a person to predict the actions of others to certain limits, so that a person can adjust his own behavior with the behavior of the people in his group (Narwoko, 2004:138). The definition of role according to Soekanto (2003:243) is an aspect of position dynamics, if someone carries out his rights and obligations according to his position, then he carries out a role. The concept of role according to Komarudin (1974:768) in the book "Encyclopedia of Management" reveals as follows:

- 1. Part of the main tasks that must be carried out by management.
- 2. The pattern of behavior that is expected to accompany a status.
- 3. Part of a person's function in a group or institution.
- 4. Functions that are expected of a person or become characteristics that exist in him.
- 5. The function of each variable in a causal relationship.

Based on this understanding, it can be understood that the role is an assessment of the extent to which a person's function or part is in supporting the effort to achieve the goals set or a measure of the relationship between two variables that have a causal relationship.

#### **Empowerment**

According to Suparjan (2003:43) empowerment means that empowerment generates resources, opportunities, knowledge and skills of the community to increase capacity and determine their future. In contrast to the opinion, Teguh (2004:78-79) stated that empowerment is actually a term that is unique to Indonesia than the West. In the west the term is translated as empowerment, and that term is correct but not quite right. Empowerment is meant to give "power" not "power" rather than "empowerment" itself. Perhaps the right term is "energize" or say to give "energy" empowerment is the provision of energy so that the person concerned is able to move independently.

On the other hand, the second meaning is to give ability or empowerment and to provide opportunities for other parties to do something. According to Suharto (2005:57) Conceptually, empowerment or empowerment comes from the word power. Because the main idea of empowerment relates to the ability to make other people do what we want, regardless of their desires and interests.

#### RESEARCH METHODS

This research was conducted in Firdaus Village, Sei Rampah District, Serdang Bedagai Regency.

The method used in this research is descriptive qualitative research method. Descriptive qualitative research method is purely data-derived in that codes are generated from the data in the course of the study. Like other qualitative research approaches, qualitative descriptive studies generally are characterized by simultaneous data collection and analysis.

Data collection techniques in this study were field research conducted by means of observation, interviews, documentation, and literature research.

The data analysis technique used is descriptive qualitative on the performance of Village-Owned Enterprises "Bersama Sei Rampah" in Community Empowerment of Firdaus Village, Sei Rampah District, Serdang Bedagai Regency.

#### **RESULT**

#### **General Description**

The desire for the expansion of Deli Serdang Regency has actually been around for quite a long time among the people of Deli Serdang Regency and in 1992 it has become a separate study for the Deli Serdang Regency Government at that time. The basis for consideration for the expansion is the area and the large population for one district.

The study of regional expansion at that time resulted in the issuance of the Deli Serdang Regency DPRD Decree Number 02/DPRD/1992 dated February 27, 1992 concerning the Approval of Regional Expansion of Deli Serdang Regency Level II which stipulates that Deli Serdang Regency is divided into 2 regions, namely Deli Regency and Serdang Regency. The expansion plan was stopped and resumed during the 1998 reformation.

The enactment of Law Number 22 of 1999 concerning Regional Government and Government Regulation Number 129 of 2000 concerning Requirements for Establishment and Criteria for Expansion, Abolition and Merger of Regions, provides an increasingly open space for people's wishes to expand. Several community groups formed in the effort to expand Deli Serdang Regency, namely:

- 1. Supporting Agency for the Expansion of Deli Serdang Regency in 1992.
- 2. The Committee for the Establishment of the Deli Regency in 1992.
- 3. The Committee for the Establishment of the Expansion of the Serdang Bedagai Regency in 2002.

Supporting Agency for the Expansion of Deli Serdang Regency plans to divide Deli Serdang Regency into two regencies in accordance with the concept of division in 1992 with the proposed capital of the new districts: Dolok Masihul, Sei Rampah, and Perbaungan. Supporters of the expansion of Deli Serdang Regency put more emphasis on the formation of a new Regency, namely Deli Regency with the capital of Patumbak, so that the purpose of holding the expansion was not visible, but rather on the desire to separate itself from Deli Serdang Regency. The committee for the formation of the division of the Serdang Bedagai Regency proposed the concept of the division of Deli Serdang Regency into 2, namely Deli Serdang Regency as the Parent Regency and Serdang Bedagai Regency as an expansion Regency with the capital of Sei Rampah Regency.

The government of Deli Serdang Regency has responded wisely and wisely to the great desire of the community by compiling the basic concept of the division of the district and conducting studies in the context of the division. Based on research and input from various elements of society, the Deli Serdang Regency Government proposes that Deli Serdang Regency be divided into 3, namely Deli Serdang Regency as the parent regency, Deli Regency and Serdang Bedagai Regency as the expansion district.

The long journey of the process of expanding Deli Serdang Regency legally began with the stipulation of the Deli

Serdang Regency DPRD Decree Number: 13/KP/Year 2002 dated 2 August 2002 concerning Approval for the Establishment/ Expansion of Deli Serdang Regency. Furthermore, the DPRD of North Sumatra Province through Decree Number: 18/K/2002 dated August 21, 2002, stipulates the Approval for the Expansion of Deli Serdang Regency. The Deli Serdang Regency DPRD through Decree Number: 26/K/DPRD/2003 dated March 9, 2003 stipulates the Approval of the Proposed Expansion Plan of Deli Serdang Regency into 2 Regencies, namely Deli Serdang Regency as the Parent Regency and Serdang Bedagai Regency as an Expansion Regency with the capital Sei Rampah. consideration of the name Serdang Bedagai Regency is based on the history where this region was formerly in the territory of the Serdang Sultanate and Bedagai Sultanate.

Serdang Bedagai Regency is one of the regencies located in the East Coast Region of North Sumatra Province with the capital located in Sei Rampah District, namely Sei Rampah City. Geographically, Serdang Bedagai Regency is located at a position of 30 01' 2.5"-3 0 46' 33" North Latitude, 980 44' 22"-990 19' 01" East Longitude with an altitude ranging from 0-500 meters above sea level above sea level. Serdang Bedagai Regency was formed in accordance with Law Number 36 of 2003 concerning the Establishment of Samosir Regency and Serdang Bedagai Regency in North Sumatra Province.

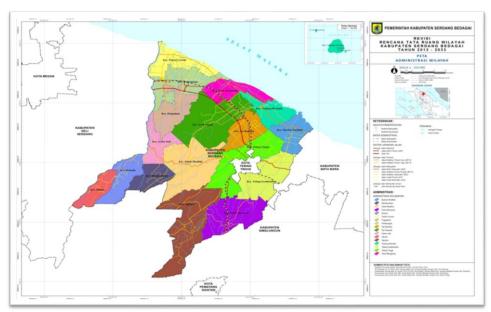


Figure 1: Administrative Map of Serdang Bedagai Regency

# The Contribution of Village-Owned Enterprises "Bersama Sei Rampah"

The results showed that the Village-Owned Enterprises "Bersama Sei Rampah" in empowering the community's economy functioned to increase the community's ability to develop their businesses. The savings and loan business unit established by the Village-Owned Enterprises "Bersama Sei Rampah" provides opportunities for the community to obtain new jobs, and is able to help the community mobilize its potential. Village-Owned Enterprises

"Bersama Sei Rampah" provides motivation and stimulus for the community in developing their business in order to increase the family's economic income.

### 1. Capital Loan

Capital loans are the amount of money lent by Village-Owned Enterprises to villagers who wish to improve their business progress with a maximum return limit of 18 months. Based on the author's interview with one of the capital borrowers, namely Ibu Suci Handayati, information was obtained that a number of borrowed

funds were able to help in developing her business and in the end it could increase income, such as the information obtained, namely: "I have this small grocery business since before Village-Owned Enterprises, and yesterday I wanted to expand my business, and I applied for a loan for my business to Village-Owned Enterprises and after I developed my business my income increased" (Interview on 26 August 2021). The capital loans provided by Village-Owned Enterprises have helped villagers, especially in advancing their business so that people do not have to go to moneylenders or banks. However, there are still people who are not aware of the existence of the capital lending unit. This is in line with the opinion of Rondinelli (1983) that organizing financial institutions that are easily accessible can increase the flow of savings capital and among communities, so that their position is very important in order to create a stable marketing system for farmers.

#### 2. Opening Jobs

Village-Owned Enterprises contributes in creating jobs, especially for young people who have graduated from school but have not found work, such as information obtained from one of the paradise communities, Andika Chaniago, which is as follows: "I am a village community who has finished school and is almost For 3 months working at Village-Owned Enterprises, I feel helped by Village-Owned Enterprises, because I can work in a business whose business capital comes from Village-Owned Enterprises while I apply for a job" (Interview on 26 August 2021). Although it is known that the existence of Village-Owned Enterprises is able to create jobs, the contribution given by Village-Owned Enterprises in Firdaus Village in terms of creating jobs is relatively not large, this is because Village-Owned Enterprises pioneering are still developing its business units. This is in line with the statement of Ibrahim et al (2019) which states that Village-Owned Enterprises are able to create market networks and

opportunities that support public services for all villagers, create job opportunities, especially for young people, and in the end can improve the welfare of villagers.

**3.** Contribution to village original income the contribution provided by Village-Owned Enterprises in Firdaus Village for village original income is still lacking. Information from the Secretary of the Village-Owned Enterprises "Bersama Sei Rampah". This is because the Village-Owned Enterprises are still in the pioneering stage and the management is still in the process of developing existing business units.

#### **CONCLUSION AND SUGGESTION**

The results showed that the Village-Owned Enterprises "Bersama Sei Rampah" in empowering the community's economy functioned to increase the community's ability to develop their businesses. The savings and loan business unit established by the Village-Owned Enterprises "Bersama Sei Rampah" provides opportunities for the community to obtain new jobs, and is able to help the community mobilize its potential. The Village-Owned Enterprises "Bersama Sei Rampah" provides motivation and stimulus for the community in developing their business in order to increase the family's economic income.

Based on the results of the research that has been concluded, the suggestions that can be conveyed are as follows:

- 1. For Sei Rampah Village-Owned Enterprises, it is necessary to increase other types of business apart from the savings and loan business unit so that the increase in community income and increase in village funds can also increase, reduce unemployment, expand employment opportunities by utilizing all required resources effectively and efficiently so as to create a prosperous society.
- 2. For Village-Owned Enterprises and the Government regarding the need to find other sources of capital such as from the Regency Government, State-Owned Enterprises or others in order to increase

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business capital to be developed by the Sei Rampah Village-Owned Enterprises and the need for support from the Government and the community even more for the advancement of Village-Owned Enterprises.

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