
RESEARCH ARTICLE

Establishment and Development of Village-Owned Enterprises (Bumdes) Business Based on Sharia Principles and Quality Development

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ABSTRACT

In the context of efforts to improve the economy of rural communities, the government has set up a village-owned business entity through Government Regulation of the Republic of Indonesia Number 11 of 2021 concerning Village-Owned Enterprises. Village-Owned Enterprises (BUMDes) are legal entities established by villages and/or villages to manage businesses, utilize assets, develop investment and productivity, provide services, and/or provide other types of businesses for the most significant welfare Villagers. BUMDes business is an activity in the economic sector and/or public services managed independently by BUMDes and can form a BUMDes Business Unit. BUMDes is a business entity owned by the Village BUM that carries out economic activities and/or public services as a legal entity that carries out the functions and objectives of BUMDes. In the context of developing a BUMDes business based on sharia principles and quality development, on July 16 to 17, 2022, counseling was given on establishing and developing a BUMDes business based on Sharia principles and Quality Development in Pasir Jambu village, Ciwidey Bandung, West Java.

KEYWORDS

Establishment, BUMDes, assist, sharia principles

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1. Introduction

The state's economic strength is rooted in the economic strength of the village. Karana village is a minor government structure. Therefore, in the future, BUMDes/BUMDes are believed to be levers of village independence. Village economic development is significant. Village nature development needs to be coordinated by utilizing village government and/or village community initiatives, village economic business potential, natural resources in the village, human resources capable of managing BUMDes, and capital participation from the village government in the form of financing and village assets submitted for management; as part of the BUMDes business.

Given the status as a legal entity, the role of BUMDes/BUMDes together is increasingly important as a consolidator of community products/services, producers of various community needs, community business incubators, public service providers, and various other functions. BUMDes/BUMDes together can contribute to the village's original income.

Therefore, this BUMDes is very strategic to encourage villages to carry out economic business activities and carry out public service activities to generate added value in order to increase the village's original income; and the development of the maximum benefit of the economic resources of the Village community.

2. Research Methods

This paper uses normative legal research methods, namely research that examines legal issues from the point of view of legal science in depth against established legal norms. Legal research is a process of finding the rule of law, legal principles, and legal doctrines to answer legal problems.

In this study, the legal issues raised are how to establish and develop BUMDes based on Sharia Principles and Quality Development.

3. Discussion

Law Number 11 Year 2020 concerning Job Creation has affirmed the position of BUMDes as a legal entity established by the Village and/or the Villages to manage businesses, utilize assets, develop investment and productivity, provide services, and or provide types of businesses; Others for the most excellent welfare of the Village community. With the status as a legal entity, the role of BUMDes/BUMDes together is increasingly important as a consolidator of community products/services, producers of various community needs, community business incubators, public service providers, and various other functions. BUM Desa/BUMDes can contribute to the Village's original income. Therefore, in the future, BUM Desa/BUMDes are believed to be levers of Village independence.

This Government Regulation serves as the legal basis for establishing and managing BUMDes/BUMDes together as a legal entity whose arrangements are generally adjusted to corporate principles. Still, it places the spirit of kinship and cooperation as the main pillars in managing BUMDes/BUMDes together. For this reason, this Government Regulation stipulates in detail the apparatus of the Joint Village BUM/BUMDes Organization consisting of the Village Consultation/Inter-Village Deliberation, advisors, operational implementers, supervisors, authorities, and duties of each BUM Desa/BUMDes Organizational apparatus together, work procedures and relations between the apparatus of the BUM Desa/BUMDes Organization together, as well as provisions to ensure that the organizational apparatus of the BUM Desa/BUMDes together can carry out their duties and authorities in a professional, efficient and effective, and accountable manner.

A village is a traditional village, and the Village, or what is called by another name, 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, or traditional rights that are recognized and respected in the system. the government of the Unitary State of the Republic of Indonesia. The Village Government is led by the Village Head, or what is called by another name, assisted by the Village apparatus as an element of village administration. Utilize assets, develop investment and productivity, provide services, and/or provide other types of business for the most excellent welfare of the Village community. BUM Desa business is an activity in the economic sector and/or public services that are managed independently by BUMDes. BUM Desa Llsah Unit is a business entity owned by BUM Desa that carries out economic activities and/or public services as a legal entity that carries out the functions and objectives of BUMDes.

BUM Desa is a legal entity established by the Village and/or together with the Villages to manage the business, utilize assets, develop investment and productivity, provide services, and or provide other types of business for the maximum welfare of the Village community. Furthermore, confirmed by PP Number 11 of 2021 concerning Village BUMs and [Permendesa PDTT Number 3 of 2021](#) concerning Registration, Data Collection and Ranking, Guidance and Development, and Procurement of Goods and/or Services for BUMDes and Joint BUMDes.

The method of establishing BUMdes can be stated as follows:

Starting with the socialization of BUMDES to the community. This socialization is needed to explain what BUMDES is and the philosophy of BUMDES to the community. Then form a Preparatory Team for the Establishment of BUMDES. The BUMDES TPP consists of various elements in the village community, namely village officials, BPD, PKK, Karang Taruna, and community leaders. It is important to note that this team has an entrepreneur/entrepreneur background. This team was formed and given a decree from the village head. The BUMDES TPP is to carry out an inventory and mapping of business potential, make proposals for types of businesses, and draft AD/ART and Perdes for establishing BUMDES.

Based on the type of business selected, the Articles of Association and Bylaws are drawn up. Several things need to be decided to be included in the articles of association, such as the name of the BUMDES, objectives, scope of business, distribution of business results, and other main things.

After the village deliberation, BUMDes was established, namely:

- 1 (one) Village based on the Village Deliberation and its establishment is determined by Village Regulation.
- BUM Desa is jointly established by 2 (two) or more Villages based on inter-village deliberation, and its establishment is determined by a Joint Regulation of the Village Head.
- Joint BUMDes are established based on similarity in potential, business activities, or regional proximity.
- Administrative boundaries do not bind the establishment of joint BUMDes.
- The establishment of BUM Desa jointly is carried out by the Village with other Villages without considering the presence or absence of BUMDes in each Village.

Included in the Village Regulations and/or Joint Regulations of the Village Head at least contain:

- Determination of the establishment of BUM Desa/BIJM Desa together;
- Joint BUMDes/BUMDes Articles of Association; and
- Determination of the amount of capital participation of the Village and/or Village community in the context of establishing the BUM Desa/BUMDes together.
- Stated in a notarial deed
- Registered with the Indonesian Ministry of Law and Human Rights

Legal entity status

- Legal entity status. The Village Government registers BUMDes/BUMDes with the Minister through the Village information system.
- The joint BUMDes/BUMDes registration results are integrated with the legal entity administration system at the Ministry of Law and Human Rights.
- The BUMDes/BUMDes registration results in the form of a joint BUMDes/BUMDes legal entity registration certificate.
- Provisions regarding the registration of BUMDes/BUMDes are regulated in the provisions of the Ministry of Law and Human Rights of the Republic of Indonesia

Contents of the Articles of Association:

- Joint BUMDes/BUMDes Articles of Association and their amendments are discussed and determined in the Village Meeting/Inter-village Deliberation.
- Joint BUMDes/BUMDes Articles of Association contain at least:
 - a. Name;
 - b. Domicile,
 - c. The aims and objectives of the establishment;
 - d. Capital;
 - e. Type of business in the field of economy and/or public services;
 - f. Name and number of advisors, operational implementers, and supervisors;
 - g. Right. Obligations, duties, responsibilities, and authorities, as well as procedures for the appointment, replacement, and dismissal of advisors, operational executives, and/or supervisors; and
 - h. Introductory provisions for the use and distribution and/or implementation and utilization of business results

The establishment and changes of BUMDes are based on the village deliberation body. Village Deliberations/Inter-Village Deliberations as the highest authority holder in the joint BUM Desa/BUMDes. Village Deliberations/Inter-Village Deliberations are attended by the village consultative body, the Village Government, and community elements whose implementation is regulated in the Articles of Association.

BUMDes management with sharia principles. Namely, the business management principle based on the Qur'an, hadith, Ijma. and Qiyas.

Conventional business aims to obtain material benefits, while the principles of sharia business are also the same. However, it still emphasizes the importance of reaching the pleasure of Allah SWT in every endeavour.

Restrictions on Sharia Business Activities are:

- Halal/non-haram
- activities
- Non-delusional
- speculative activities
- Akhlakul Karimah
- Based on Sharia principles
- Do not violate the Qur'an, Hadith, Ijma', and Qiyas

The sharia business activities cover various industries, namely:

- Sharia Banking
- Sharia Cooperatives
- Multi finance Syariah
- Baitul Mal wa Tamwil
- Sharia Industry
- Tourism
- Capital Market
- Products (Sharia Market, Sharia Resto, Sharia Services)
- And others

Protection of sharia customers includes:

Law 8 of 1999 concerning Consumer Protection

Business Actors are prohibited

- Deceiving Consumers regarding the quality, quantity, materials, uses, and prices of goods and/or service rates, as well as the timeliness of receipt of goods and/or services;
- Deceive guarantees/guarantees on goods and/or services;
- Create false, false, or inaccurate information regarding goods and/or services;
- Does not contain information regarding the risks of using goods and/or services;
- Exploiting an event and/or someone Exploiting an event and/or a person without the permission of the relevant authorities or the consent of the person concerned;
- Violate ethics and/or statutory provisions regarding advertising

The grade is: "Categories or levels to distinguish quality requirements for products, processes or systems that have the same function." The grade is attached to the product and can be changed by changing the specifications. Quality is the condition or condition of a product or service, being good or bad. The quality of the product/service is very influential on the success of marketing which in turn has an impact on the development of the company/producer.

To be of good quality and service based on sharia principles, the following matters are stated:

1. Customer focus/customer loyalty, namely:

- Knowing who our customers are
- Identifying customer expectations
- Knowing the extent to which competitors meet customer expectations

2. Leadership

- Leaders at all levels establish unity of purpose and direction and create conditions in which people are involved in achieving the organization's quality objectives
- Leaders set an example of behavior consistent with the organization's values.
- Exemplary behavior will achieve organizational goals.
- Leaders must establish a clear vision of the future of the organization.

3. Employee Engagement

- To manage an organization effectively and efficiently, it is essential to involve everyone at all levels and respect them as individuals.
- Recognition, empowerment, and upgrading of skills and knowledge facilitate the involvement of people in achieving organizational goals

3. Process Approach

- The desired result will be achieved efficiently if activities and resources are related and affect in order to convert inputs into outputs
- Processes are various interrelated activities and influences in order to convert inputs into outputs

4. Continuous Improvement

- Successful organizations focus on continuous
- improvement of the overall performance of the organization should be a permanent goal of the organization.
- Improvement is essential for the organization to maintain its current level of performance, react to changes in internal and external conditions and create new opportunities

5. Data-Based Decision

- Decisions based on analysis and evaluation of data and information are more likely to produce the desired results

6. Relationship Management

- Organizations manage good relationships with interested parties, such as suppliers, for sustainable success

7. Halal Products

- Basic: 33/2014 Regarding Guaranteed Halal Products
- HALAL CERTIFICATES are: Recognition of the halalness of a product issued by the Halal Product Assurance Agency (BPJPH) based on a written halal fatwa issued by the MUI (now the Ministry of Religion)
- Products that enter, circulate, and are traded in the territory of Indonesia must be certified

4. Conclusion

Village-Owned Enterprises are legal entities established by villages and/or villages to manage businesses, utilize assets, develop investment and productivity, provide services, and/or provide other types of businesses for the most excellent welfare of the Village community. The type of business was selected, and then the Articles of Association and Bylaws were compiled. Several things need to be decided to be included in the articles of association, such as the name of the BUMDES, objectives, scope of business, distribution of business results, and other main things. BUMDes management with sharia principles, namely, the business management principle based on the Qur'an, hadith, Ijma, and Qiyas. Conventional business aims to obtain material benefits, while the principles of sharia business are also the same. However, it still emphasizes the importance of reaching the pleasure of Allah SWT in every endeavour.

4.1 Suggestions

For the effectiveness of BUMDes, it is necessary to guide the government and/or form relevant departments and capital support. In addition, counseling by utilizing universities needs to be encouraged, including in the field of sharia business.

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