

## The Impact of Covid-19 Pandemic On The Results Of Village-Owned Enterprises (BUMDes) “Bersama Sei Rampah”

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### ABSTRACT

The outbreak of covid-19 coronavirus pandemic is now a social reality that must be faced by the world community, especially for the Nation of Indonesia. The fear of covid-19 coronavirus will affect the social attitudes of individual individuals, including villagers. Villages that have the potential of their villages to be managed to improve the welfare of villagers through village-owned enterprises (BUMDes). BUMDes is expected to be the main buffer for national economic growth during the Covid-19 Pandemic. This research is empirical legal research, this research is included in descriptive research. This research tells about the state of BUMDes "Bersama Sei Rampah" in dealing with the obstacles of covid-19 pandemic outbreak in an effort to improve the results of BUMDes. In this study, it can be concluded that in improving the results of BUMDes has not been able to be carried out to the maximum due to the constraints of the covid-19 pandemic that is occurring. The decline in the income of the villagers also influenced the decline in the results of BUMDes "Bersama Sei Rampah".

### **Keywords:**

Covid-19; Village; BUMDes Results

### 1. Introduction

The village is an autonomous original government entity that can take its own interests. On the other hand, in terms of the unitary state, the state has a gap against the village which ultimately gives birth to state intervention against the village (Rega Felix, 2013). In 2014, the Law No. 6 of 2014 on villages governing village government stipulated separately. Some of the new legal policies seen under the law are the allocation of funds for villages that directly come from the state budget and expenditures (APBN). This makes the village's funding sources more numerous than ever before. The addition of this funding source in the naked eye shows the existence of legal polyk to maintain the existence of the village as an autonomous entity (Agus, Kusnadi, 2015).

The existence of Law No. 6 of 2014 concerning villages is expected to prosper villages through four main aspects, namely watershed needs, development of facilities and infrastructure, development of local economic potential, and utilization of natural resources and environment (Ibnu Sam, Widodo,

2016). The existence of the village budget provides fresh wind for the village government and shows the good faith of the central government in making efforts to empower villages that are more advanced, independent, fair and appropriate to the potential of the village. Village finance management is carried out by the village head which is poured in the form of village regulations on the village's income and spending budget. In the Village Law it is also mentioned that the village is also entitled to have its own business entity in an effort to improve the welfare of the villagers.

To achieve the national development goals, the village is a leading government agency that can reach the real target group that wants to be prosperous, namely by forming a business entity that is a Village Owned Enterprise (Coristya Berlian Ramadana, Heru Ribawanto, Suwondo, 2013) in accordance with The Minister of Home Affairs Regulation No. 39 of 2010 concerning Village-Owned Enterprises, which states that: "to improve the financial capabilities of the village government in the implementation of government and increase people's income through various economic activities of rural communities, established village-owned enterprises according to the needs and potential of the village". One form of village development program planning is the planning and management of Village Owned Enterprises (BUMDes). The ultimate goal of the establishment of BUMDes in the Village Law is the sentence "for the great welfare of the people" (Zulkarnain Ridlwan, 2014).

In its establishment, The Village-Owned Enterprises (BUMDes) has several objectives, including improving the village economy, improving the village economy, improving the management of village potential according to the needs of the community, increasing the village's native income, being the backbone of village growth and economic equalization. The strategic value of the existence of other BUMDes is also able to encourage participation and economic democracy. With the power of participation and economic democracy of the people, the villagers will be able to protect themselves and develop local potential that will further provide for the villagers.

But in fact in the field, of course there are so many obstacles felt in the effort to improve the results of BUMDes. One of the obstacles that is now occurring and felt very detrimental is the outbreak of covid-19 pandemic. This outbreak not only affects people in terms of health, but also greatly impacts the movement of the economy. Moreover, the economy of the villagers, the difficulties felt now add up not only the problem of infrastructure but also the struggle in supporting families in the midst of the Covid-19 Coronavirus pandemic.

The outbreak of Coronavirus Covid-19 is now a social reality that must be faced by the world community, especially for the Nation of Indonesia. There is no denying that the covid-19 coronavirus that has infected Indonesia has an impact on people's attitudes that become more over-protective of the surrounding environment. Fear of Covid-19 coronavirus will affect each individual's social attitudes. Each village has the potential to support the main national economic growth during the Covid-19 Pandemic. The village is the fastest growing area in the Covid-19 Pandemic with less data on covid-19 infections, so the economic potential is still very large. Rural economic growth is still potentially developed to drive the economy because in rural areas (Abdul Karim, 2020).

## 2. Literature Review



## **Village-Owned Enterprises (BUMDes)**

Village-owned enterprises are village enterprises managed by the community and village government in an effort to strengthen the village economy and be formed based on the needs and potential of the village, so the establishment of BUMDes is a great potential that can be maximized. BUMDes according to the Village Law was established among others in order to increase the Village Original Income (PADesa) (Zulkarnain Ridlwan, 2014). BUMDes is one of the economic institutions whose business capital is built on community initiatives and adheres to independent principles.

Furthermore, in article 1 number 6 of the Village Law of Village Owned Enterprises, hereby called BUMDes, is a business entity whose entire or most of the capital is owned by the Village through the direct inclusion of the segregated village wealth in order to manage assets, service services, and other businesses for the welfare of the villagers. A rural development effort requires the strategy and involvement of local villagers. The form in terms of village development and community empowerment is by the existence of Village Owned Enterprises (BUMDes). Basically BUMDes was established and managed on the basis of togetherness and gotong royong followed by a family spirit.

## **Covid-19 Pandemic**

Covid-19 pandemic is the spread of coronavirus disease 2019 worldwide. The disease is caused by a new type of coronavirus named SARS-CoV-2. The COVID-19 outbreak was first detected in Wuhan City, Hubei Province, China on December 1, 2019, and was designated a pandemic by the World Health Organization (WHO) on March 11, 2020. As of September 17, 2020, more than 29,864,555 cases have been reported in more than 210 countries and territories worldwide, resulting in more than 940,651 deaths and more than 20,317,519 recoveries.

The Indonesian government confirmed the first case of COVID-19 on March 2, 2020, numbering two people. Approximately three weeks later, the number of covid-19 positive patients jumped by 369. This condition is concerning and has a wide impact, ranging from social to economic. The economic impact caused by the increasing spread of COVID-19 can be felt, ranging from the phenomenon of panic buying, the freefall of the stock price index, the depreciation of the Rupiah exchange rate against the United States Dollar (USD), the sluggishness of processing industry (manufacturing) activities, and ultimately impacting on the slowdown in economic growth (Yose Rizal Damuri, Fajar B. Hirawan, 2020).

## **3. Methodology**

This research is a descriptive study. Descriptive research aims to precisely describe individual traits, circumstances, symptoms or specific groups, to determine whether there is a link between symptoms and others in society. Descriptive research is a study that only describes its objects or events with no intention of drawing generally valid conclusions. This research was conducted empirically, namely field research, which the research process was conducted at BUMDes office located in Firdaus Village Sei Rampah sub-district with several respondents including Village-Chief, Director of BUMDes and Head of BPD Desa Firdaus Sei Rampah Subdistrict. In this study, it is

intended to find out how the direct impact that the Covid-19 pandemic has had on the results of BUMDes "Bersama Sei Rampah". The analysis is done by processing primary data in the form of live interviews with some of the respondents above and then analyzed to find out the impact of the covid-19 pandemic on the results of BUMDes "Bersama Sei Rampah".

#### 4. Result and Discussion

During this pandemic the village showed strength by conducting an independent lockdown to fight back against the Covid-19 outbreak. Dare to precede the central policy of the central government because it truly understands the expectations and needs of its own people. In addition, various villages also make preventive efforts to maintain their territory to remain sterile from outbreaks and remain resilient amid economic sluggishness due to the outbreak. They use their own resources to distribute food to residents, provide food to affected residents, spray disinfectants, set up guard posts to monitor the movements of citizens to make and distribute masks.

As one of the preventatives in dealing with the weight of this burden, the government provided the village with a protocol of village volunteers against Covid-19. Unfortunately, this volunteer protocol has no additional special budget pinned, as village volunteers are expected to be arranged to work without being paid. This protocol was rolled out through the Circular letter of the Minister of Rural Areas Left Behind and Transmigration No. 8 of 2020 concerning Covid-19 Response Village and The Solid Affirmation of Village Cash Work to maintain two crucial components, namely strengthening economic joints through PKTD and strengthening the health of villagers preventing the spread of Covid-19.

Also explained in the Circular Letter of the Minister of Rural Development of Disadvantaged Areas and Transmigration No. 8 of 2020 concerning Covid-19 Response Village and Solid Affirmation of Village Cash Works, that village funds are used with the pattern of Solid Work Cash Village (PKTD), through self-management, as well as the utilization of natural resources, appropriate technology, innovation and human resources of the village. Workers are prioritised for poor, unemployed and half-unemployed family members, as well as other marginalized members of society. Wage payments are provided daily. The implementation of PKTD activities follows the provisions, applying a safe distance between one worker and another minimum of 2 (two) meters. And for workers who are coughing or colds must use a mask (Circular Letter of the Minister of Rural Development of Disadvantaged Areas and Transmigration Number 8 year 2020 on Covid-19 Response Village and Solid Affirmation of Village Cash).

In the circular letter is also explained about the structure of Volunteer Village Against Covid-19 with the following details: (Circular Letter of the Minister of Rural Development of Disadvantaged Areas and Transmigration Number 8 year 2020 on Covid-19 Response Village and Solid Affirmation of Village Cash)

1. Chairman : Village Head
2. Vice: Chairman of The Village Council (BPD)
3. Partner Members:
  - a. Village devices
  - b. BPD Members
  - c. Head of hamlet or equivalent

- d. Chairman of RW
- e. Chairman of RT
- f. Village Local Companion
- g. Hope Family Program Companion (PKH)
- h. Healthy Village Companion
- i. Other companions domiciled in the village
- j. Village Midwife
- k. Religious people
- l. Indigenous people
- m. Community Leaders
- n. Taruna Reef
- o. PKK
- p. Cadre of Village Community Mobilizers (KPMD)

4. Partners:

- a. Bhayangkara Coach of Security and Public Order (Babinkamtibmas)
- b. Petty Officer of The Village Trustees (Babinsa)
- c. Village Companion

The explanation of the duties of Village Volunteers Versus Covid-19 are as follows:

a. Take precautions through the following steps:

- 1) Educate through proper socialization by explaining information related to Covid-19, both symptoms, ways of transmission, and its fencing measures.
- 2) Record the population susceptible to illness, such as the elderly, toddlers, as well as people with diseases, permanent diseases and other chronic diseases.
- 3) Identify village facilities that can be used as isolation rooms.
- 4) Do disinfectant spraying and provide hand sanitizer in public places such as village halls.
- 5) Provide medical devices for early detection, protection, and prevention of the spread of covid-19 transmission outbreaks.
- 6) Provide important information related to the handling of Covid-19, such as referral hospital phone numbers, ambulance phone numbers, and others.
- 7) Perform early detection of Covid-19, by monitoring people's movements through:
  1. Recording of guests entering the village;
  2. Logging in and out of local villagers to other areas;
  3. Logging of new villagers that coming from the region, such as migrant workers or residents working in major cities; and
  4. Monitoring the development of People in Monitoring (ODP) and Patients in Covid-19 Monitoring (PDP).
- 8) Ensure that there are no activities of citizens gathered and/or crowds of people, such as lectures, weddings, spectacles or mass entertainment, and celebration or other similar activities.

b. To treat the villagers of Covid-19 victims through the following steps:

- 1) Cooperate with the local referral hospital or health center.
- 2) Preparation of isolation rooms in the village.
- 3) Recommend to residents returning from covid-19 affected areas to self-isolate.

- 4) Help prepare logistics for residents who enter isolation rooms.
  - 5) Contact the medical personnel and/or regional disaster management agency (BPBD) for the next step or follow-up to the residents who enter the isolation room.
- c. Always coordinate intensively with the District/City Government c.q Health Office and/or the Village Community Empowerment Office or other designations and BPBD.

Through village volunteers against Covid-19 is expected to support the dissemination of government policies to break the chain of the spread of the virus in an organized manner to the village. Village volunteers are part of the village government plus companions in the village, community leaders, coral cadets, PKK, and other village cadres. One of the tasks arranged by the government to be carried out by volunteers is the preparation and handling of logistics for the benefit of villagers undergoing isolation as well as logistical preparation for emergency situations and conditions, both through *BUMDes*, village barns, and others (Johan Wahyudi Adiluhung, 2020).

As happened in Paradise Village Sei Rampah District Serdang Bedagai Regency which is also struggling against the Covid-19 pandemic. *BUMDes "Bersama Sei Rampah"* which is engaged in saving borrowing serves to provide services to the villagers by providing financial needs, agricultural infrastructure needs, and agricultural education for rural communities that are part of *BUMDes* membership "*Bersama Sei Rampah*" has the potential to develop to provide loan opportunities to the community, where the number of borrowers is increasing every year, with a system that is already good enough, with a level of akuraran in the calculation that is also good enough. In the implementation of *BUMDes "Bersama Sei Rampah"* has also used a special software application that serves to help all forms of workmanship both logging expenses and income every day.

However, the presence of the Covid-19 pandemic is very disruptive to the financial turnover of the loan storage system held by *BUMDes "Bersama Sei Rampah"* because, most of the villagers who have made loans are constrained in the loan repayment process. This is due to the absence of personal income obtained as a result of the covid-19 virus outbreak. Most of the people who borrow on *BUMDes "Bersama Sei Rampah"* are inter-city traders. Some people sell merchandise products such as mats, sleep patches, and others have problems when marketing products. This happens when the people who are notabenenya traders are deterred due to the Large-Scale Social Restriction (PSBB) policy that has been implemented in several cities around Serdang Bedagai Regency namely Tebing Tinggi, Pematang Siantar and others. The sales process to other provinces is also hindered due to the application of psbb, some provinces that are marketing destinations are Aceh and Riau.

There is a delay in payment of the loan. This event can be declared as it is known that the difficulties that are facing this is not only happening in Paradise Village, even the whole of Indonesia is experiencing the same economic crisis. Even on a more global scale, the people of the world are now going through a difficult time due to the Covid-19 pandemic. However, to mediate the problem, the manager of *BUMDes "Bersama Sei Rampah"* provides a solution so that the borrowers do not feel difficult in the future, it explains that for the time during the covid-19 pandemic, borrowers who can not afford to repay the loan as a whole can make interest-only payments of only 1% with no intention of complicating.

The application of this kind of loan saving system according to the author is good enough. A payment system that does not have an element of "coercion" that in a sense, can understand the problems that occur in society is a wise thing. This policy can of course be an example for other *BUMDes* who are engaged in the same field or even become inspiration to form *BUMDes* to help the

community and benefit together. In the implementation system of *BUMDes* that is good enough can make a reflection that, so far *BUMDes "Bersama Sei Rampah"* has been managed quite well.

The need for innovation other than the form of saving related loans to improve the yield of *BUMDes* is a must. The increasing case of Covid-19 certainly directly prevents us from doing activities. Very good if the parties of *BUMDes* and Village Heads can cooperate in terms of addressing the impact of Covid-19, especially on the income influence of villagers. Innovations such as online services that do not require direct service can also be the solution offered. In addition, innovation regarding the form of other *BUMDes* can also be considered in maintaining the economic stability of the villagers. For example, assisting villagers in distributing their trade results online can also help improve *bumdes* results.

The author's view on the impact of the Covid-19 pandemic cannot be considered an easy issue at all. When will the end of this pandemic also can not be predicted by anyone, all that can be done is to maintain health in order to keep the wheels of the national economic turnaround. Both of these things are in desperate need of help from all elements of society ranging from high-ranking state officials to ordinary people expected to be able to cooperate and help each other in terms of alleviating the problems caused by the impact of the Covid-19 pandemic not only in the village but also for the rest of the world

## 5. Conclusion

The Covid-19 pandemic that occurred not only occurred in Indonesia but also almost all parts of the country on earth felt it. Large-scale Social Restrictions (PSBB) are one of the policies of the central government in an effort to reduce the spread of the Covid-19 virus. Actually this has a big impact on the movement of the economy. Especially on the results of *BUMDes "Bersama Sei Rampah"*, people who have borrowed to be used as venture capital, by being forced to delay the payment. People who are registered as borrowers say that it is difficult to get money from businesses or even profits in the midst of a pandemic because of the difficulty of distributing its merchandise out of the city, which is mostly from the city that is intended to implement PSBB. In essence, the decrease in public income decreased as well as the results of *BUMDes "Bersama Sei Rampah"*.

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