# VETERAN SOCIETY JOURNAL

Volume 1: May 2020 Published by Faculty Of Law Universitas Pembangunan Nasional "Veteran" Jawa Timur



# Development of Village Business Entities in Management of Agriculture Using Improvement of Food Security Government in Prasung Village

## Hervina Puspitosari<sup>1\*</sup>, Wiwin Yulianingsih<sup>2</sup>

<sup>1</sup>Faculty of Law, Universitas Pembangunan Nasional "Veteran" Jawa Timur, Indonesia, E-mail: hervina.ih@upnjatim.ac.id <sup>2</sup>Faculty of Law, Universitas Pembangunan Nasional "Veteran" Jawa Timur, Indonesia, Email: wiwin.julia88@yahoo.com

#### Abstract

Prasung village located in Sidoarjo Regency is flanked by two rivers, Porong and Kali Mas, so it has fertile agricultural land that is can be a mainstay as a center for food security. So that a breakthrough in the management of development in the agricultural sector is needed through the establishment of the Village Owned Enterprises (BUMDes) of Agriculture that will manage agricultural products in order to provide great benefits to the people of Prasung Village in improving the economy, welfare and can improve food security. The need for community empowerment in managing the results of their fields through the BUMDes Agriculture that can also open jobs for the surrounding community. BUMDes Agriculture which will be developed in addition to being intended to increase the village's original income also has a social function. This community service activity is carried out with the method of socialization by providing understanding to the community in an effort to increase the potential in the village to support the welfare of the local community through the development of the Agricultural BUMDes in the Village of Prasung. The embodiment of the establishment of the BUMDes Agriculture is expected to minimize the role of middlemen, which often leads to increasing transaction costs between the price of products from producers to consumers. So that this BUMDes Agriculture can later help the community in the production of food for the consumption of local village community food. BUMDes in later can become a distributor that fosters economic activities in the local village so that of course requires a strong foundation in its development.

Keywords: Village-owned Enterprises; Agriculture; Food Security.

## **I.Introduction**

Context of regional development, the government has outlined a policy that called for development is not held centrally (centralized), but implemented through regional development (decentralized) so as to generate initiatives and partition-white communities broadly to participate in supporting and carrying out the implementation of development in accordance with the conditions and the potential of each region. This is in line with the Long-term Development Plan (RPJP) which emphasizes that regional development is directed at spurring equitable development and its results in order to improve people's welfare, promote community initiatives and active participation, enhance the potential utilization in an optimal and integrated manner in filling autonomy, real, dynamic, harmonious and responsible.

21 | Hervina Puspitosari, Wiwin Yulianingsih

One effort to manage and empower regional potentials and natural resources in the context of regional empowerment is to make each potential area into superior products that can increase community income, provide added value, and at the same time increase regional revenue through various forms of assessment. law justified by law.

Prasung Village, located in Sidoarjo Regency, is flanked by two rivers, Porong and Kali Mas, so it has fertile agricultural land that can become a mainstay as a center for food security. So that a breakthrough in the management of development in the agricultural sector is needed through the establishment of the Village Owned Enterprises (BUMDes) of Agriculture that will manage agricultural products in order to provide great benefits to the people of Prasung Village in improving the economy, welfare and can improve food security. The need for community empowerment in managing the results of their fields through the BUMDes Agriculture that can also open jobs for the surrounding community. BUMDes Agriculture which will be developed in addition to being intended to increase the village's original income also has a social function.

Prasung Village has a lot of potential that can be developed so that one form of synergy efforts with tertiary institutions through community service activities in the form of counseling and mentoring in order to increase the development of the potential that exists in Prasung Village.

The development of the BUMDes Agriculture is also an effort to support the Government's food self-sufficiency program especially for rice, maize and soybeans so that agricultural output also increases. The government has also supported efforts to improve the agricultural sector with farmers' seed and fertilizer needs.

#### II.Method

This community service activity is carried out with the method of socialization by providing understanding to the community in an effort to increase the potential of the village to support the welfare of the local community through the development of the Agricultural BUMDes in the Village of Prasung.

#### III. Main Heading of the Analysis or Results

Strategy for Developing Village-Owned Enterprises in the Management of Agriculture in order to Increase the Food Security of Prasung Village The basic concept of regional governance can be found in Article 18, 18A and 18B of the 1945 Constitution. Article 18 paragraph (1) states that the Unitary State of the Republic of Indonesia is divided into provincial regions and the province is divided into regencies and cities, each of which has provinces, regencies and cities that have regional governments, which are regulated by law. In paragraph (2) it is further stated that "The provincial, regency and municipal governments regulate and administer their own government affairs according to the principle of autonomy and assistance tasks". In paragraph (5), it is further regulated that the autonomy exercised by the regional government is the broadest possible autonomy, except for governmental affairs which are determined by the Law as Central Government's affairs. In accordance with the provisions of paragraph (6), in the context of the implementation of the autonomy, the regional government has the right to stipulate regional regulations and other regulations to carry out autonomy and assistance tasks.

Bhenyamin Hoessein explained the definition of regional government in terms of local government. The concept of local government can contain three understandings, namely: local government, local government carried out by local governments, and autonomous regions. Next explained as follows<sup>1</sup>:

- a. Local government in the first sense refers to the institution / organ that is the organ / body / government organization at the regional level or the container that carries out government activities in the region.
- b. Local government in the second sense refers to the function or activity, which is the same as regional government. In Indonesia, the term regional government is distinguished from regional government. Regional government is a body or organization which is more a passive form, while regional government is an active form or in other words, the activities carried out by the regional government.
- c. Local government as an autonomous region that has the authority to regulate and manage the interests of local communities according to their own initiative.

Decentralization is the formation of autonomous regions with certain powers and certain fields of activity or affairs that are carried out based on their own considerations,

<sup>&</sup>lt;sup>1</sup> Hanif Nurcholis. 2005. Teori dan Praktik Pemerintahan dan Otonomi Daerah. Jakarta : PT. Grasindo. Page 18

# 23 | Hervina Puspitosari, Wiwin Yulianingsih

initiatives and administration, so that a regional formation process is entitled to regulate the interests of their regions. The substance of independence and political participation of society is the substance of the practice of modern democracy.

The formal household system is based on the assumption that central government and regional government matters in principle cannot be separated, each central government affair basically can be carried out by a local government unit. The formal household system requires independence and freedom to carry out creativity in managing, managing, and utilizing the potential of resources intended for the welfare of the local community.<sup>2</sup>

In the economic sector, the state or government has the task of maintaining stability and economic growth. Likewise in the local scope, the regional government also has the responsibility to take a direct or indirect role in the life of the regional economy. This role can be realized in the policy of regional economic stability and the allocation and distribution of strategic economic resources.

The implementation of Regional Autonomy is carried out by giving broad, real, and accountable authority to the Regions in a proportional manner that is realized by the regulation, distribution and utilization of equitable national resources and financial balance between the Central and Regional Governments. In addition, the implementation of Regional Autonomy must be carried out with due regard to the principles of democracy, community participation, equity, justice, and attention to the potential, differences and diversity of the Region.

This principle carries local level consequences that one another may differ in the number of household affairs, both the difference in ability and the difference from the nature of the needs themselves.<sup>3</sup>

Various government efforts have been made in supporting the improvement of the village economy. Various obstacles related to the economic institutional system in the village are still dependent on the government. This needs an effort in realizing Village

 $<sup>^2</sup>$  Muhammad Fauzan. 2006. Hukum Pemerintahan Daerah Kajian tentang Hubungan Keuangan antara Pusat dan Daerah. Yogyakarta: UII Press.Page. 110

<sup>&</sup>lt;sup>3</sup> Bagan Manan. Menyongsong Fajar Otonomi Daerah. 2002.. Yogyakarta: Law Study Center - FH UII. Page 194

independence. Efforts to move the wheels of the village economy need to be made as optimal as possible through the establishment of economic institutions that are managed by the village government and are intended for rural communities in improving the economy and Village Original Income.

In the implementation of regional autonomy, local governments are required to apply the principles of good governance, because these principles have become a new paradigm in the administration of governance that is used universally.<sup>4</sup>

Regions are required to develop their potential as an effort to increase Regional Original Revenue so that development empowerment is needed starting from the scope of villages. Village development from the agricultural sector can be done through the establishment of Village-Owned Enterprises. Aside from being a facilitator in processing agricultural products, it can also improve the economy of the local community and increase the village's original income to realize the welfare of the community from the agricultural sector.

BUMDes as a village economic body that has a legal entity and is owned by the village government which is intended for the welfare of the village community. BUMDes as a business institution whose capital is obtained from community initiatives with the principle of self-reliance and does not rule out the possibility of applying for loans from outside like the Village Government or third parties. BUDes can be established in accordance with the needs and potential in the village.

BUMDes was established with the aim of being able to provide services for the productive needs of rural communities, creating equal opportunity for businesses, and increasing the incomes of rural communities. So that it can encourage the economic development of rural communities independently.

There are 6 (six) principles in managing BUMDes, namely: 1. Cooperative, All components involved in BUMDes must be able to conduct good cooperation for the development and survival of their businesses. 2. Participatory. All components involved in BUMDes must be willing to volunteer or be asked to provide support and contributions that can encourage the progress of BUMDes businesses. 3. Emancipative.

<sup>&</sup>lt;sup>4</sup> Sadu Wasistiono. 2003. Kapita Selekta Penyelenggaraan Pemerintahan Daerah. Bandung: Media Focus. Page. 37

# 25 | Hervina Puspitosari, Wiwin Yulianingsih

All components involved in BUMDes must be treated equally regardless of class, ethnicity, and religion. 4. Transparent. Activities that affect the interests of the general public must be known by all levels of society easily and openly. 5. Accountable. All business activities must be technically and administratively accountable. 6. Sustainability. Business activities must be able to be developed and conserved by the community in the BUMDes container.

The great agricultural potential in Prasung Village needs to be a more professional and efficient management for village independence in creating food self-sufficiency and a center for food security.

The process of establishing BUMDes which is based on Law Number 6 of 2014 concerning Villages, Government Regulation of the Republic of Indonesia Number 43 of 2014 concerning Regulations for Implementation of Law Number 6 of 2014 concerning Villages is outlined in Village Regulations on Village Owned Enterprises.

Agricultural development is basically an effort to improve the quality of life of farmers achieved through investment strategies and policies for developing professionalism and productivity of agricultural labor, developing economic facilities and infrastructure, developing science and technology accompanied by institutional arrangement and development.

Village-owned enterprises in the agricultural sector are driving the village economy and accelerating the welfare of rural communities by adjusting to local regulations.

The principle of forming a statutory regulation which is well formulated is also formulated in Law Number 12 of 2011 concerning the Formation of Statutory Regulations, especially Article 5 and Article 6. Article 5 explains that in forming a statutory regulation, it must be based on the principle of establishing a statutory regulation good legislation which includes:

- 1. clarity of objectives, that each Formation of legislation must have a clear purpose to be achieved;
- 2. Appropriate institutional or forming organ, is that each type of statutory regulation must be made by the institution / official that forms the authorized regulation.

- These laws and regulations can be canceled or null and void, if made by an unauthorized institution / official;
- 3. conformity between type and material content, that in the Formation of Regulations and Regulations must really pay attention to the appropriate content material with the type of Regulations;
- 4. it can be implemented, that every Formation of Regulations and Regulations must take into account the effectiveness of these Regulations in the community, both philosophically, juridically and sociologically;
- 5. usefulness and effectiveness, that every legislation is made because it is really needed and useful in regulating the life of society, nation and state;
- 6. clarification of the formulation, that each legislation must meet the technical requirements for the preparation of systematic legislation and choice of words or terminology, and the legal language is clear and easy to understand, so as not to cause various interpretations in its implementation;
- 7. openness, that in the process of Forming Legislation starting from funding, preparation, compilation, and discussion are transparent and open. Thus, all layers of society have the broadest opportunity to provide input in the process of making legislation.

While Article 6 explains that the principles which must be contained in the content of the Laws are formulated as follows:

The content of Laws and Regulations contains the principles of:

- 1. shelter, that each Material of Content of Laws and Regulations must function to provide protection in order to create community peace;
- 2. humanity, that every Content of Regulations and Regulations must reflect the protection and respect for human rights and the dignity and dignity of each Indonesian citizen and population in proportion;
- 3. nationality, that each Material Content of Legislation and Regulations must reflect the pluralistic nature and character of the Indonesian nation while maintaining the principles of the Unitary State of the Republic of Indonesia;

- 4. kinship, that each Material Content of the Regulations must reflect the deliberations to reach consensus in every decision-making;
- 5. Literature, that each Material of Law Regulation is always taking into account the interests of the entire territory of Indonesia and the Material of Law Content of Regulations made in the regions is part of the national legal system based on Pancasila;
- 6. Unity in Diversity if the Material of Regulatory Content must pay attention to the diversity of the population, religion, ethnicity and class, special conditions of the region, and culture, especially those dealing with sensitive issues in the life of society, nation and state;
- 7. justice, that each Material Content of Legislation and Regulations must reflect proportional justice for every citizen without exception;
- 8. equality of position in law and government, that each Material of Regulatory Content may not contain matters that are differentiating based on background, among others, religion, ethnicity, race, class, gender, or social status;
- 9. order and legal certainty, that every Material of Regulatory Content must be able to cause order in society through guaranteeing legal certainty;
- 10. balance; harmony, and harmony, that each Material Content of Legislation must reflect the balance, harmony and harmony between the interests of individuals and society with the interests of the nation and state.

Community service activities through the socialization of the importance of the formation of Village-Owned Enterprises by examining the potential that exists in the village community as one of the efforts to empower the community not only in understanding the agricultural and economic sectors but also legal drafting understanding which is the basis for the formation of Village-Owned Enterprises. So that the legality of establishing BUMDes will not be unconstitutional with higher regulation products, it can be identified the background of the need for agricultural BUMDes to be formed, the impact of the formation of agricultural BUMDes until the implementation of BUMDes will later have a major role in supporting the Original Village Income and improving community welfare local.

We have also noticed that the state often steps in to regulate and even to forbid moral self help.<sup>5</sup> There are several ways in which formal logic can be used to express changes. In what may be called time-indexed models, a (discrete or continuous) variable is employed to represent time. The object of change (such as a state of the world, state of affairs, state of mind, state of belief, value state, etc.) can then be represented as a function of this variable, so that a state of the world (etc.) is assigned to each point in time. A further development of this framework is to make it nondeterministic by allowing for a bundle of functions, typically structured as a branching tree.<sup>6</sup>

The embodiment of the establishment of the BUMDes Agriculture is expected to minimize the role of middlemen, which often leads to increasing transaction costs between the price of products from producers to consumers. So that this BUMDes Agriculture can later help the community in the production of food for the consumption of local village community food. BUMDes in later can become a distributor that fosters economic activities in the local village so that of course requires a strong foundation in its development.

#### **IV.Conclusion**

The embodiment of the establishment of the BUMDes Agriculture is expected to minimize the role of middlemen, which often leads to increasing transaction costs between the price of products from producers to consumers. So that this BUMDes Agriculture can later help the community in the production of food for the consumption of local village community food. BUMDes in later can become a distributor that fosters economic activities in the local village so that of course requires a strong foundation in its development.

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<sup>&</sup>lt;sup>5</sup> William A. Edmunson. Three Anarchical Fallacies An Esaay On Political Authority. Cambridge University Press. Page 120.

<sup>&</sup>lt;sup>6</sup> Sven Ove Hansson. The Structure of Values and Norm. Cambridge University Press Page 10

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