



## BUMDes Partnership Model with Microfinance Institutions in the Context of Developing the Tourism Industry and Creative Economy in Madura

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**ABSTRACT:** Independent Village as a dream of the ideals of National Development, so far it has faced many obstacles. The Social and Economic Sector is one of the many factors faced in the village. In the economic sector, there are still many people who are below the poverty line. Data from BPS (Central Statistics Agency) in 2017 there were 26.58 million people or 10.12% of Indonesia's population below the poverty line. Meanwhile, in the social sector, the nature of mutual cooperation has begun to fade among rural communities. One of the efforts that can alleviate poverty and increase economic growth in rural areas is the existence of BUMDes in the Labang Bangkalan District, Madura, which is spread over 3 villages. There are 3 active BUMDes in the Labang sub-district, namely in Labang, Sukolilo Barat and Bunaji villages.

To improve the village economy, there are two approaches that can be taken: a) Community needs in making changes. b) Political will and the ability of the village government together with the community in implementing the plans that have been prepared (Rutiadi, 2001 in Bachrein, 2010)

This study aims to see the appropriate partnership model between BUMDes and Microfinance Institutions in improving the tourism and creative economy sectors in Labang sub-district.

**KEYWORDS:** BUMDes, Creative Economy, Microfinance Institutions, Tourism.

### INTRODUCTION

The attachment between local government and the community plays an important role in development. In the context of regional development there are various weaknesses in development such as institutional problems, human resources, social institutions, private agencies, and the community (Syaodih, 2015, p. 1). Even though development is carried out structurally, in practice it still does not provide optimal results because an understanding of the condition of the community internally still determines the success of the development plan (Sinaga, Lubis, Sihombing, & Dalimunthe, 2018, p. 20). The development plan is to develop a tourist village. The development of a tourist village certainly requires support from various parties, both the government, the private sector, financial institutions, and the surrounding community. In addition, the development of tourist villages must also integrate superior tourism potential (Sukoco, 2018, p. 50). Thus apart from being a tourism industry, tourist villages can also support changes for the surrounding community, especially with regard to community income (Miswanto & Safaat, 2018, p. 46); (Fitriani & Wilardjo, 2017, p. 260). With the development of tourist villages, it will become an attraction for domestic and foreign tourists and will support creative industries in the surrounding area (Fitriana & Ridlwan, 2017, p. 269). The contribution of the creative economy to the Indonesian economy and culture with socio-cultural diversity is a source of inspiration in developing the creative economy in Indonesia. The diversity of products from various ethnicities is a supporting factor for the development of the creative economy (Rakib, 2017, p. 55).

One effort that can be done is to encourage village economic movement through village entrepreneurship, where village entrepreneurship is a strategy in the development and growth of welfare (Ansari, 2016). This village entrepreneurship can be accommodated in Village Owned Enterprises (BUMDes) developed by the government and village communities (Prabowo, 2014). BUMDes is a business entity in which all or most of the capital is owned by the village through direct participation originating from village assets that are separated to manage assets, services, and other businesses for the maximum welfare of the village community (UU Number 32 of 2004). This is increasingly being supported by the government with the issuance of PP No. 47 of 2015 which states that villages have the authority to regulate resources and the direction of development. This opens up opportunities for villages to be autonomous in managing both governance and economic resources.



## LITERATURE REVIEW

### Village Owned Enterprises (BUMDes)

BUMDes is an institution formed by the village government and the community manages the institution based on the village's economic needs. BUMDes are formed based on laws and regulations that apply to agreements between village communities. BUMDes aims to improve and strengthen the village economy. BUMDes has a function as a commercial institution through offering local resources that aim to seek profit and social institutions through contributing to the provision of social services that are in favor of the interests of the community. BUMDes have made a positive contribution to strengthening the economy in rural areas in developing the community's economy, especially in facing the 2015 Asean Economic Community (Alkadafi, 2014). The main characteristics of BUMDes that distinguish other commercial institutions (PKDSP, 2007) are (1) The business entity belongs to the village and is managed jointly; (2) 51% of business capital comes from village funds and 49% comes from community funds; (3) Operationalization is carried out based on a local culture-based business philosophy; (4) The village's potential and the results of available market information are the basis for running the business sector; (5) Profits obtained by BUMDes are used for efforts to improve the welfare of members and the community based on the regulations that have been prepared; (6) The facilities are supported by the Provincial, District and Village Governments; and (7) The operationalization of BUMDes is jointly supervised by the Village Government, BPD and members.

### Microfinance Institutions (Micro Finance)

Micro Finance Institutions (MFIs) or Micro Finance Institutions (MFIs) are institutions that provide financial services to small and micro entrepreneurs and low-income people who are not served by formal financial institutions and are market-oriented for business purposes.

According to Siu (2001) defines that Microfinance Institutions are institutions that provide financial services to the poor and low-income families (as well as their micro business scale) enabling them to manage risks well, achieve consistent consumption patterns and develop their economic base.

### Definition of Tourism Destination Development (Tourism Product Design)

In the tourism product sub-system, several components are very important to consider in the development of tourism destinations. Several related matters include Tourist Attractions and Attractions (DTW), Amenities or Accommodation, Accessibility and Transportation, Supporting Infrastructure, Tourism Support Facilities as well as Tourism Institutions and Human Resources. Special interest tourism products that are specially packaged on a cultural and environmental basis are the development of a unique tourism promotion by packaging them into events and festivals which are very interesting and are held periodically and scheduled in a Calendar of Events and are promoted hastily and systematically (Sunaryo, 2013)

In tourism development, it is very necessary to pay close attention to tourism product designing so that the resulting tourism products will be easy to market (marketable). The balance approach between demand and supply from a destination and or tourism product can be adjusted to the variations and segmentation of the needs and expectations (expectations) of each targeted tourist niche market. (Sunaryo, 2013).

### Creative Economy

The scope of activities of the creative economy can cover many aspects. The Ministry of Trade (2008: 13-16) identifies at least 16 sectors that are included in the creative economy. The preparation of the classification of creative economic activities is the first step in preparing the Creative Economy. The magnitude of the value of the Creative Economy is very dependent on the scope of economic activity that is formed. Based on Presidential Regulation (Perpres) No. 72 of 2015, the creative industries are grouped into 16 groups, hereinafter referred to as the creative economy sub-sector, namely:

At present, the Central Bureau of Statistics (BPS) has used the latest KBLI (Indonesian Business Field Standard Classification), namely KBLI 2015. The details of the five-digit KBLI group numbers which are the leading products of the creative economy, namely Madura Batik and Madura Sate, are as follows:



**Table 1.** Classification of the Creative Economy and Coverage of the Creative Economy Subsector According to the 2015 KBLI

Subsector Code	Creative Economy Subsector	KBLI Code 2015	Description 2015 KBLI
1	ARCHITECTURE		
2	DESIGN INTERIOR		
3	COMMUNICATION DESIGN VISUAL		
4	PRODUCT DESIGN		
5	FILM, ANIMATION, VIDEO		
6	PHOTOGRAPHY		
7	KRIYA		
	CULINARY	10710	Bread and Cake Products Industry
8		10732	Chocolate and Flower Food Industry Sugar
		10733	Candied Fruits and Vegetables Industry Dry
		10739	Other Confectionery Industry
		10750	Food and processed food industry
		10792	Wet Cake Industry
		10793	Food Industry from Soybeans and Nuts- Other Beans Not Soy Sauce, Tempeh
		10794	Industry of Crackers, Chips, Dengue and one of a kind
		10799	Other Food Product Industry
		46321	Wholesaling of Beef and Meat Processed Beef
		46322	Wholesale of Chicken and Meat, Processed Chicken
		46324	Wholesale Processed Fishery Products Trade
		46331	Wholesale of Sugar, Cocoa and Confectionery
		46332	Wholesale trade of bakery products
		46339	Wholesale of Food and Beverages Other
		47242	Retail Trade of Bread, Pastries, and Wet Cakes And The Like
		47245	Retail Trade of Processed Meat and Fish
		47249	Other Food Retail Trade
		47822	Street Retail Trade and Market Stalls for Bread, Pastries, Cakes and the Like
		47825	Street Retail Trade and Market Loss of Processed Meat and Processed Fish
		47829	Street Retail Trading And Los Markets Food and Beverage Commodities Ytdl
		56101	Restaurant
		56102	Food stalls
		56103	Food stalls



		56104	Mobile Food Provision
		56210	Catering Services for a Specific Event (Event catering)
		56290	Other Food Preparation
		56301	Bar
		56303	Drinkhouse/Cafe
		56304	Beverage Shop
		56305	Traditional Medicine House/Store
		56306	Provision of Mobile Beverages
9	MUSIC		
10	FASHION		
11	APPS AND GAMES		
12	DEVELOPER		
13	PUBLISHING		
14	ADVERTISING		
15	TELEVISION AND RADIO		
16	PERFORMING ARTS ART		

Source: Bekraf (Tourism and Creative Economy Agency), 2017

Table 2. Creative Economy Business Sector in Bangkalan

Sektor Usaha	Unit	Penyerapan Tenaga Kerja
Food, drink and Tobacco	123	1.452
Textiles, apparel and leather	45	380
Wood products	62	457
Paper	20	64
Chemistry	11	83
Non-metallic minerals	34	329
Base Metal	27	135
Metal goods/equipment, machinery	14	160
other services	50	230

Source: Bangkalan District Office of Cooperatives and SMEs in 2018

**Partnership Theory**

According to Supriadi, a business partnership is cooperation between two parties with equal and mutually beneficial rights and obligations. In Government Regulation No. 44 of 1997 concerning Partnerships it has also been explained that the meaning of partnerships is business cooperation between small and medium businesses or large businesses accompanied by guidance and development by medium or large businesses with due observance of the principles of mutual need, mutual strengthening and mutual profitable.<sup>2</sup>

Likewise, Marbun argues that the concept of partnership is a translation of togetherness (partnership) or part of corporate social responsibility towards its environment in accordance with the concept of management based on targets or participatory.



Because in accordance with the concept of participatory management, large companies must also be responsible for developing small businesses and their customer communities, because in the end only the concept of partnership (partnership) can guarantee the existence of large companies.

Pleffer and Salancik argue that the concept of partnership is based on a theoretical model that is complementary to civil society in the context of developing MSMEs that can prosper society.

As stated by Tengku Syarif, in order for partnerships between large businesses and small businesses to take place naturally and lastingly, establishing business relationships is based on the following business principles: (1). Mutual benefit, and mutual need, (2). Oriented to increasing competitiveness, (3). Fulfilling aspects of: a. Competitive prices compared to prices offered by other parties, b. Good quality or quality according to what was agreed, c. Quantity, which can meet the specified amount, d. Delivery, namely the fulfillment of the delivery of goods/services on time as agreed. (4). There is a willingness on the part of large businesses to provide guidance to small businesses as their business partners. Collaboration or business partnerships are intended so that there is a synergistic relationship, not one party is sacrificed because of the interests of the other party.

### Definition of Partnership

According to Hafsah (2000, p.43) "partnership is a business strategy carried out by two or more parties within a certain period of time to achieve mutual benefits with the principle of mutual need and mutual aggrandizement.

### Partnership Models

The partnership model by Sulistyani (2004) is inspired from the biological phenomena of organismal life and tries to elevate this into an understanding which is then divided into:

- a. Pseudo partnership, or pseudo partnership, is a collaboration between two or more parties but does not actually carry out a balanced cooperation between one and the other.
- b. Mutualism partnership, or mutualistic partnership, is a collaboration of two or more parties who are both aware of the important aspects of conducting a partnership, namely to provide mutual benefits so that goals are achieved optimally.
- c. Conjunction partnership, or partnership through fusion and development, is a partnership that is analogous to the life of a "paramecium". In the process of its life, "paramecium" performs conjunction to get energy and then separates to further divide itself.

The other partnership models developed based on the principles of organizational life in general are:

- a. Subordinate union of partnership, this kind of partnership occurs between two or more parties who have unequal status, ability, or strength with one another.
- b. Linear Union of partnership, this collaboration is carried out by organizations or parties that have relatively similar goals, missions, size/volume of business or organization, status, and legality. c. Linear Collaborative partnership, this partnership does not differentiate the size or volume, status/legality, or strength of the partnering parties. The main emphasis is on the vision and mission that are complementary to one another.

### Partnership Patterns

In accordance with the provisions of Law no. 20 of 2008 there are six possible patterns in the implementation of partnerships including:

- a. Core-Plasma Pattern;
- b. Sub-Contract Pattern;
- c. Common Trading Patterns;
- d. Franchise Pattern;
- e. Agency Pattern; And
- f. Other patterns.



## RESEARCH METHODS

In accordance with the research objectives, the type of research used is descriptive. This type of descriptive research can be interpreted as a method of solving problems in the state of the subject/object of research based on facts that seem real or as they are. This study uses qualitative research because it wants to obtain as much information as possible about the partnership that occurs between tourist location owners, creative economy actors and microfinance institutions. This research used in-depth interviews or in-depth interviews.

### Research sites

In accordance with the research problems described above, the research locations chosen were Tourism Locations, Creative Economy Actors and Microfinance Institutions in Labang village, West Sukolilo, Bunajih, Labang sub-district, Bangkalan district.

### Informant Determination Techniques

The selection of informants in this study used the snow ball technique. The selection of informants in this study was on the part of BUMDes Managers, Tourist Attractions, Creative Economy Business Actors and Microfinance Institutions.

### Data collection technique

Data collection in a qualitative study has two popular techniques (I skandar, 2008: 214), namely participatory observation and in-depth interviews.

In collecting data this research uses data collection techniques, namely:

1. Primary data is data obtained by researchers from original sources. The data obtained directly from the information source of the research object is through interviews based on interview guides that do not get out of the core of the problem.
2. Secondary data obtained from literature related to research such as the internet, newspapers, articles, and documents from related agencies.

### Data analysis technique

The data in this study were analyzed descriptively, the analytical steps used or taken were to describe, describe how to implement the ideal partnership model between tour owners, creative economic actors and microfinance institutions.

This study uses data reduction techniques, data display and conclusions/verification. In data reduction techniques, the reports obtained are still in raw form and then processed, arranged more systematically so as to produce data that is easier to understand for the research. The second is data display, in this process research can process reports or data that is owned into the form of tables, graphs, pie chart, pictograms, matrices, networks, and the like. Thus research can be more easily understood in detail.

## RESEARCH RESULT

This research was conducted in three villages namely Labang village, West Sukolilo village and Bunajih village which are located in Labang sub-district, Bangkalan Madura district. The research was conducted to explore the phenomenon of economic dynamics and Village Owned Enterprises (BUMDes) in the three villages. The results of the interviews show that there is a similarity in the phenomenon where BUMDes in the three villages are led by young people who are very energetic in developing BUMDes. The majority of residents in the three villages work as farmers, fishermen and traders. To create an independent village, the government encourages every village to establish BUMDes. The three villages have BUMDes which have been operating since 2018. In detail, the dynamics of the three BUMDes will be explained in the following analysis for each village.

### BUMDes in Labang Bangkalan sub-district.

#### BUMDes of Labang Village

Labang is a village located in Labang sub-district, Bangkalan district with an area (1.82 km<sup>2</sup> or 5.17% of the area of Labang sub-district) and has 5 hamlets. The total population of West Sukolilo village is 2,537 people (BPS 2021). The existence of BUMDes in Labang village began in 2020 which is engaged in fattening cattle and goats. The number of cows owned is 6 heads while 10 goats. The number of personnel involved is 6 people, 4 administrators and 2 field workers who look for animal feed.



## **BUMDes of West Sukolilo Village**

West Sukolilo is a village in the Labang sub-district, Bangkalan district with an area (1.76 km<sup>2</sup> or 5.00% of the area of the Labang sub-district) and has 8 hamlets. The population of Labang village is 7,057 people (BPS 2021). The existence of BUMDes in the village of West Sukolilo began in 2018 which was engaged in beach tourism, which then developed other units in the form of cafes and star ups. The number of personnel involved is 10 people, 4 administrators and 6 cafe guard staff.

## **BUMDes of Bunajih Village**

Bunajih is a village located in Labang sub-district, Bangkalan district with an area (4.68 km<sup>2</sup> or 13.28% of the total area of Labang sub-district) and has 7 hamlets. The population of Labang village is 2,088 people (BPS 2021). The existence of BUMDes in Bunajih village began in 2018 which is engaged in the provision of clean water which is distributed to 500 families in BUUnajih village and surrounding villages. The number of personnel involved is 6 people, 4 administrators and 2 water collectors.

## **CONCLUSIONS AND RECOMMENDATIONS**

### **Conclusion**

1. BUMDes in three villages, namely Labang, West Sukolilo and Bunajih, Labang sub-district, are active BUMDes out of 7 BUMDes in Bangkalan district.
2. The products produced by the 3 BUMDes in the Labang sub-district are products that are really needed by the community and are expected to be able to increase Village Original Income (PADes)
3. The obstacle faced by Labang BUMDes is the difficulty in providing fodder in concentrate form. So far, fodder for both cows and goats has been processed by themselves from a mixture of grass and leaves. Another obstacle is in bookkeeping, making financial reports.
4. The West Sukolilo BUMDes for the beach tourism unit are temporarily closed due to renovations, the café unit is already running including the star up unit. The obstacle faced was additional working capital to cover operational costs. Another obstacle is in the preparation of financial reports
5. BUMDes Bunajih has performed quite well, because it is engaged in the procurement of clean water which is very much needed by the community as many as 500 families. The year 2022 is starting a broiler chicken farm business. The obstacles faced are recording, bookkeeping and financial reports.

### **Suggestion**

1. Simple managerial and financial training for BUMDes Labang, Sukolilo Barat and Bunajih and also for other BUMDes in Bangkalan district.
2. Establish cooperation with Microfinance Institutions to overcome the problem of lack of working capital needed to finance day-to-day operational costs.
3. Establish cooperation with the animal feed industry to provide feed for cattle and goats.
4. Establish cooperation with restaurant owners, restaurants, hotels to supply broiler chicken farm products.
5. Development of BUMDes management by the sub-district or Village Government services in a continuous and sustainable manner.

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