

INCREASING THE CAPACITY OF GAMPONG'S BUSINESS ENTITY (BUMG) IN AN EFFORT TO IMPROVE COMMUNITY WELFARE IN LANGSA CITY

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Abstract

BUMG is one of the important considerations for channeling village community initiatives in developing village potential, managing and utilizing the potential of village natural resources, optimizing human resources (village residents) in their management, and the existence of capital participation from the village government in the form of financing and gampong wealth that submitted to be managed as part of BUMG. Through the development of gampong potentials accompanied by community participation in managing BUMG, it will encourage the village economy and create village economic independence. However, ironically, of the 66 BUMGs, only 30 are active and the rest are in suspended animation. According to the Head of BUMDes, the Gampong Community Empowerment Agency (BPMG) of Langsa City, the BUMDes have no creative ideas, so they do not have market competitiveness, and the weak resources that master technology, so they cannot connect the products produced by BUMG with the market by using technology. The results showed that Langsa City BUMG is in the first quadrant, namely the Strategy Quadrant for Supporting Aggressive Strategy where this quadrant is a very profitable situation because it is supported by strengths and opportunities so that it can take advantage of existing opportunities. The strategy taken is to support an aggressive growth policy (growth oriented strategy). Weak resources that master technology so that they cannot connect the products produced by BUMG with the market by utilizing technology. The results showed that Langsa City BUMG is in the first quadrant, namely the Strategy Quadrant for Supporting Aggressive Strategy where this quadrant is a very profitable situation because it is supported by strengths and opportunities so that it can take advantage of existing opportunities. The strategy taken is to support an aggressive growth policy (growth oriented strategy). Weak resources that master technology so that they cannot connect the products produced by BUMG with the market by utilizing technology. The results showed that Langsa City BUMG is in the first quadrant, namely the Strategy Quadrant for Supporting Aggressive Strategy where this quadrant is a very profitable situation because it is supported by strengths and opportunities so that it can take advantage of existing opportunities. The strategy taken is to support an aggressive growth policy (growth oriented strategy). The results showed that Langsa City BUMG is in the first quadrant, namely the Strategy Quadrant for Supporting Aggressive Strategy where this quadrant is a very profitable situation because it is supported by strengths and opportunities so that it can take advantage of existing opportunities. The strategy taken is to support an aggressive growth policy (growth oriented strategy). The results showed that Langsa City BUMG is in the first quadrant, namely the Strategy Quadrant for Supporting Aggressive Strategy where this quadrant is a very profitable situation because it is supported by strengths and opportunities so that it can take advantage of existing opportunities. The strategy taken is to support an aggressive growth policy (growth oriented strategy).

Keywords: *Community, Improvement, Welfare*

1. INTRODUCTION

Village autonomy as stated in article 1 paragraph 5 of Law Number 23 of 2014 which reads "regional autonomy is the right, authority and obligation of autonomous regions to regulate and manage their own government affairs and the interests of local communities in accordance with statutory regulations". Widjaja (2014: 76), said that the objectives to be achieved in delegating affairs to the regions include: growing the region in various fields, improving services to the

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community, growing regional independence and increasing regional competitiveness in the growth process.

To encourage an independent village economy, in accordance with Law no. 6 of 2014 concerning Villages and Regulation of the Minister of Villages, Development of Disadvantaged Regions, and Transmigration of the Republic of Indonesia No. 4 of 2015, the government made a policy to form Village Owned Enterprises (BUMDes). Permendes No. 19 Chapter III article 4 (paragraphs 1-5) of 2017 states that the priority of using village funds is to finance the implementation of programs and activities in the field of village development and cross-sectoral empowerment of rural communities. These fields and activities include the fields of superior product activities in villages or rural areas, BUMDes or joint BUMDes, reservoirs, and village sports facilities in accordance with village authority.

The province of Aceh, which is privileged to have Qanun Number 5 of 2003 concerning Gampong Government, was issued based on the mandate of the privileges of Aceh Province, followed by the Law on the Government of Aceh (UUPA) to become the basis for sustainable development, both related to infrastructure development and future economic empowerment of the village community. These two provisions further strengthen the position of BUMDes which in Aceh is known as BUMG which is specifically rooted in Acehese society both culturally, socially and economically. With the good regulation of Law no. 6 of 2014 concerning Villages and Qanun Number 5 of 2003 concerning Gampong Government were able to confirm BUMG as a business entity affiliated with the community with various strategic efforts to improve the community's economy.

Langsa City is one of the regencies/cities in Aceh Province. Langsa City consists of 5 sub-districts, namely: 1) East Langsa District which has 16 Gampong, 2) West Langsa District which consists of 13 Gampong, 3) Langsa Kota District which consists of 10 Gampong, 4) Langsa Lama District consists of 15 Gampong and 5) Langsa Baro District consists of 12 Gampong. Based on RIn the Langsa City Medium-Term Development Plan (RPJMD) in 2017-2020, there are 66 active BUMGs with a target that increases every year. In 2019 the Langsa City Government targets 100,000,000 million Rupiah, then in 2020 it is 140,000,000 million Rupiah and in 2021 and 2022 it is 160,000,000 and 190,000,000 million Rupiah, respectively (Qanun No. 6 of 2018: 309).

However, ironically, of the 66 BUMGs, only 30 are active and the rest are in suspended animation. The obstacles from BUMDes according to the Head of BUMG, Gampong Community Empowerment Agency (BPMG) of Langsa City are that BUMG managers do not have creative ideas so they do not have market competitiveness, lack of resources that master technology so they cannot connect the products produced by BUMG with the market by using technology. Junita, et al, 2020)

Facilities and infrastructure is a very basic need required for BUMG to be able to operate properly. Several previous studies that have been carried out related to the strategy of developing Village-Owned Enterprises, including Danaresa and Herawati (2018) which revealed that there are three very important factors in the development of BUMDes including springs which are important assets for the village, physical infrastructure supportive, and positive support from villagers. In addition, other keys to the success of developing the BUMDes organization are social, familial and professional.

Isma et al (2019) said that some of the problems faced by BUMG were:

1. Lack of knowledge to determine potential new types of business
2. The lack of knowledge from BUMG managers in utilizing the potential of natural resources for the development of new businesses that can improve village welfare,
3. Still lack of knowledge about the management of a business
4. Limitations in promoting production on social media

Meanwhile, research conducted by Mayu and Adlin (2016) revealed several factors that could hinder the development and growth of village-owned enterprises, including:

1. Lack of administrator knowledge in understanding the purpose of leadership, managerial and governance of village-owned companies as a result of the lack of experience as a director in entrepreneurship to manage business organizations.
2. Lack of agreement with any party and lack of owned business units.
3. Lack of strength born of local emancipation spirit.
4. The absence of a strong village tradition due to a lack of solidarity, cooperation and mutual assistance between villagers.
5. Did not get full support from the Village.

Conflicts of interest between community members and village government that can result in village development programs being neglected or failed (Widiastuti and Nurhayati (2019)). This study uses organizational development process theory. Process theory focuses on needs diagnosis, strategy for achieving goals, implementation activities, and monitoring and evaluation SWOT is used to identify strategic positions through a material approach as well as to determine the supporting and inhibiting factors for the development of BUMG in Langsa City.

2. LITERATURE REVIEW

2.1. Gampong-Owned Enterprises (BUMG)

Gampong is the smallest element of a country, in general the gampong community often preserves local wisdom related to the values of social, cultural and geographical characteristics, demographic structures, and social institutions. Gampong has an important role in national development efforts because it can be the basis for identifying community problems to planning and realizing state goals at the gampong level. Gampong can be a means of development so that the goal of reducing various gaps can be realized. This is because the existence of gampongs is still considered lagging when compared to urban areas in terms of economy, welfare, education and other supporting facilities.

Gampong-Owned Enterprises (BUMG) can run businesses in the economic sector and/or public services in accordance with the provisions of laws and regulations. Government Regulation Number 11 of 2021 mentions in detail the function of establishing Gampong-Owned Enterprises (BUMG). Gampong-Owned Enterprises (BUMG) aim to:

- a. conduct economic business activities through business management, as well as investment development and economic productivity, and village potential;
- b. carry out public service activities by providing goods and/or services as well as meeting the general needs of the gampong community, and managing gampong food barns;
- c. obtain profit or net profit for increasing the village's original income as well as developing the maximum benefit from the economic resources of the gampong community;
- d. utilization of gampong assets in order to create added value for gampong assets;
- e. developing a digital economy ecosystem in the village.

In this regulation it is explained that a gampong is a legal community unit that has territorial boundaries that are authorized to regulate and manage government affairs, the interests of the local community based on community initiatives, origin rights, and/or traditional rights that are recognized and respected in the government system of the Unitary State of the Republic of Indonesia. .

2.2 Principles of Management of Gampong-Owned Enterprises

There are 6 (six) principles in managing BUMG, namely:

1. Cooperative, namely all components involved in BUMG must be able to do good cooperation for the development and survival of its business.
2. Participatory means that all components involved in BUMG must be willing to voluntarily or be asked to provide support and contributions that can encourage the progress of BUMG's business.
3. Emancipatory means that all components involved in BUMG must be treated equally regardless of class, ethnicity, and religion.

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4. Transparent, namely activities that affect the interests of the general public must be known by all levels of society easily and openly.
5. Accountable, namely all business activities must be accountable technically and administratively.
6. Sustainable, namely business activities must be developed and preserved by the community in the BUMG container

In relation to the implementation of the Village Fund Allocation (ADD), the process of strengthening the village economy through BUMG is expected to be more empowered. This is due to the support, namely the increasing village budget funds. This allows the availability of sufficient capital for the establishment of BUMG. If this applies in line, there will be an increase in the village's original income which can then be used for village development activities. The main thing that is important in efforts to strengthen the village economy is to strengthen cooperation (cooperatives), build togetherness / build cohesion in all levels of the village community so that it becomes a driving force (steam engine) in efforts to alleviate poverty, unemployment, and open market access.

2.3. Organization Theory

Conceptually there are two limitations that we need to know, namely the term "organization" as a noun and "organizing" as a verb, describing the stages of activities that must be carried out systematically. Hasibuan (2011: 120) Organization is a formal, structured, and coordinated combined system of groups of people who work together to achieve certain goals that have been mutually agreed upon. According to Stephen P Robbin (2015: 4) Organization is a social entity that is carried out consciously, with relatively known boundaries, which works on a relatively continuous basis to achieve a mutually agreed goal or group of goals.

Meanwhile, according to Beckhart in Ardana, et al (2009:176), organizational development is an effort that is carried out in a planned and sustainable manner covering the overall scope of the organization carried out by organizational leaders to improve efficiency, effectiveness, and organizational reliability through its planned influence on the process. that often happens in an organization. From the description above, researchers can conclude that organizational development includes long-term planning carried out by organizational leaders in this case is a strategy to improve organizational efficiency and effectiveness in achieving organizational goals.

2.4. Partnership Theory

The partnership relationship between the government, especially the village government with the private sector and the community in supporting the existence of village-owned enterprises as a strengthening of the village economy can run well if it is based on the principles that support it, according to Candra (2006; 51) namely: a. Mutual trust and respect b. Autonomy and sovereignty c. Complement each other d. Openness and accountability In supporting the existence of village-owned enterprises as a strengthening of the village economy, the above principles are very important. So if the principles are implemented in accordance with the regulations that exist between the government and the private sector, as well as the community, the partnership will run well too.

3. RESEARCH METHOD

Qualitative research is a type of research that requires researchers to draw conclusions based on the views obtained from participants. The reason the researcher uses this research method is because the researcher wants to describe the real conditions and actual conditions that occur in the field by using the data collected as part of the research results. The situation in question is an illustration of the strategy as an effort to increase the capacity of gampong-owned enterprises in improving the welfare of the people in Langsa City. The results of the initial survey found that the conditions in BUMG in Langsa City were underdeveloped, and not many products were produced, then the researchers analyzed so that a strategy was obtained as a solution for increasing the capacity of BUMG in Langsa City.

The research design used is a qualitative approach with the type of descriptive research. This type of research was chosen to provide an explanation and description of real problems and facts and presented in a systematic, accurate and detailed manner related to the strategy as an effort to increase the capacity of BUMG in Langsa City.

Sources of data in this study are: Primary data and secondary data. Data collection technique is a way of collecting data needed to answer the research problem formulation. Data collection techniques used in this research are Interview, Observation and Documentation. To check the validity of the data in this study using credibility. This criterion is used to prove that the data or information obtained actually contains a truth value.

The analytical technique used in this research is using SWOT analysis. SWOT analysis (Strength, Weakness, Opportunity, Threat) is a tool used to identify various influencing factors in formulating company strategy. Various internal environmental factors owned by the company to obtain various alternative strategies in accordance with the results of the formulation on the SWOT matrix (Rangkuti, 2006).

4. RESULTS AND DISCUSSION

4.1 Research Results

Langsa City is an area of the division of East Aceh Regency. Located approximately 400 km from the city of Banda Aceh. Langsa City previously had the status of an Administrative City in accordance with Government Regulation Number 64 of 1991 concerning the establishment of an Administrative City. Langsa was then established as a city with Law No. 3 of 2001. Based on Law No. 3 of 2001, Langsa City has an area of 262.41 km² with a geographical location of 04024 35 680 -04033'47.03 North Latitude 970 53'14.59-98004'42.16 East Longitude. In the east with Aceh Tamiang Regency, on the east with Aceh Timur Regency and Aceh Tamiang Regency and on the west with East Aceh Regency.

Langsa City as an urban area has economic characteristics that are concentrated in the tertiary sector, not in the primary sector. In referring to the grouping of business field categories, the primary sector refers to sectors that use natural resources directly in economic activities such as the categories of agriculture, forestry and agriculture. agriculture and mining and quarrying categories. The category of providing accommodation and food and drink is the category with the highest growth rate with a positive upward trend from year to year. The people's need for food and beverage consumption is the main driver of increasing economic growth.

Langsa City's economic growth is carried out by developing the local village economy through state-owned enterprises Gampong (BUMG) based on the needs, potential, village capabilities, and capital participation from the village government in the form of village financing and wealth with the ultimate goal of improving the economic level of the community. BUMG is a village business institution managed by the village government as well as the village community with the aim of strengthening the village economy. BUMG is a business entity that is able to help the community in everything, including meeting daily needs, becoming business opportunities or employment opportunities.

4.2. SWOT Analysis of Langsa City BUMG

SWOT analysis is the identification of various factors systematically to formulate the strategy used by the company. This analysis is based on several basic factors, namely maximizing strengths and opportunities, but minimizing weaknesses and threats (Rangkuti, 2016). To find out the identification of internal factors which include strengths and weaknesses and external factors include opportunities and threats to BUMG in Langsa City.

A. Internal factors

Based on the research activities carried out, information related to internal factors includes strengths and weaknesses.

1. Strengths are situations and conditions that are the strength of a company to achieve the desired business goals. These include:

a) Community participation in BUMG

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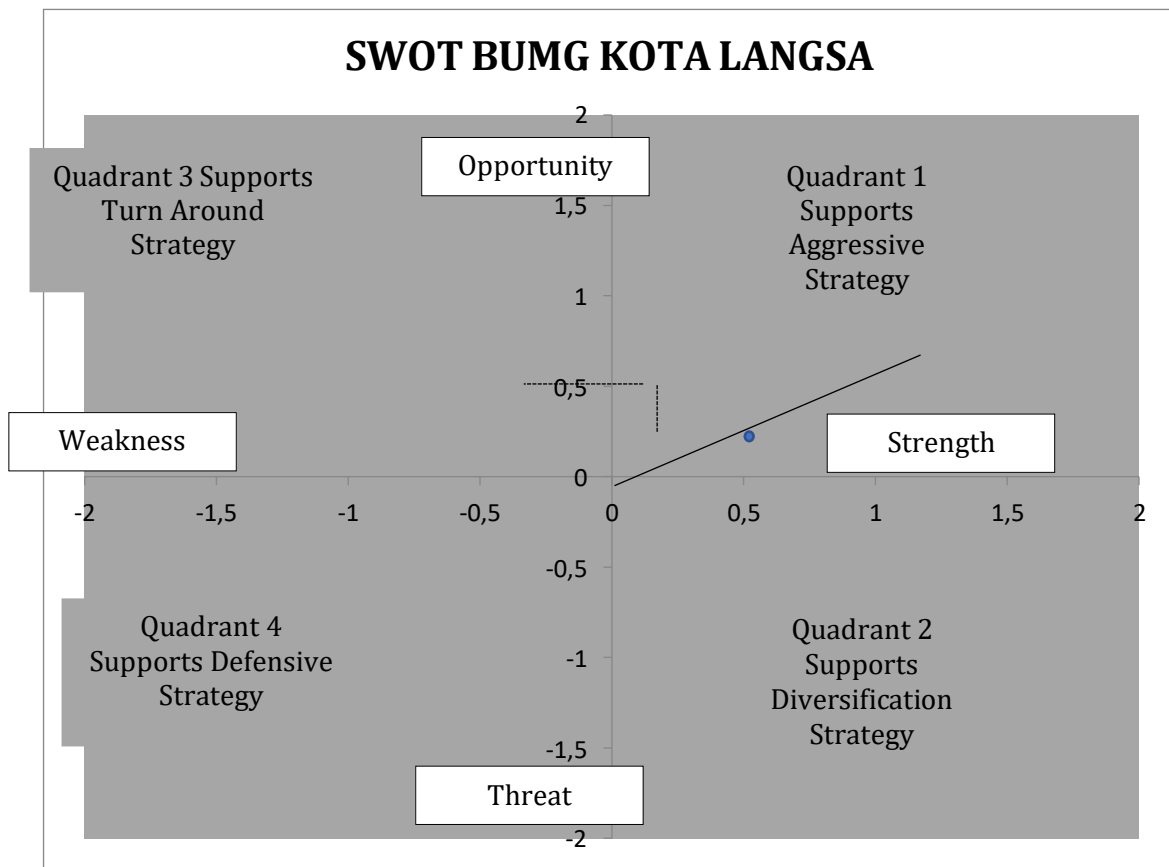
- b) BUMG already has a legal umbrella
 - c) Utilization of village-owned facilities and infrastructure
 - d) Employment
 - e) Capital support from the village
 - f) Improving the village economy
 - g) BUMG location
2. Weaknesses are deficiencies that are a barrier to the sustainability of a business, both in terms of resources and skills.
- a) Village Potential Mapping
 - b) Inadequate education and training
 - c) BUMG management and governance
 - d) The mindset is still traditional
 - e) Management management is still traditional
 - f) BUMG's inability to be bound by contracts with customers
 - g) Ineffective distribution channels
- B. External Factors

Based on the research activities carried out, information related to BUMG's external factors in Langsa City includes opportunities (Opportunities) and Threats (Threats).

1. Opportunity is an external condition that supports BUMG in Langsa City to achieve its objectives, which consist of:
- a) Support from village government and related stakeholders
 - b) Local/village government policies
 - c) Same business unit with other BUMG
 - d) Local customs and culture
 - e) Capital to carry out activities from third parties
 - f) Cooperation with business partners
 - g) Synergy between BUMG, MSMEs and Cooperatives
2. Threats are external conditions that prevent a BUMG in Langsa City from achieving its objectives. Consisting of :
- a) Limited market access
 - b) Information technology facilities
 - c) Inadequate facilities and infrastructure
 - d) Public perception of BUMG
 - e) Vulnerable to Political Interests
 - f) Complaints from competitors
 - g) Products from BUMG have not been able to compete

The total score of each factor can be broken down into strength 1.90, weakness 1.40, opportunity 1.74, threats 1.38. then it is known that the difference in the total score of the strength and weakness factors is (+) 0.50 while the difference in the total score for the opportunity and threats factor is (+) 0.36 Below is a Cartesian diagram of SWOT analysis.

Figure 4.1 Cartesian Diagram SWOT Analysis of BUMG Langsa City



The Cartesian diagram above shows that Langsa City BUMG is in quadrant I, namely the Strategy Quadrant for Supporting Aggressive Strategies where this quadrant is a very profitable situation because it is supported by strengths and opportunities so that it can take advantage of existing opportunities. The strategy taken is to support an aggressive growth policy (growth oriented strategy).

Table 4.2.1. Internal and External Environmental Analysis SWOT Matrix

	<ul style="list-style-type: none"> • BUMG management is good. • Community participation in BUMG • Utilization of village or community facilities and infrastructure • Already have a strong legal umbrella. • BUMG location • Employment 	<ul style="list-style-type: none"> • Village potential mapping • Inadequate education and training • BUMG management and governance • The mindset is still traditional • Management management is still traditional • BUMG's inability to be bound by contracts with customers • Ineffective distribution channels
<ul style="list-style-type: none"> • Support from village government and related stakeholders 	<p>SO Strategy</p> <ul style="list-style-type: none"> • Optimization of BUMG's performance with 	<p>WO Strategy</p> <ul style="list-style-type: none"> • Collaborating with other business partners.

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<ul style="list-style-type: none"> Local/village government policies Same business unit with other BUMG Local customs and culture Capital to carry out activities from third parties Cooperation with business partners Synergy between BUMG, MSMEs and Cooperatives 	<p>technology development.</p> <ul style="list-style-type: none"> Utilizing the potential of the village by forming new business fields. Increase sales by utilizing technology and improving distribution channels. 	<ul style="list-style-type: none"> Adding human resources who are experts in the field of technology. Utilize the facilities and infrastructure available from the village government.
<ul style="list-style-type: none"> Limited market access Information technology facilities Inadequate facilities and infrastructure Public perception of BUMG Vulnerable to Political Interests Complaints from competitors Products from BUMG have not been able to compete 	<p>ST strategy</p> <ul style="list-style-type: none"> Creating a BUMG website for market access Become a business distributor or as a supplier of goods. Make the best use of available technology for the development of BUMG. 	<p>WT Strategy</p> <ul style="list-style-type: none"> Develop and optimize the function of BUMG The development of the BUMG business unit in synergy with MSMEs and Cooperatives.

4.3. BUMG Capacity Building Strategy and Recommendation Steps

The vision of “Civilized and Islamic Service City Langsa” This vision contains three key sentences as follows:

- Langsa is a meaningful service city as a city that moves and has advantages in the service and trade sectors, various medium and small-scale industries or factories, including SME centers, can develop well while paying attention to the quality of green open space (RTH) as a center of interaction. inhabitant.
- Langsa Civilized City Meaning as a city that has identity, self-respect, culture, and independence in an effort to achieve the prosperity of the people of Langsa City, based on clean and authoritative governance, a strong local economy, and the development of science and technology (IPTEK) .
- Langsa, the Islamic City, means as a city where the people believe and are devoted to Allah SWT and have good morals by carrying out obligations according to Islamic Shari'a and always maintaining harmonious relations between religious communities.

Research on Capacity Building for Gampong-Owned Enterprises can support the mission of the local government, namely the 8 (eighth), namely: Improving the social and economic welfare of the community. Mission 8 is expected to reduce poverty and unemployment, increase income per capita of the population, increase economic productivity through the use of available economic resources, increase the number of tourist visits, ensure the welfare of people with social problems, and increase community participation in the development process (City RPJMD). Langsa, 2017-2022).

The results of this study indicate that BUMG Langsa City is in quadrant I, namely the Strategy Quadrant for Supporting Aggressive Strategies where this quadrant is a very profitable situation because it is supported by strengths and opportunities so that they can take advantage of

existing opportunities. The strategy taken is to support an aggressive growth policy (growth-oriented strategy). The recommended strategies and steps are:

STRATEGY	Recommended steps
Increasing Gampong Community Participation in Participatory Activities towards BUMG	<ul style="list-style-type: none"> • Village potential mapping • Gather information/business development ideas • Planning the development of the BUMG business unit and forming a joint BUMG • Socialization and Business Development • Partnership with the community regarding equity participation
Improving the capacity of competitive human resources, BUMG governance and product marketing strategies	<ul style="list-style-type: none"> • Participate in HR Development and BUMG governance training • Promoting Production Results by utilizing technology • Mastery of Modern Science and Technology • Provide product gallery • Formulating Policies for the Role and Position of BUMG managers • Evaluating Performance Results
Increase the support of the village government and related stakeholders	<ul style="list-style-type: none"> • Increasing Competition Events to Encourage BUMG's Achievement Improvement • Giving Appreciation to BUMG that excels • Help provide facilities and infrastructure to increase production • Coordinate and implement supervision and assistance in the management of BUMG • Evaluating Performance Results • Providing facilities and infrastructure for Job Training Center
Increased rural economy and employment	<ul style="list-style-type: none"> • Increase Training for Youth/I Gampong • Conducting Entrepreneurship Training in collaboration with the village government, MSMEs and Cooperatives
Increase synergy between BUMG, MSMEs and Cooperatives/Cooperation with business partners	<ul style="list-style-type: none"> • Information Partnership and Database Development • Partnership for business unit development • Developing Cooperation and Promotion Networks • Conducting Economic Group Development for business partnerships

5. CONCLUSIONS AND SUGGESTIONS

5.1 Conclusion

From the results of the analysis that has been carried out, conclusions can be drawn regarding the studies that have been carried out, including:

1. The formulation of BUMG capacity building must be translated in an effective form through communication and professional resource management, increasing the ability to interact. This capability is a superior ability in managing the resources owned by several BUMGs.
2. The ability to manage resources and the competitiveness of BUMG in Langsa City can no longer be managed conventionally but must be managed professionally. BUMG managers

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must be able to formulate and integrate resource planning to be able to support BUMG capacity building strategies to achieve goals

3. Several important factors that influence competitiveness to increase the capacity of BUMG in Langsa City include interaction ability, organizational learning, human resources, mastery of technology and information technology.
4. The results showed that BUMG Langsa City was in an aggressive position with alternative strategies, namely backward, forward, and horizontal integration. Another alternative strategy that BUMG can do to improve product competitiveness is to conduct Market Penetration, Market Development, Product Development and Diversification (related or not).

5.2 Suggestions

The suggestions for increasing the capacity of BUMG in Langsa City are:

1. Improving the professionalism of the management of BUMG through various human resources education and training.
2. Improvement of BUMG's facilities and infrastructure, especially offices and other supporting equipment so as to facilitate BUMG managers in their work and stimulate the community to interact with BUMG.
3. BUMG must be able to facilitate the development of certain groups or institutions such as craftsmen and home industry players in BUMG-based villages.
4. Provide education and guidance to the community about the importance of BUMG
5. Increase cooperation with the government, especially the Department of Cooperatives, Trade, and MSMEs.
6. Creating a business unit that is not run by competitors
7. Establish BUMG associations up to the provincial level in order to share information and experiences related to the development of BUMG in each region.

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