

Social Enterprise and Village Development

Directorate General of Rural Development

Ministry of Village, Disadvantaged Area and
Transmigration of Indonesia

OUTLINE



**Social Enterprise and
Poverty**



**Social Enterprise in
Indonesia**

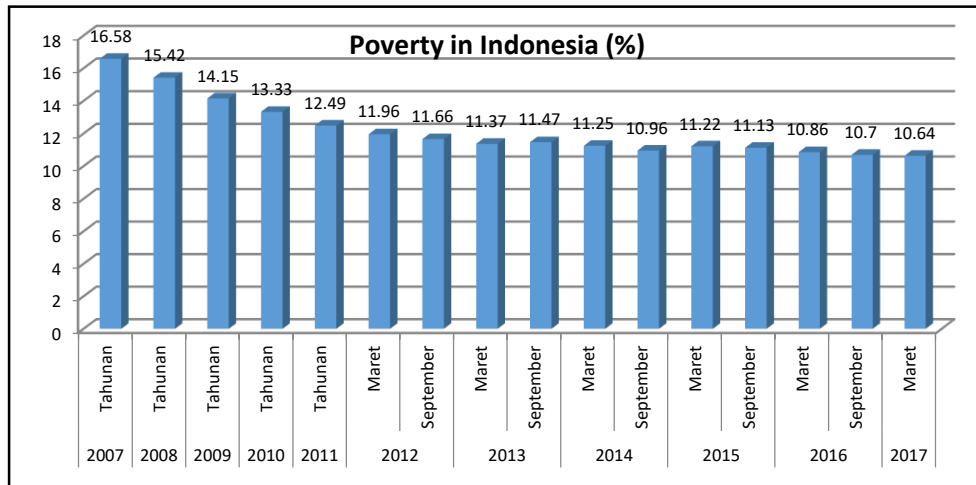


**Village Own Enterprise
and Poverty in Village**

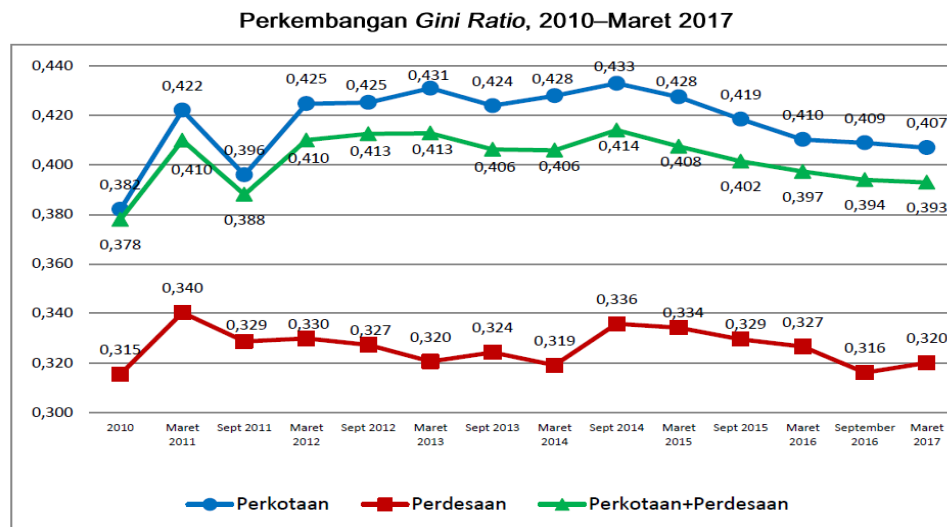


**Village Fund
Governance**

Social Enterprise and Poverty

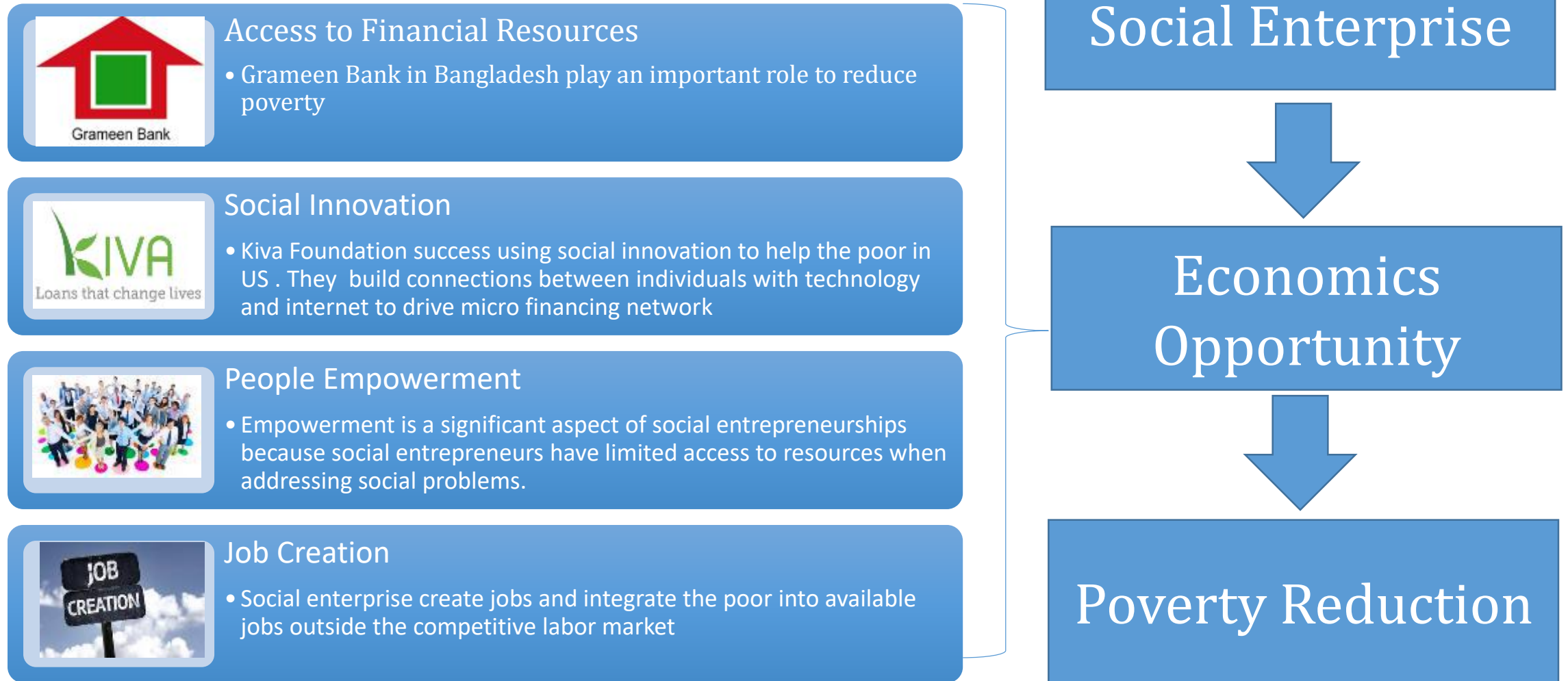


- Poverty and inequality is a shared responsibility between government, private and community.
- There are gaps in service delivery from government that affect to public goods, such as social, educational, and health services, high unemployment rates contributed to weak social cohesion and poverty
- Inequality shows that local problems cannot be efficiently and effectively tackled by public or government
- Social Enterprises provide an innovative approach and are effective as poverty reduction (UNDP, 2008)



Cont...

- The Role of Social Enterprise to Reduce Poverty (Sirjabat, 2015):



Social Enterprise in Indonesia

- 3 Categories of Social Enterprise in Indonesia (UNDP, 2016)



Un-fundable

There are NGOs and Small Business
Estimated about 70% of total
companies



Potential to be Funded

Companies that led by strong founders
Estimated about 20% of total companies

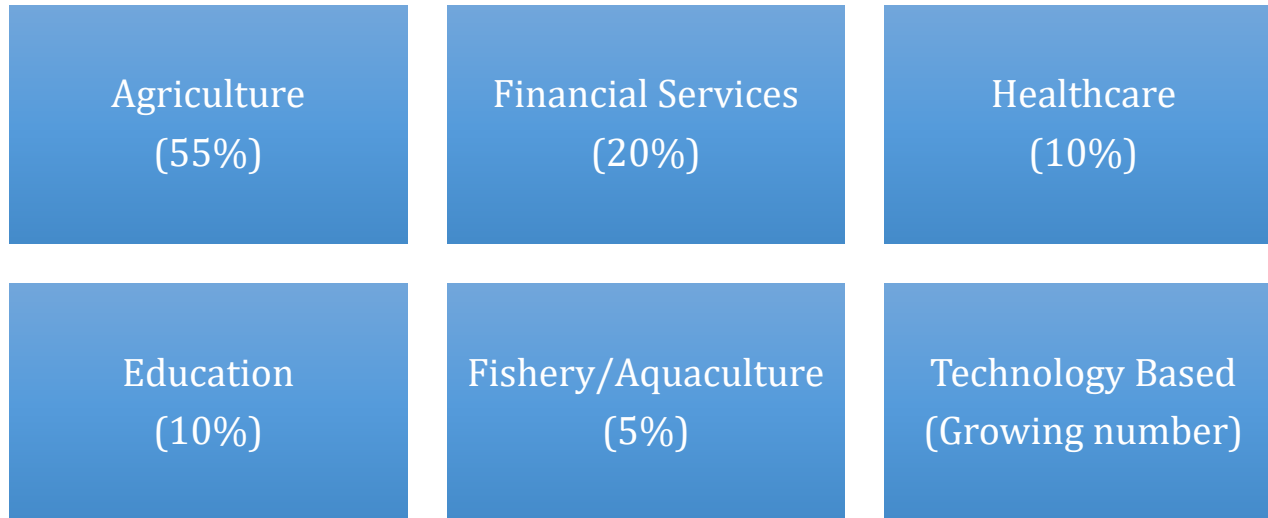


Investment Ready

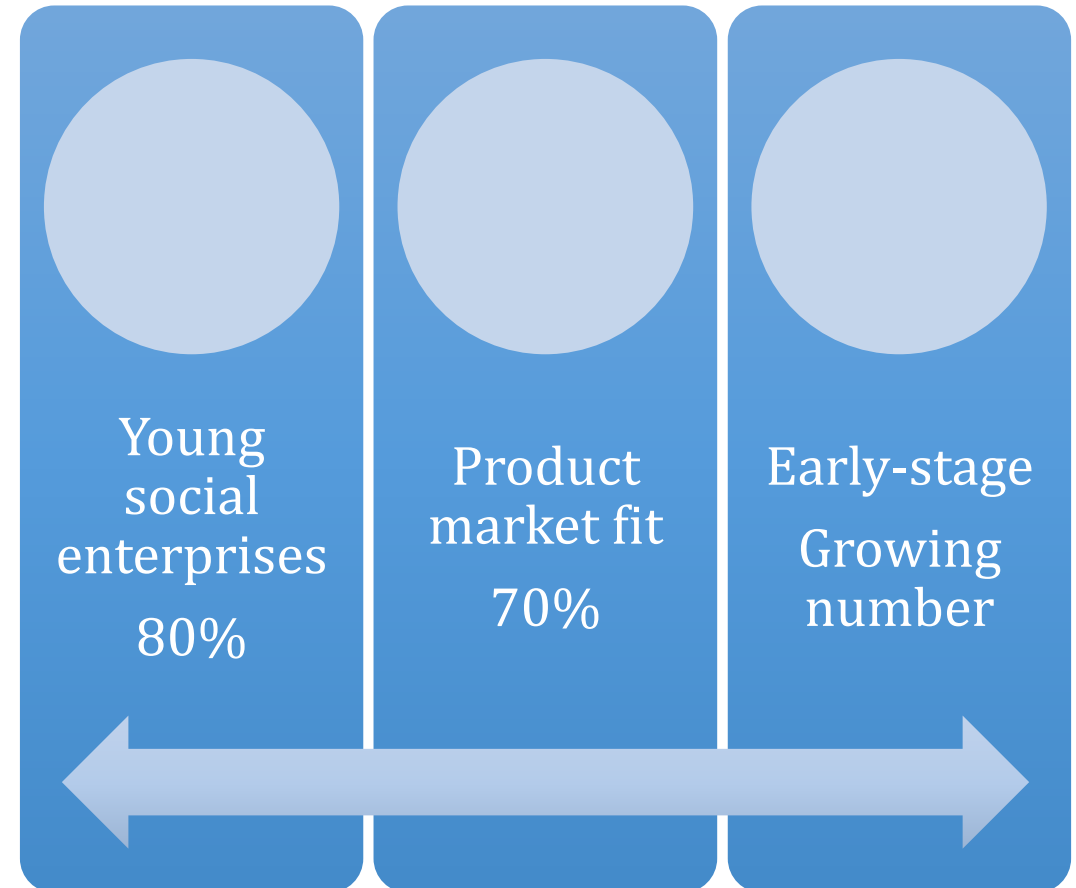
Estimated about 10% of total companies

Cont...

- Sector domination of social enterprise in Indonesia (UNDP, 2016):



- Maturity of social enterprise in Indonesia (UNDP, 2016):



Cont...

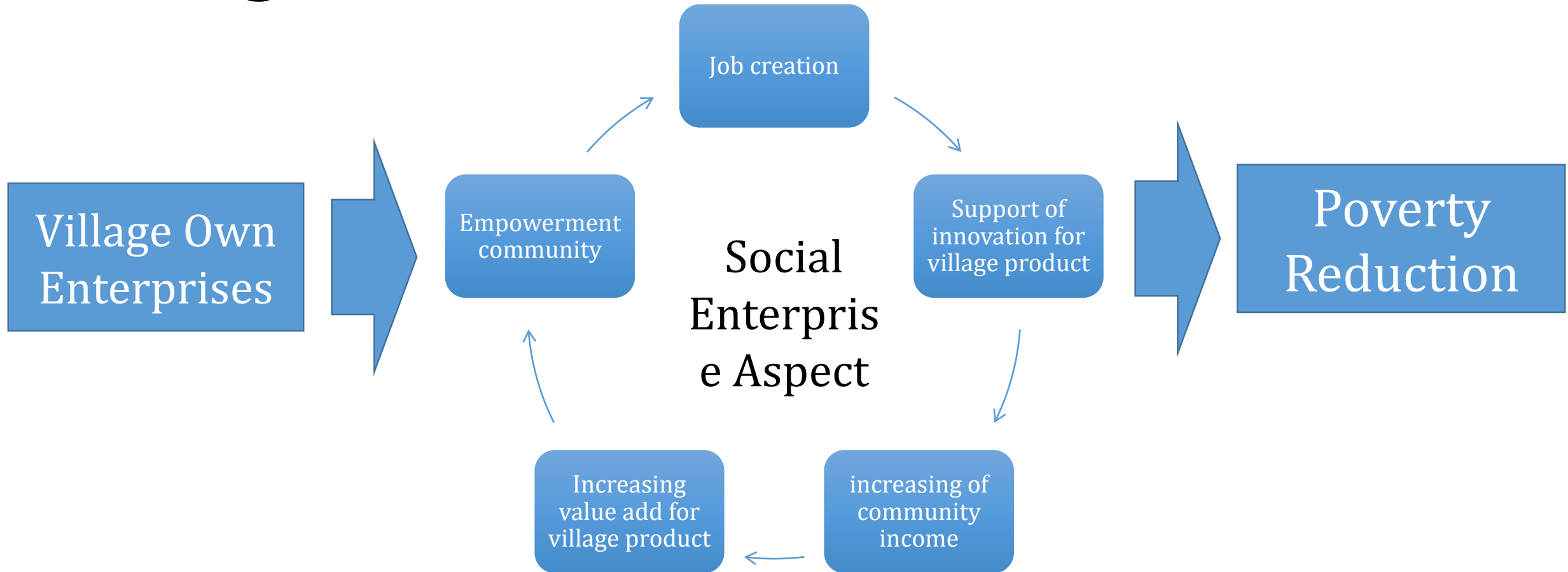
Tabel 2. Wirausaha Sosial Bidang Pembangunan Ekonomi di Indonesia

No.	Nama	Nama Organisasi	No.	Nama	Nama Organisasi
1.	Nani Zulminarni	Perempuan Kepala Keluarga (PEKKA)	15.	Masril Koto	<i>Agribusiness Microfinance Institution (LKMA)</i>
2.	Ewa Wojkwska	Kopernik	16.	Kasmiati	Yayasan Koperasi ANNISA
3.	Dodo Juliman Widiyanto	COMBINE	17.	Jumadi	SORAK
4.	Enny Soekoer	Yabaka	18.	Bambang Ismawan	Bina Swadaya
5.	P. Sarijo	Lesman	19.	Ali Hasan	Yayasan Bissma
6.	Iwan Saktiawan	Yayasan PERAMU	20.	Panut Hadisiswoyo	<i>Orangutan Information Centre</i>
7.	Yani Sagoroa	Lembaga Olah Hidup	21.	Suprio Guntoro	Bali Tekno Hayati Foundation
8.	Shemmy Rory	Paguyupan Penata Parkir Surakarta	22.	Gunardo	Yayasan Kesejahteraan Masyarakat Indonesia
9.	Ratna Refida	Yayasan Kerja Pemukiman Rakyat (YKPR)	23.	Stepanus Djuweng	<i>Institute of Dayakology Research and Development</i>
10.	Onno Purbo	-	24.	Ronny Dimara	-
11.	Tri Mumpuni	-	25.	Rossana Dewi	Yayasan Gita Pertiwi
12.	Iwan Mucipto Moeliono	Futura Hijau Lestari	26.	Agung Alit	Mitra Bali
13.	Hamzah M.	-	27.	Pamikatsih	InterAksi
14.	Maria Loretha	Yayasan Cinta Alam Pertanian			

Sumber: Ashoka Foundation dan Schwab Foundation

- In Indonesia, social entrepreneurs are growing rapidly, many people believe that social entrepreneurship can solve social problems (Utomo, 2014).
- Basic concepts of social entrepreneurship, such as innovation, opportunity-oriented (opportunity seeker), visionary, etc. to be implemented within the framework of social activities in these companies (Firdaus, 2014)

Benefit of Village Own Enterprise (BUMDesa) and Poverty Reduction in Village



Priority Sector of Village Own Enterprises (BUMDesa)



NATURAL RESOURCES MANAGEMNET

Managing and utilizing natural resources in the village, as a form of embodiment of the constitution that Natural Resources is controlled and managed for the greatest prosperity of the people



PROCESSED ECONOMY BASED ON LOCAL RESOURCES

Processing innovation is developed in every product managed by BUMDesa so that added value can be generated and not out of the village economic circle



DISTRIBUTION NETWORK

BUMDes is expected to become a distributor of products produced by the Village, shorten supply chain



FINANCE SECTOR

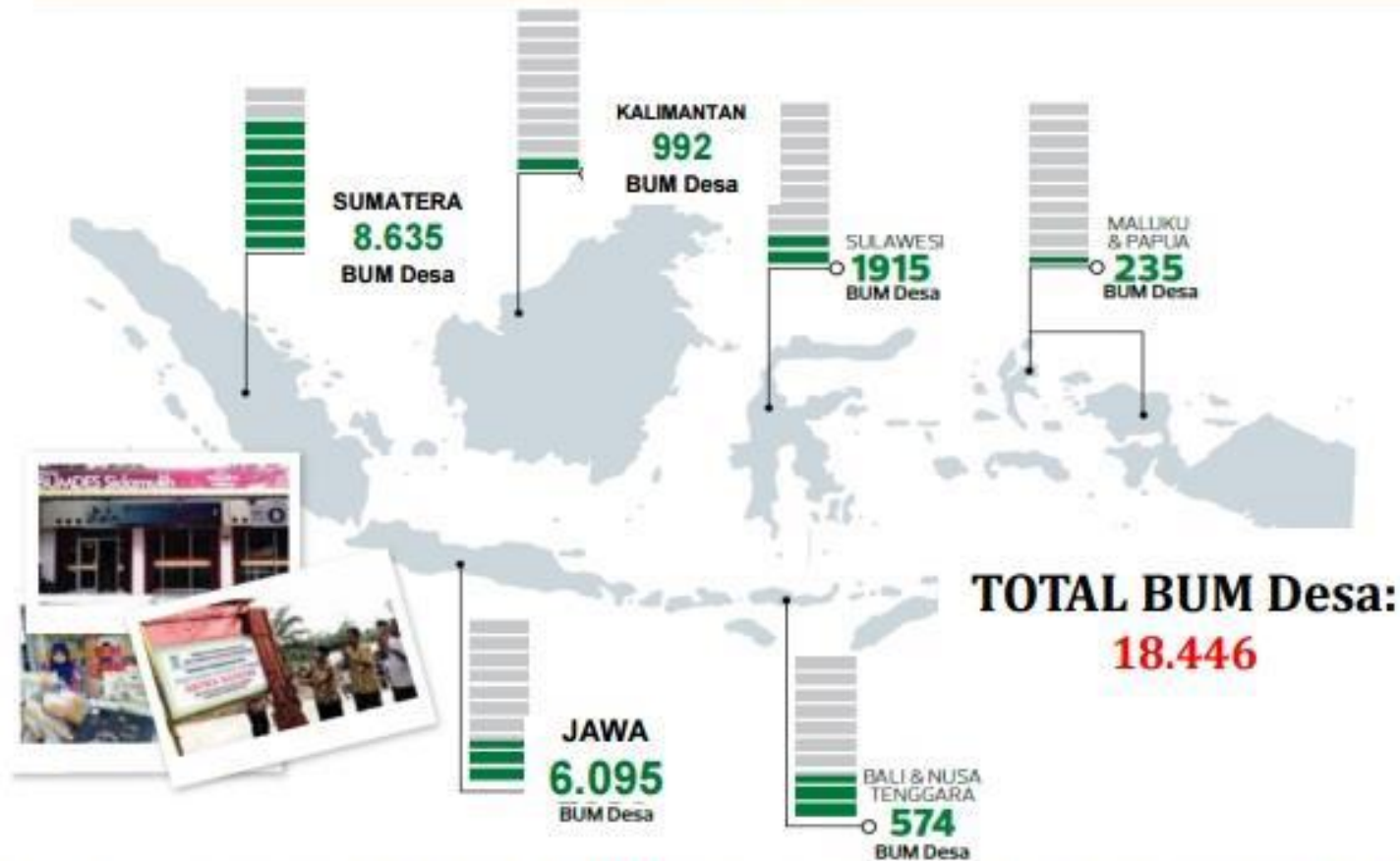
The limited range of Banking to target all villages in Indonesia is an opportunity for BUMDesa to mobilize the financial sector and equity capital for the community. Through this sector Productivity of rural communities can be improved



PUBLIC SERVICES

Public service sectors such as Education, Health or transportation can be a strategic business opportunity BUMDesa in the effort welfare of the village community widely

DISTRIBUSI BUM DESA HINGGA AWAL TAHUN 2017

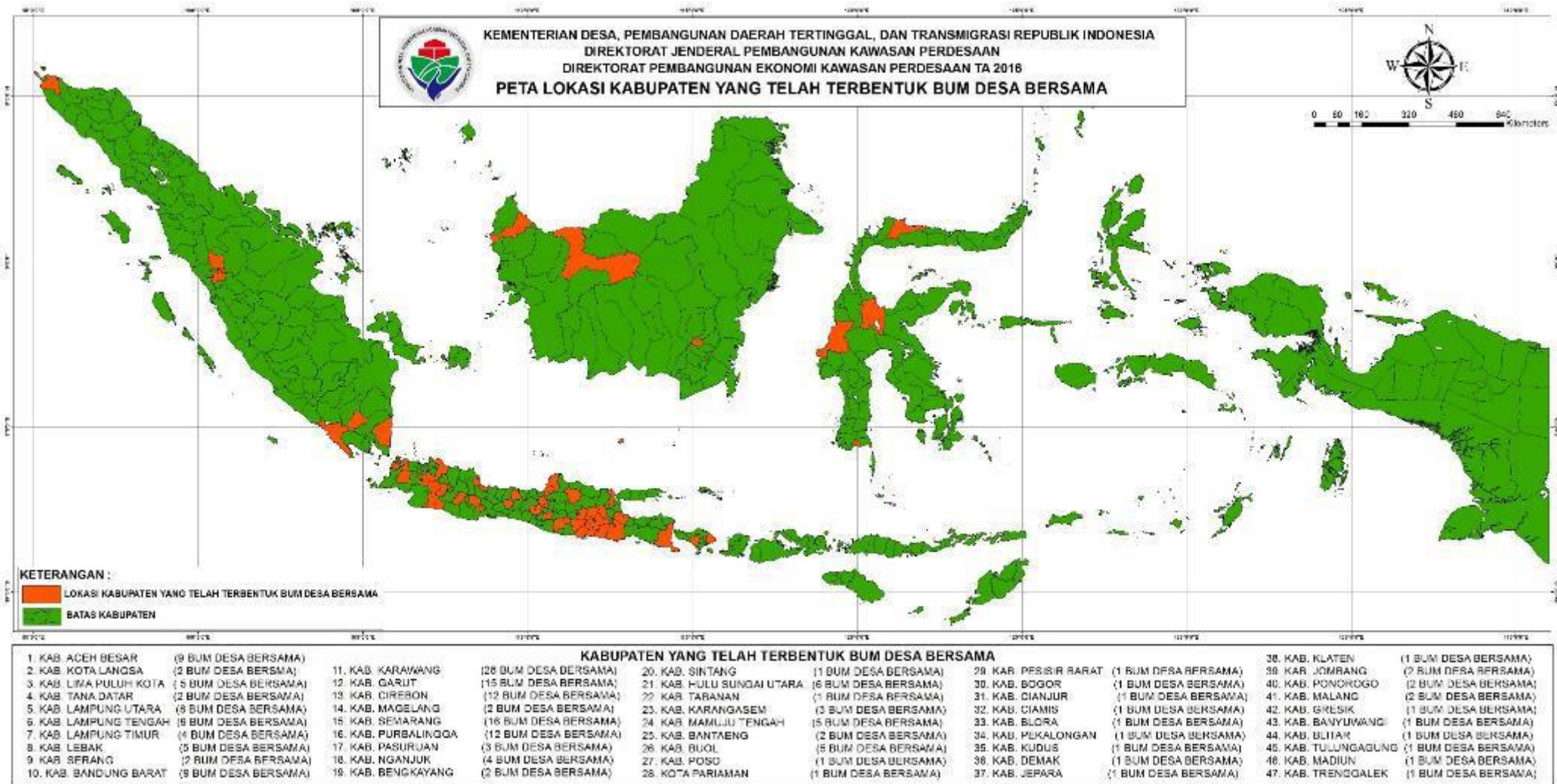


1. Dalam 2 tahun terakhir, jumlah BUM Desa meningkat tajam. Pada akhir tahun 2014, jumlah BUM Desa hanya sebanyak 1.022 Unit, namun hingga awal tahun 2017 meningkat drastis hingga 18.446 Unit.
2. Dari total jumlah BUM Desa, Sebanyak 6.728 unit (36,4%) berada di Provinsi Nangroe Aceh Darusalam, diikuti Jawa Barat sebanyak 2.964 unit (16%) dan Jawa Timur sebanyak 1.424 unit (7,7%).

SEBARAN BUM DESA PER PROVINSI

NO	NAMA PROVINSI	JUMLAH BUMDESA
1	Nangroe Aceh Darusalam	6.728
2	Sumatera Utara	430
3	Bali	336
4	Bangka Belitung	19
5	Banten	146
6	Bengkulu	360
7	D.I Yogyakarta	148
8	Gorontalo	68
9	Jambi	11
10	Jawa Barat	2.964
11	Jawa Tengah	1.413
12	Jawa Timur	1.424
13	Kalimantan Timur	369
14	Kalimantan Tengah	256
15	Kalimantan Selatan	160
16	Kepulauan Riau	20
17	Lampung	255
18	Maluku	76
19	Nusa Tenggara Barat	178
20	Riau	319
21	Sulawesi Selatan	313
22	Sulawesi Tenggara	259
23	Sulawesi Tengah	496
24	Sulawesi Utara	629
25	Sumatera Barat	339
26	Sumatera Selatan	154
27	Nusa Tenggara Timur	60
28	Kalimantan Barat	152
29	Kalimantan Utara	55
30	Maluku Utara	134
31	Papua	10
32	Papua Barat	15
33	Sulawesi Barat	150

Village Own Enterprise Corporates



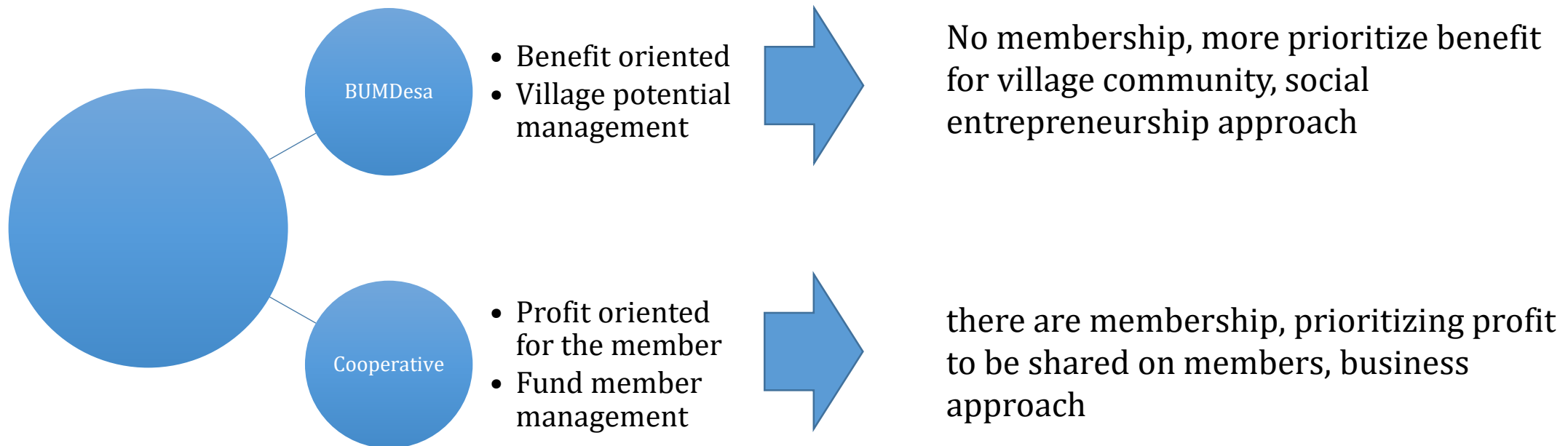
There are 196 Village own Enterprise Corporate in Sumatra, Java and Bali, Borneo and Sulawesi

Measuring the Success of Village Own Enterprises

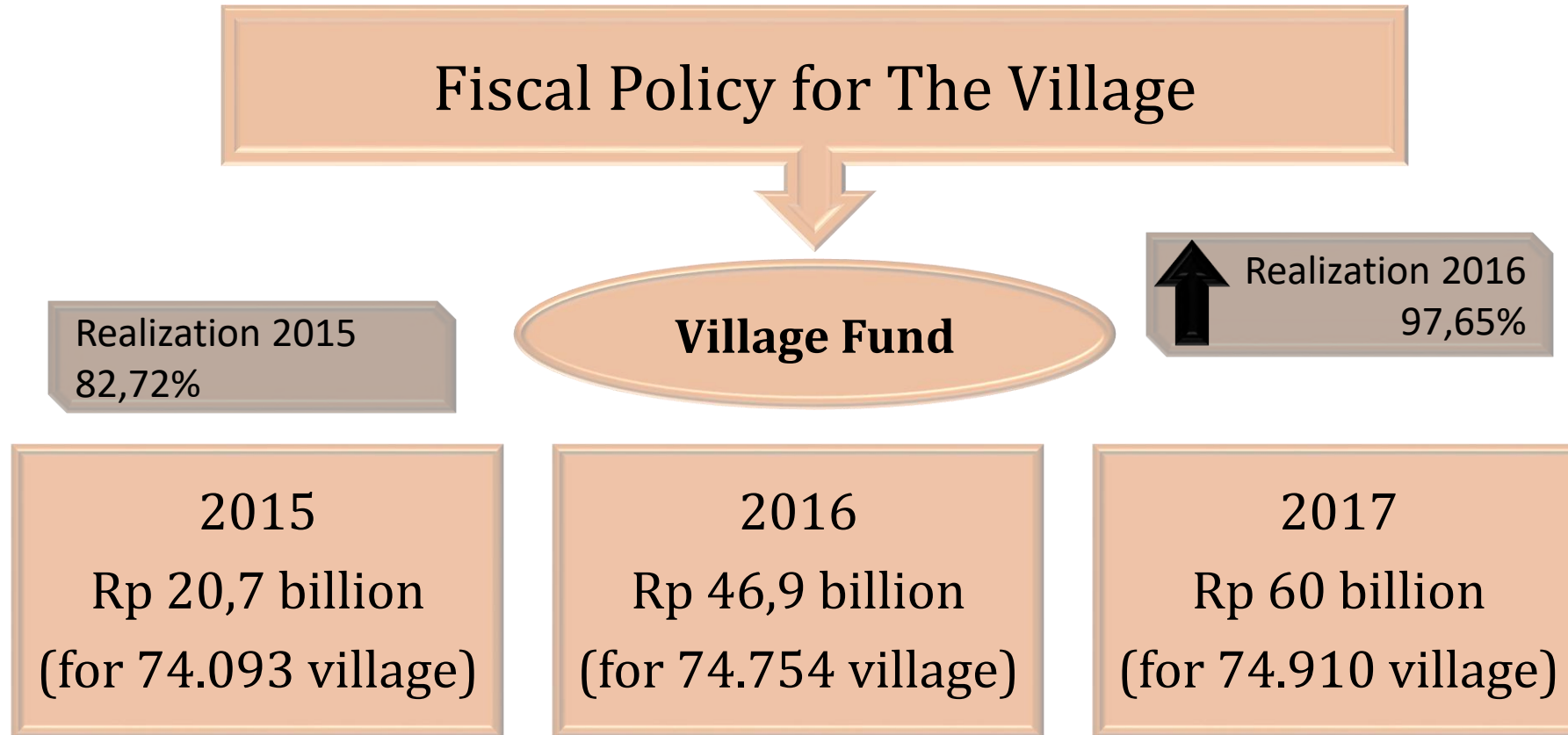
- Economy Aspect
 - Revenue
 - Profit
 - Capital
 - Market share
- Social Aspect
 - Job Creation
 - Community Accessibility for:
 - Finance access
 - Public services access, such as health facility, education, etc
 - Community Empowerment

Village Own Enterprises and Cooperative

- Village Own enterprise is more inclusive than cooperative:
 - Cooperative is a democratic economic institution that benefits its members both at the village and wider levels
 - Village Own enterprise is a democratic economic institutions that benefit all village community



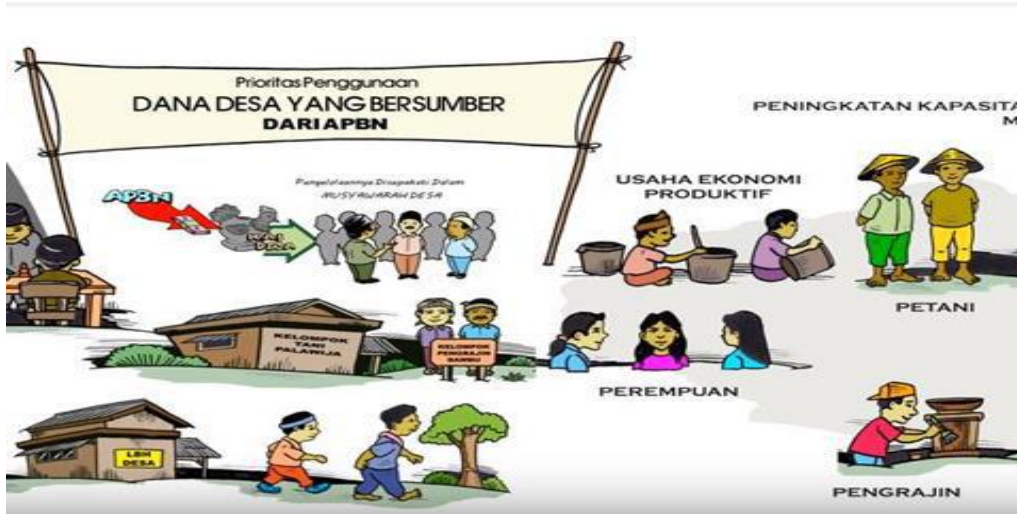
FISCAL POLICY FOR THE VILLAGE



Village Fund Governance



COMMUNITY EMPOWERMENT THROUGH VILLAGE FUNDS



Village Fund



EXPECTED ACHIEVEMENTS



Community Facilitator

INCREASING CAPACITY & CAPABILITY OF VILLAGE PEOPLE

INCREASING INNOVATION, AWARENESS AND PARTICIPATION OF VILLAGE COMMUNITIES IN DEVELOPMENT

OPTIMIZING UTILIZATION OF SUSTAINABLE ASSETS OF VILLAGES

Village Fund Achievements for 2 Years

- 1 The rise of MUSDES activities and community participation from planning to execution of development
- 2 Budget transparency becomes a new necessity as part of the accountability of village governance
- 3 Self-help and mutual assistance are increasing, since all programs must be run on a self-managed basis
- 4 The cost of development becomes very cheap because it is done by the villagers in the spirit of enthusiasm without sacrificing quality
- 5 The emergence of various efforts to strengthen the capacity of citizens and sustainable empowerment with local cultural and knowledge base

VILLAGE FUND FOR VILLAGE OWN ENTERPRISES

Village Development

To improve the welfare of the village community and the quality of human life and poverty alleviation

Empowerment Community

to increase the capacity and capability of the village community by utilizing its own resources and resources so that the village can support itself independently.

should consider Village typology

Sumber: Permendesa No. 21/2015 tentang Penetapan Prioritas Penggunaan Dana Desa Tahun 2016

CAPITAL



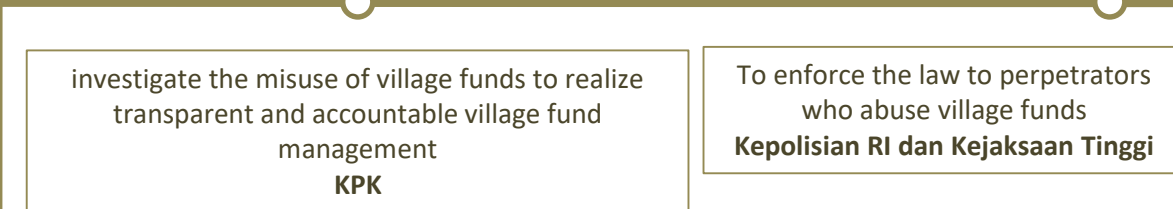
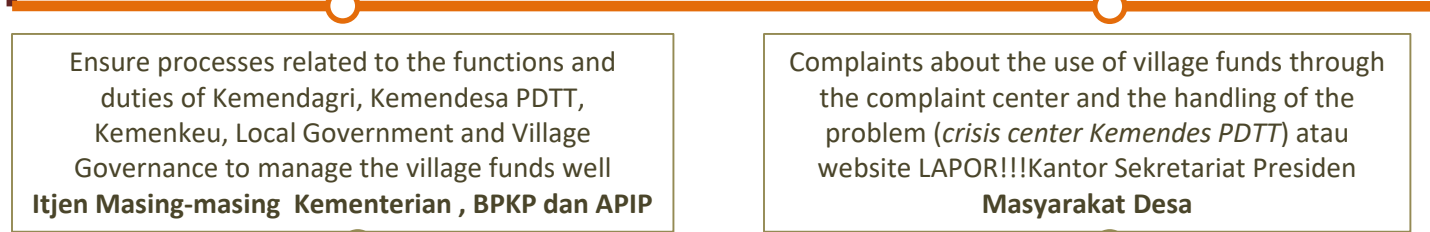
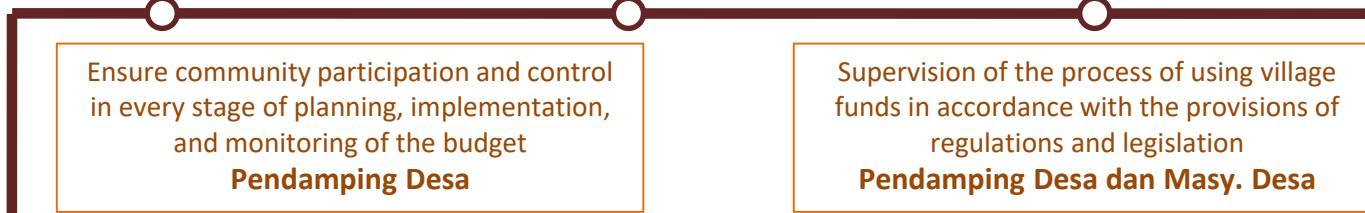
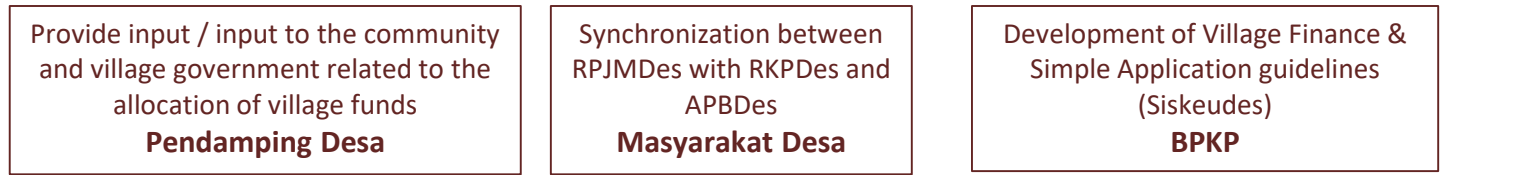
TRAINING SKILL AND ENTREPRENEURSHIP



DEVELOPMENT OF TOOLS AND PRODUCTION FACILITIES



VILLAGE FUND MONITORING



**MANAGEMENT OF
TRANSPARENT AND
ACCOUNTABLE VILLAGES
FUND**

TAHAPAN :

- Mitigasi
- Perencanaan
- Pelaksanaan
- Monev
- Tindak lanjut

UNIVERSITY ROLE FOR VILLAGE FUND

Coaching or training the village apparatus in the management of village funds

Academics from the university can provide training and guidance on how to manage village funds effectively for development and empowerment

Devotion to the village community in terms of development and empowerment through village funds

One of the academics responsibility is the dedication to society, in this case do the devotion to the village community

Facilitator in the use of village funds that are more transparent and accountable

Assist villagers in managing village funds to be accountable and transparent

THANK YOU