

Social capital as a BUMDes instrument in community empowerment in Sumbergondo Village, Batu City

Modal sosial sebagai instrumen BUMDes dalam pemberdayaan masyarakat di Desa Sumbergondo Kota Batu

Rafi Alfiansyah✉

Department of Sociology, Faculty of Social and Political Sciences,
University of Muhammadiyah Malang
Malang, 65144, East Java Province, Indonesia
E-mail of the corresponding author: rafialfiansyah.28.02@gmail.com

Abstract

BUMDes Rejeki Barokah of Sumbergondo Village in Batu City was established through a community dialectical process with the objective of resolving village issues through community empowerment. The community empowerment process can run because of the Sumbergondo BUMDes's substantial social capital. This study aimed to reveal the reality of social capital as an instrument used by BUMDes in community empowerment in Sumbergondo Village. The method used in this study was qualitative. Data collection techniques included observation, interviews, and document studies. Putnam's theory of social capital as the basis of the research analysis includes norms, social networks, and trust. The results indicate that BUMDes of Sumbergondo could overcome and suppress existing problems in their area, while also benefiting the surrounding community through independent waste management business units, waste banks, shops, and cafes. BUMDes of Sumbergondo is able to provide positive feedback on the social aspect by providing job vacancies, internships, and entrepreneurship training, on the environmental aspect by providing a cleaner environment, and on the economic aspect by providing additional income. It can be concluded that BUMDes are agents of social change in empowering rural communities by utilizing their social capital so that it has implications for a humanist and empowered society.

Keywords: BUMDes; community empowerment; social capital

Abstract

BUMDes Rejeki Barokah Desa Sumbergondo, Kota Batu didirikan melalui proses dialektis masyarakat dengan tujuan mengatasi permasalahan lokal yang ada di desa melalui pelaksanaan pemberdayaan masyarakat. Proses pemberdayaan masyarakat bisa berjalan karena kuatnya modal sosial yang dimiliki BUMDes Sumbergondo. Tujuan studi ini yaitu mengungkap realitas modal sosial sebagai instrumen BUMDes dalam pemberdayaan masyarakat di Desa Sumbergondo. Metode yang digunakan dalam studi ini adalah kualitatif. Teknik pengumpulan data meliputi observasi, wawancara, dan studi dokumen. Teori modal sosial Putnam yang menjadi dasar analisis penelitian meliputi norma, jaringan sosial, dan kepercayaan. Hasil penelitian menunjukkan bahwa BUMDes Sumbergondo bisa mengatasi dan menekan permasalahan yang ada di wilayahnya, serta memberikan manfaat kepada masyarakat sekitar melalui unit usaha pengelolaan sampah mandiri, Bank Sampah, toko, dan kafe. BUMDes Sumbergondo mampu memberikan feedback positif pada aspek sosial berupa tersedianya lowongan pekerjaan, magang, dan pelatihan kewirausahaan, pada aspek lingkungan berupa lingkungan yang lebih bersih, dan pada aspek ekonomi berupa penambahan penghasilan. Dapat ditarik kesimpulan bahwa BUMDes menjadi agen perubahan sosial dalam pemberdayaan masyarakat di pedesaan dengan memanfaatkan modal sosial yang dimiliki, sehingga berimplikasi pada masyarakat yang humanis dan berdaya.

Kata kunci: BUMDes; pemberdayaan masyarakat; modal sosial

Introduction

BUMDes is a corporate organization that is increasingly capable of empowering rural communities through economic asset and resource management. BUMDes' mission is to enhance asset management, economic development, and rural community welfare (Dewi 2014).

The implementation of Village Law No. 6 of 2014 has an effect on changes in village government with greater autonomy, such as economic development and community empowerment based on opportunities, potential, and capabilities (Yani et al. 2019). According to Abdul Halim Iskandar, BUMDes is a village revitalization tool. Since the enactment of Law No. 11 of 2020 on Job Creation, BUMDes has been legally recognized as a legal entity capable of conducting business. This is a future opportunity in which BUMDes will be the Indonesian economy's savior. Along with MSMEs, ultramicro enterprises, and cooperatives, BUMDes account for 61% of total GDP. Given the severity of the COVID-19 pandemic's impact on the Indonesian economy, it is clear that BUMDes is critical to the country's recovery (Kemendesa 2016).

BUMDes is recognized by the government as one of the most effective programs to strengthen village economic independence (Sakdiah et al. 2018). BUMDes was founded on the principles of cooperatives, participation, transparency, emancipation, accountability, and sustainability on a member-based and autonomous basis. The ultimate goal of BUMDes as a tool is to increase social capital, which is viewed as a critical component of rural economic development efforts (Berutu et al. 2020).

In general, three distinct types of social capital have emerged, forming a pattern that classifies its manifestations to be highly diverse. These types of social capital include structural, cognitive, and relational forms, that are appropriate, for example, for networks or organizations, mutual understanding or culture, and trust or reciprocity (Fine 2008). Social capital is the potential in a community that can connect, strengthen, and even increase the potential of other assets. In essence, social capital refers to the ability of members of society to pool their resources in order to solve problems (Saheb et al. 2013).

BUMDes' capacity to drive rural economic development is not a myth. That is demonstrated by a village in Central Java that has a BUMDes Tirta Mandiri of Ponggok Village. Ponggok Village, which was previously considered being in the "red zone" due to its low economic status, won an award in 2017 as the best village in the country for the work of BUMDes Tirta Mandiri in managing community empowerment. BUMDes Tirta, according to PDPT, is the best because it has numerous village business units that are growing and benefiting the surrounding community. Indeed, each family head in Ponggok Village now owns shares in one Umbul Ponggok business unit worth IDR 5 million. As a result, the Tirta Mandiri BUMDes' success story can be emulated by other BUMDes managers throughout Indonesia (Kemendesa 2021).

Sumbergondo Village in Batu City established BUMDes in 2019 under the name Rejeki Barokah as a social capital instrument for resolving village issues through community engagement and empowerment programs. The term "empowerment" is derived from the word "power". Empowerment is the process by which power is redistributed from the 'strong' to the 'powerless'. Empowerment is "the process of assisting disadvantaged groups or individuals in competing and working efficiently because everyone has an equal opportunity to compete in a 'game' in which all 'players' have an equal chance of winning" (Ife & Tesoriero 2008).

Meanwhile, community empowerment is a deliberate effort to assist rural communities in planning, determining, and managing regional resources organized through collective actions and networks, so that they can address ecological, economic, and social issues independently (Suwendra & Sujana, 2020). To develop an effective and credible program, community participation in empowerment is also significant. Community participation is essential in the community empowerment process. According to Ife & Fiske (2006), this is because participation requires a certain level of personal awareness in order for individuals to be empowered. The greater the level of knowledge and community involvement, the better the achievement and realization of the inclusive process of community empowerment. Community involvement, according to Ardianto (2011), is a crucial component of the process of achieving independence and empowerment. The procedure is carried out cumulatively, which means that the greater the number of talents or the greater the level of competence a person possesses, the greater his/her capacity to participate.

The empowerment program carried out by BUMDes Rejeki Barokah, Sumbergondo Village, Batu City includes independent waste management (incinerator and composter), a waste bank, a shop, and D'Goendoe Cafe. A previous study regarding community empowerment through BUMDes has been conducted by Rahayu & Febrina (2021) regarding the role of BUMDes in community empowerment in Sugai Nibung Village. The results indicated that BUMDes aided rural communities in improving the economy and community welfare by providing community services and developing village resources. This benefits the economy and village development of the community. As a result, BUMDes can alter what the community is required to do. Community and village development, both in terms of infrastructure and non-facilities, through a variety of activities aimed at increasing village income, community welfare, and BUMDes budget.

Pangestu's (2020) study on the role of community empowerment through Village-Owned Enterprises (BUMDes) in Kedungrejo Village, Waru District, Sidoarjo Regency revealed that BUMDes contribute to empowering rural communities by helping the community's economy become more independent. The majority of BUMDes' functions are advisory, including those relating to financing, marketing, and potential development. Additionally, the BUMDes business unit can benefit the surrounding community by creating jobs.

The two previous studies that have been conducted explored the same theme and study, while this study differs in terms of population determination, theoretical analysis, and implications, so that this research has a novelty in unstudied aspects of the population, the application of social capital theory in empowerment community, and the implications of BUMDes as social capital in community empowerment. Therefore, this study aimed to examine the social capital owned by BUMDes of Sumbergondo, forms of community empowerment, as well as their benefits and challenges.

Research Method

The qualitative research method was chosen because it is the most effective way to demonstrate the studied social reality, specifically social capital as a BUMDes instrument for community empowerment in Sumbergondo Village, Batu City. The research method used was phenomenology. Phenomenology, according to Creswell (2012), is a subfield of qualitative research that employs data collection and participant observation to ascertain what matters most in the lives of those who participate in research.

Table 1.
List of informants

No.	Name	Gender	Characteristics of informants
1.	AND	Male	BUMDes's Director
2.	JUM	Female	Head of the waste bank
3.	NUR	Male	Head of Karang Taruna
4.	EVA	Female	Manager of D'Goendoe Cafe
5.	SUN	Female	Person in charge of the waste bank deposit at RT 1 RW 2 (PKK)
6.	MIS	Female	Person in charge of the waste bank deposit at RT 2 RW 2 (PKK)
7.	RIN	Female	Person in charge of the waste bank deposit at RT 3 RW 2 (PKK)
8.	SUN	Female	Person in charge of the waste bank deposit at RT 4 RW 2 (PKK)
9.	ARI	Female	Person in charge of the waste bank deposit at RT 5 RW 1 (PKK)

Source: Primary data

The phenomenological method attempts to ascertain what a group of people think about a particular phenomenon by examining the structure of their thoughts. Therefore, a study was conducted to determine the meaning of BUMDes of Sumbergondo's social capital in empowering the community. Informants were selected based on specific factors or characteristics and their condition is known. The informants of this study included the BUMDes Rejeki Barokah management, the members of the Family Empowerment and Welfare (PKK), and members of the Youth Organization (Karang Taruna). Table 1 provides a list of the research informants.

This study used primary and secondary data sources. First, primary data was obtained in the field through participant observation and in-depth interviews. The outcomes from the primary data obtained include BUMDes of Sumbergondo's social capital, types of empowerments, benefits of empowerment for the community of Desa Sumbergondo, and obstacles encountered by BUMDes. Second, secondary data were obtained to complement the primary data. This study gathered secondary data from previously published research papers, such as relevant journals, books, and articles. The idea of the social capital theory developed by Putnam was employed as a research analysis. Social capital, according to Putnam (1993), is the result of social structures including people's beliefs, norms, and networks, as well as their socioeconomic and political backgrounds, and how these things work together to benefit people.

Participant observation and in-depth interviews were used for data collection. The participant observation was carried out through participating in informant activities to determine the level of social capital possessed by the Sumbergondo Village community in terms of community empowerment through a business unit formed by BUMDes. During in-depth interviews, interviewers and informants engaged in a series of unstructured conversations, a kind of social interaction. Meetings are not held only once, but repeatedly to obtain more accurate data. In-depth interviews were conducted to elicit additional information about the reality of social capital, as well as the benefits of empowerment for the residents of Sumbergondo Village.

The units of analysis in this study are individuals in the community who meet the requirements, including the managers of BUMDes Rejeki Barokah, members of Karang Taruna, and members of PKK (RT/RW) who are actively involved in community empowerment through business units for research analysis. Data analysis in this study used the Miles and Huberman model. According to Miles & Huberman (2014), the qualitative data analysis process entails data reduction, data presentation, and conclusion drawing. In this study, data reduction refers to the process of separating important from irrelevant data collected through observation and interview. The presentation of data is the representation of structured information, in the form of BUMDes of Sumbergondo's social capital, forms of empowerment, community benefits, and challenges encountered. The conclusion of the data is presented as an interpretation or interpretation of the presented data.

Results and Discussion

Social capital of BUMDes Rejeki Barokah of Desa Sumbergondo

This sub-chapter discusses BUMDes Rejeki Barokah's social capital in Sumbergondo Village, Batu City. This social capital includes norms, social networks, and trust. An attitude or action of residents of Sumbergondo Village in response to the phenomenon of the establishment of BUMDes with the goal of community empowerment, which has resulted in social transformation in Sumbergondo Village is called the norming stage.

“The norms that are manifested in the form of mutual assistance and self-reliance that exist in the Sumbergondo Village community serve as the foundation for empowerment activities conducted by BUMDes. In the aspect of mutual cooperation and self-reliance, the Sumbergondo Village government plays a role in providing capital and land, while the community plays a role in conveying their ideas and aspirations through programs/business units with the aim of resolving problems that exist in the surrounding environment so that it has implications for a just and empowered society.” (Informant AND)

Putnam (1993) defines a norm as a group of individuals' shared beliefs, values, expectations, and aspirations. Norms come from a variety of sources, including religion, moral guidelines, secular standards, and professional codes of ethics. Norms are created and developed in the past and then used to foster a collaborative environment (Kimbal 2015). Social capital norms are frequently expressed through a culture of mutual assistance and self-reliance. According to Collette (1987), cooperation is an

Alfiansyah: "Social capital as a BUMDes instrument in community empowerment"

ingrained, rooted, and pervasive aspect of social life in Indonesia, and has developed into the country's most important social institution.

Self-reliance through cooperation refers to a village community's capacity to manage its own development through the use of available resources. Members and administrators pursue independence within the framework of social capital not only to accumulate material wealth but also to strengthen familial bonds, increase the intensity of kinship, and accomplish common goals and aspirations (Warto 2016).

The community and BUMDes members are the only parties capable of establishing a pattern for planning, organizing, mobilizing, and supervising the BUMDes, which is then agreed upon at village meetings. As a result, the mutually agreed-upon plans are incorporated into the BUMDes planning program (Hikmah 2020).

The social network that develops within BUMDes of Sumbergondo's social capital is then defined as the capacity of community members (management, PKK members, and Karang Taruna members) who are also members of BUMDes to engage in a network of social relations, which becomes one of the keys to success in implementing community empowerment.

"The informal network in BUMDes Rejeki Barokah is based on a sense of mutual assistance between BUMDes administrators and PKK and Karang Taruna members formed through social interaction. Then, a formal network was established through the involvement of BUMDes Rejeki Barokah with the BUMDes community in Indonesia, through visits or what is commonly referred to as Observation Study Tour (OST) from various regions in Indonesia, including Java, Papua, Sulawesi, and Kalimantan, with the purpose of conducting comparative studies and improving the quality of BUMDes management." (Informant AND)

Putnam (1993) distinguishes between formal and informal components of the network. Formal networks are formed through affiliation with organizations (e.g., associations), whereas informal networks are formed through mutual sympathy (eg., friendship). The social network will grow out of a shared sense of knowledge, with members educating and assisting one another in overcoming obstacles. In essence, the term "network" refers to social relationships that facilitate and expedite the resolution of a problem in social capital (Nirfadhilah 2016). Additionally, participation in social networks has a strategic meaning as an agent of change in the development of community empowerment and independence, for example, visits from BUMDes from various locations which are also called Observation Study Tours (OST). OST aims to discuss and exchange experiences and "best practices" with other communities that have successfully implemented community empowerment programs (Sehabuddin et al. 2016).

"Trust in community empowerment through BUMDes of Sumbergondo persists because the management, PKK members, and Karang Taruna members are committed to managing and developing the BUMDes business unit collectively. As a result, they believe that future efforts will benefit the residents of Sumbergondo Village." (Informant AND)

Putnam (1993) asserts that trust is life's lubricant. The greater a community's mutual trust, the more members are likely to collaborate. Today, two distinct sources of trust exist, namely reciprocity norms and binding networks in general. Simply put, trust in social capital, as defined by Hasbullah (2006), is a process that teaches people about their own capacity to carry out their vision and goals. The accumulation of social capital is the development of trust within a group as a result of a prolonged and intertwined process of social contact and activities that are frequently undertaken in collaboration.

The radius of trust can be considered a positive externality because it is the benefit that accrues to the group independently regardless of the collective action that the group is attempting to accomplish (Fukuyama 2001). Trust is a critical outcome of cooperative social norms that contribute to the development of social capital. As a result, the group will mature more quickly and become more efficient at achieving common goals. If members can be relied upon to maintain commitment, they will assist one another and avoid opportunistic behavior (Fukuyama 1995).

Forms of community empowerment through BUMDes Rejeki Barokah of Sumbergondo Village

Forms of community empowerment carried out by BUMDes through business units that are managed and developed include independent waste management with incinerators and composters, waste banks, shops, and D'Goendoe Cafe. Garbage is a major issue in Sumbergondo Village, Batu City. The landfill's capacity is incompatible with the available facilities and infrastructure. Sumbergondo Village generates a significant amount of waste as a result of the large number of industries and SMEs, as well as vegetable and fruit producers. Vegetable and fruit waste is the largest contributor to the waste volume. People prefer to discard garbage into rivers because the facilities and infrastructure in the form of landfills are incapable of handling it, and the two containers used are incapable of containing a significant amount of waste. In addition, garbage on the roadside in Sumbergondo Village has piled up and lined up 50-100 meters, posing a threat to the environment, public health, and personal comfort. However, under the BUMDes scheme, environmental vulnerabilities can be suppressed or resolved with the help of incinerators and composters.

The incinerators were built using village funds at a cost of approximately IDR 60 million. Sumbergondo village has three incinerators located in Sengonan, Tegalsari, and Segundu hamlets. Incinerators have a function to reduce the household waste residue that cannot be processed or cashed through combustion. Meanwhile, composters were built with the aim of changing the negative behavior of farmers in disposing of wet waste, such as vegetables and fruits carelessly. Four containers, measuring 3x2 meters and 1.2 meters high, are available for storing fruit and vegetables. BUMDes budgeted IDR 33 million for the construction of the composters. Figure 1 shows the incinerator and composter created by BUMDes Rejeki Barokah, Sumbergondo Village.



Figure 1.

Independent waste management using composters and incinerators

Source: Personal documents

“Incinerators are used to burn non-recyclable household waste. Simply put, one incinerator can be used for between 600 and 800 households. Meanwhile, composters are used to collect wet or organic waste that can be used as fertilizer.” (Informant AND)

According to Alfiansyah's study (2021), incinerators are an appealing alternative technology for disposing of domestic waste through the combustion process due to their numerous advantages. One of them is that incinerators are capable of reducing the volume of burned waste by 80-95 percent, thereby preserving landfill space. The procedure for managing waste using an incinerator is as follows: 1) Garbage is placed in the incinerator box; 2) A filter chimney equipped with a water spray is activated to ensure that the smoke produced is brighter and more environmentally friendly; and 3) The ash produced during combustion can be used to make dry fertilizer or sold as a commodity. Meanwhile, composters are beneficial for processing wet or organic waste, such as discarded vegetable and fruit residues, into liquid fertilizer. With the composter, waste can be more useful and have economic value or it can become a commodity.

Alfiansyah: "Social capital as a BUMDes instrument in community empowerment"

In addition to using incinerators and composters to manage waste independently, BUMDes Rejeki Barokah also has another business unit, namely the waste bank. In 2020, the waste bank of Sumbergondo Village was established by spending approximately IDR 50 million for the construction of buildings, and other facilities such as trash cans and transportation equipment (Tossa). The waste bank of Sumbergondo Village is shown in Figure 2.



Figure 2.
Waste bank of BUMDes Rejeki Barokah in Sumbergondo Village
Source: Personal documents

“The waste bank was established to overcome the waste problem, in the form of environmental-based empowerment by inviting the people of Sumbergondo Village to participate.” (Informant JUM)

According to Selomo et al. (2016), the waste bank was founded as a community initiative to assist in resolving environmental problems through a community-based Reduce, Reuse, and Recycle (3R) waste management strategy that successfully changed the perception of waste as a commodity. The waste bank serves as a catalyst for community involvement in waste management. Additionally, the community separates organic and inorganic waste, allowing them to participate in the waste management process on a participatory basis (Sekarningrum et al. 2017). According to Susilo (2016), environmental-based empowerment is not given away; instead, it is developed as a personal mindset that involves transitioning from feelings of helplessness to a more active and independent existence with the reality of gaining the ability to act and take initiative for the environment and the future.

“In addition to BUMDes, the PKK driving team also participated in the socialization of the waste bank of BUMDes Rejeki Barokah to the people of Sumbergondo Village in a community-based waste management model.” (Informant SUN)

According to the findings of Filmawada et al. (2018), the socialization activities of the management and driving team of PKK succeeded in providing accurate information, raising people’s awareness of the benefits of waste, and encouraging them to participate in the waste collection because they are aware that the waste they produce has economic value. Additionally, it benefits the environment by reducing littering. According to Koesrimardiyati (2011), community-based waste management activities can be sustainable if waste handlers change their habits, which is followed by community organizing and a focus on women at the Neighborhood Association level (RT).

“The socialization activities carried out by the BUMDes Rejeki Barokah and the PKK driving team also involved the Batu City Environment Service (DLH) serving as speaker and director.” (Informant MIS)

In line with this, Mardikanto & Soebito (2015) explained that a companion or facilitator must be able to act to link the government and community empowerment institutions represented by the community, both in conveying innovations and policies implemented as well as accommodating public responses or feedback. According to Sagala (2009), individual behavior is mainly regulated by the stimulus and

reaction of others, and strengthening the association between stimulus and response is a learning process that results in behavior change. “The management team of the waste bank and PKK of Sumbergondo Village run an operational management system on the Neighborhood Association/Citizens Association (RT/RW) scale with a weekly deposit period.” (Informant RIN).

Referring to the research of Suwerda et al. (2019), women as PKK are the primary drivers of waste banks in rural areas. The average coverage of waste bank services on the RT/RW scale is a voluntary activity that has not become the main activity. Service is provided once a week on average, with days and hours determined by the population. Paper waste, cans/bottles/metal waste, and some plastic waste are all accepted.

“In the aspect of community empowerment at the waste bank, Karang Taruna participates in assisting operational techniques such as transportation and sorting. Participation in the waste bank takes the form of Karang Taruna members’ self-reliance in supporting and sustaining the BUMDes waste bank program in order to achieve a clean environment for a humane and caring society.” (Informant NUR)

According to Koentjaraningrat (in Galba et al. 1992), the values that underpin all community activities (in this case self-reliance through mutual cooperation) are cultural values about human relationships, which encompass several concepts of life, such as humans do not live alone, are dependent on and driven by the same soul, and so on. Theresa et al. (2014) define empowerment as an attempt to increase the community’s empowerment or strength. In other words, community empowerment is defined as an individual’s capacity to collaborate with the community in order to foster community empowerment. Apart from independent waste management businesses with incinerators, composters, and waste banks, BUMDes Rejeki Barokah of Sumbergondo Village also has another business unit, such as shops, as shown in Figure 3.

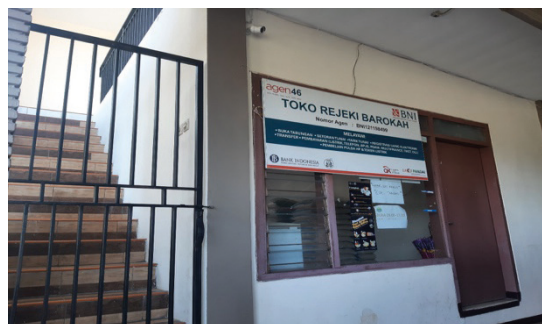


Figure 3.
Rejeki Barokah Shop of Sumbergondo Village
Source: Personal documents

“Toko Rejeki Barokah is a BUMDes business unit that collaborates with BNI with the aim of facilitating the needs of the community in buying basic needs, stationery, all types of payments, as well as opening savings and cash deposits.” (Informant AND)

The BUMDes token payment business unit is often associated with BNI as a strategic partner. BNI provides tools and mechanisms needed in token payment transactions. This business unit has a very strong economic potential, as an increasing number of individuals will require this service. Additionally, this unit can act as a conduit for the distribution of social assistance programs such as PKH or Rastra (Hidayah et al. 2019). According to Cahyani et al. (2019), BUMDes established a grocery shop with the initial goal of meeting the community’s needs. As a result, they are able to meet community needs while also saving time and money.

Additionally, the grocery store serves as a storage facility for goods manufactured by local businesses, such as handicrafts, chips, and other snacks. Apart from being a grocery store, the BUMDes real sector

Alfiansyah: "Social capital as a BUMDes instrument in community empowerment"

business unit acquires products and services such as telephone payment counters, utilities such as electricity and water, as well as construction services. People are less likely to have to leave the village in order to acquire these products and services, which simplifies and speeds up the process (Sutikno et al. 2020).

In addition to providing independent waste management (in the form of incinerators and composters), a waste bank, and a store, BUMDes Rejeki Barokah has also built a cafe with local characters in an apple garden called D'Goendoe Cafe as shown in Figure 4.



Figure 4.
The business unit of D'Goendoe Cafe
Source: Instagram (2021)

D'Goendoe Cafe is one of the programs empowered by BUMDes Rejeki Barokah, in the form of cafe entrepreneurship with an area of approximately 2000 m² located in Gang Tarman, no 20, Gundu Hamlet, Sumbergondo Village, Bumiaji District, Batu City. The development costs spent BUMDes funds amounting to IDR 150 million because previously there was already a semi-finished building. The construction process takes approximately 3 months.

“D'Goendoe Cafe is one of the programs developed by BUMDes. It is a cafe model with an apple tree and rose theme (around the cafe). This program was created to empower communities through entrepreneurship and economic development. Empowerment is accomplished through the creation of job openings and entrepreneurial training, including positions as social media managers, cashiers, and managers, as well as technical positions such as waiters, snack providers, cooks, and baristas. D'Goendoe Cafe collaborates with landowners, MSMEs of chip producers, food suppliers/vegetable traders, and grocery stores.” (Informant EVA)

According to Ife & Tesoriero (2008), community economic development can be classified into two types, namely conservative and radical community economic development. Developing businesses, establishing local enterprises, and promoting tourism are all examples of conservative community economic development. Meanwhile, cooperatives, community banks, and credit unions can help radicalize communal economic development.

According to Narayan-Parker (2002), four critical factors must exist for a community to be considered empowered include: 1) being well informed so that people are always aware of opportunities and do not stay silent when policies are violated, 2) community participation in the development process, 3) accountability and the ability to account for all money managed by the community, and 4) the community's ability to organize its own power in order to mobilize resources to deal with issues of public interest.

Meanwhile, social development is a type of community development activity that entails the establishment of services, community centers, social planning, and social spirit. Community development's objective is to raise the community's standard of living in all dimensions, including social, cultural, economic, and other factors, in order to achieve prosperity. Additionally, it aims to foster an individual's perspective, independence, commitment to communal goals, and cooperation as a member of society (Mubasyaroh 2016).

Benefits and challenges of BUMDes Rejeki Barokah of Sumbergondo Village

The business units that are managed and developed by BUMDes Rejeki Barokah not only provide benefits to certain parties (BUMDes management and village government) but also to the residents of Sumbergondo Village. “Since the waste bank was established, the people of Sumbergondo Village have earned income from waste, which they can use to supplement their daily income.” (Informant ARI).

Essentially, a waste bank is a location where individuals can bring their recyclable waste, sort it, and then sell it on the open market, enabling them to profit financially from their efforts (Haryadi et al. 2018). A waste bank gives value by allowing it to be saved or deposited rather than thrown away in vain. According to the findings of a study conducted by Elmi & Montessori (2020) in the context of implementing the waste bank program, the community earns additional income from waste savings, enabling them to provide pocket money for their children and meet other household needs. Table 2 shows that the residents of Sumbergondo Village are able to make money from the Waste Bank.

Table 2.
Waste bank deposit

No.	Name	Gender	Month	Year	Scope	Debit (IDR)
1.	ARI	Female	April	2021	RT/RW	IDR 1,400,000
2.	SUN	Female	April	2021	RT/RW	IDR 377,500
3.	SUN	Female	April	2021	RT/RW	IDR 330,000
4.	RIN	Female	April	2021	RT/RW	IDR 194,000
5.	WIN	Female	April	2021	RT/RW	IDR 171,050
6.	NIL	Female	April	2021	RT/RW	IDR 97,300
7.	KEM	Female	April	2021	RT/RW	IDR 32,400
8.	SAP	Male	April	2021	RT/RW	IDR 332,000
9.	LUK	Male	April	2021	RT/RW	IDR 93,400
10.	SUL	Female	April	2021	RT/RW	IDR 42,800
11.	RUS	Female	April	2021	RT/RW	IDR 90,350
12.	NIA	Female	April	2021	RT/RW	IDR 100,000
13.	AND	Male	April	2021	RT/RW	IDR 393,100
14.	SUW	Female	April	2021	RT/RW	IDR 47,600
15.	NUR	Female	April	2021	RT/RW	IDR 75,200
16.	GAL	Male	April	2021	RT/RW	IDR 686,500
17.	JID	Female	April	2021	RT/RW	IDR 80,000

Source: Primary data

The waste bank will debit the account in April 2021, as shown in Table 2. Credit receipts are subject to fluctuation based on the amount of waste deposited. “While the nominal revenue generated is not significant, the existence of a waste bank has the potential to alter the way people dispose of waste” (Informant SUN).

According to Safiah & Julipriyanto (2017), the waste bank’s revenue is still relatively low, owing to the small amount of waste and the fact that the waste bank is a new entity. Along with improving environmental cleanliness, waste banks directly benefit the environment by reducing waste piles. Additionally, Suryani (2014) asserts that waste banks benefit both humans and the environment by reducing pollution, educating the public about the value of cleanliness, and converting waste into commercial commodities.

Along with the waste bank, there is another business unit, D’Goendoe Cafe, which generates an average of IDR 100 million per month and can pay its employees with a nominal value of IDR 1.5 million to IDR 2.5 million per month so that it can be used to meet daily needs. As Midgley (1995) notes, community income from BUMDes can be used to meet daily needs while also allowing parents to save for their children’s future. This is consistent with one of the social development’s characteristics, namely that the process of social development cannot be separated from development and economic goals. Social development objectives can only be achieved through economic growth. In addition to

Alfiansyah: "Social capital as a BUMDes instrument in community empowerment"

economic benefits, the business units managed and developed by BUMDes Rejeki Barokah create job opportunities for the residents of Sumbergondo Village.

“The establishment of the BUMDes business unit has an impact on the opening of job vacancies. Currently, BUMDes employs 26 people in various business units, including 11 people at D’Goendoe Cafe, 7 people at the waste bank, 5 people for independent waste management (incinerator and composter), and 3 people at the shop” (Informant AND).

The development of BUMDes, according to Kumolo (2017), enables the village government to strengthen human resources in the village and enables them to be more active and creative in their work. Additionally, it serves to generate new business opportunities, which stimulate economic growth, as well as new jobs for the surrounding community. BUMDes contributes to the community’s reduction of unemployment by providing job opportunities for those who have graduated from school or have been unable to find work (Ibrahim et al. 2019).

According to Sarkawi et al. (2020), the advantages of BUMDes are profits and benefits. Profit implies that the business institution generates revenue in the form of earning money. Meanwhile, benefits are those that are not monetary in nature, such as creating new business opportunities for the community or assisting businesses run by a large number of community members in becoming more productive. Then, during the empowerment stage, which was carried out by the BUMDes business unit, the community in Sumbergondo Village encountered a variety of difficulties and impediments, as the informant AND stated. “BUMDes is experiencing obstacles in the form of limited capital, so the management must be selective in managing funds. It impacts the development of business units”.

Based on the results of the study conducted by Ibrahim et al. (2019), one of the problems that arise is the inability of village potentials to be promoted through BUMDes because there are not enough funds to support their development. The availability of business funds is limited so the level of ability of business managers will experience a decline. This statement is supported by the findings of a study conducted by Liow et al. (2019) which explained that the implementation of standard operating procedures for BUMDes is less than optimal because the BUMDes’ basic and by-law budgets have not been finalized and published. Due to a lack of adequate facilities and funding, the future development of the BUMDes program is likely to face significant obstacles. “In addition, there is no capital support from third parties, both public and private shares in the form of CSR.” (Informant AND).

According to Mujiyono’s research (2017), because there is no cooperation with third parties, the development of BUMDes slows down because there is not enough money and not enough people want to invest or own shares in the BUMDes program.

The involvement of the private sector in BUMDes business development, according to Soemadji et al. (2019), will enable the business to grow sustainably. The role of the private sector in community development is to provide social funding as a form of social responsibility to the community. The distribution of CSR to BUMDes is made possible by the APBDes in the form of equity participation or grants. Through the donation of corporate social responsibility funds to BUMDes, it is expected that these funds can be channeled effectively and efficiently to improve people’s welfare and be used to support community empowerment in various fields where the government has not intervened. One of the outputs or successes of CSR practices is the strengthening of community social capital. By strengthening community social capital, a harmonious society will be established, with the environment and the business cooperating in mutually beneficial ways (Suwandi & Faris 2019).

Conclusion

Social capital owned by BUMDes Rejeki Barokah, Sumbergondo Village, Batu City is a crucial foundation for community empowerment. It is evident that BUMDes have a significant amount of capital,

as shown by the active participation of communities at the local levels (Karang Taruna, PKK, RT/RW) in forming, managing, and developing various business units owned by BUMDes of Sumbergondo based on problem-solving. Business units managed by BUMDes can operate systematically, effectively, and efficiently because the BUMDes, Karang Taruna, PKK, and RT/RW administrators underlie the development of programs with behavioral norms in the form of mutual cooperation and self-reliance. Meanwhile, in the management stage, the administrators are connected to social networks that are formed, both formally through participation with BUMDes organizations in Indonesia with the aim of conducting comparative studies and informally through intense social interactions with the aim of solving problems, resulting in the formation of friendly interaction between BUMDes management with BUMDes partners. Finally, at the development stage, BUMDes, Karang Taruna, PKK, and RT/RW administrators believe that the formed business unit will provide benefits to the people of Sumbergondo Village through commitment and collective action.

The high social capital owned by BUMDes Rejeki Barokah has a direct impact on the empowerment process so it has implications for social change in the Sumbergondo Village community. Social changes occur as a result of business units being empowered to respond to community needs, solve environmental problems, and generate additional revenue and employment. Although numerous studies have been conducted on social capital, research on social capital as a BUMDes instrument has not been widely carried out. Therefore, the findings of this study can contribute to the advancement of knowledge in the field of social capital research and for BUMDes to be engaged in community empowerment.

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