



ISSN : 3032-131X

<https://doi.org/10.61796/jgrpd.v1i4.1003>

LEGALITY OF COMMUNITY PARTICIPATION IN CROWDFUNDING ACTIVITIES AS A SOURCE OF FUNDING IN VILLAGE-OWNED ENTERPRISES

Lucilia Riska Azhar¹, Rifqi Ridlo Phahlevy²^{1,2} Law Study Program, Muhammadiyah University of Sidoarjo, Indonesiaqq_levy@umsida.ac.id

Received: Feb 22, 2024; Accepted: Mar 29, 2024; Published: Apr 22, 2024;

Abstract: This article reviews the legality of community participation in crowdfunding activities as a source of funding for BUMDes. The focus of this research is on the scheme of crowdfunding activities carried out by BUMDes in funding the capital of their business units. This research uses a normative juridical method with a legislative and case approach. Regulations related to crowdfunding activities as a source of funding for BUMDes are regulated in Law No. 9 of 1961; Law No. 25 of 2007; Law No. 6 of 2014 concerning Villages jo Law No. 3 of 2024; Government Regulation No. 11 of 2021; As well as Permendesa PDPT No. 3 of 2021. In this article, we use BUMDes Suwaluh Mandiri Sejahtera as an example of the use of crowdfunding activities in BUMDes. Through this legal framework, BUMDes can utilize crowdfunding activities as an alternative funding that involves active community participation. This study aims to analyze the legality of community participation in crowdfunding activities through community capital participation as a form of funding support for BUMDes.

Keywords: BUMDes; Funding Sources; Crowdfunding activities; Community Participation

This is an open-access article under the [CC-BY 4.0](https://creativecommons.org/licenses/by/4.0/) license

Introduction

Based on Law Number 6 of 2014 concerning Villages, Village-Owned Enterprises or BUMDes are regulated which are business entities with most of their capital owned by villages [1]. The capital participation comes from the village's wealth which is separated to manage assets, businesses, or services for the welfare of the village community. BUMDes has an important role in developing the potential of villages in the BUMDes area. Article 90 letter a states that the village government has the authority to encourage the growth of BUMDes by providing capital support or funding. Not only that, the progress of a village is also determined by the implementation of development that aims to improve the quality of life of the community [2].

BUMDes capital can be from village capital participation, village community capital participation, or from business profits that have been determined through village deliberations [3]. Village capital participation is sourced from the Village Budget in accordance with the regulations of each village. In addition, the procurement of funding sources for capital strengthening can be by initiating community participation in crowdfunding activities through the participation of village community capital. This crowdfunding activity involves the community in the development of a business. Judging from article 1 of law No. 9 of 1961, it is explained that every effort made to obtain goods or services is used to promote social welfare. This is in line with the goal of BUMDes to prosper the village community through the various businesses it runs [4].

In Government Regulation Number 11 of 2021 concerning Village-Owned Enterprises, article 40 states that BUMDes are allowed to utilize funds or capital derived from the participation of village community capital [5]. This community capital participation can be done as initial capital for the establishment or additional capital of BUMDes. The capital participation of the village community can be used for the development of BUMDes business activities, business capacity building, or strengthening the capital structure. Thus, village communities can carry out crowdfunding activities as a source of funding or business development of BUMDes through capital participation that must be determined in village deliberations. However, the first step that must be taken is to ensure the legality of the establishment of Village-Owned Enterprises in accordance with the provisions stipulated in Government Regulation Number 11 of 2021. The regulation explains that BUMDes must be officially registered with the Ministry of Law and Human Rights to obtain legal entity status [6].

Several previous studies have also examined the capital of BUMDes. Previous research conducted by Tamara Putri Halim Sanjaya (2020) in her research entitled "The Role of Savings and Loan Cooperatives on the Capital of BUMDes Business Units (Case Study in Pameungpeuk District, Bandung Regency)". The focus of this research is on capital financing strategies for business units under the auspices of BUMDes. Business units under the auspices of BUMDes are experiencing obstacles related to capital. Although, the local government has provided village funds to support BUMDes business units, but it has still not been able to overcome these capital problems. Through this approach, business units have the option to overcome capital financing challenges by utilizing loans from cooperatives. This is because cooperatives offer lower interest rates than conventional bank loans. In addition to providing financial solutions for business units, cooperatives and business units under the auspices of BUMDes can play an active role in local economic development which is expected to improve the welfare of the local area [7].

In a study on "Strengthening the Capacity of Sambimulyo BUMDes Sambirejo Village, Prambanan District in Improving the Economy (Case Study of Breksi Cliff Tourism)", Andri Kurnia Wijaya and Erni Zuhriyati (2020) explained that at least 80% of the capital from Sambimulyo BUMDes comes from village assets. The initial capital of Rp. 51,000,000 obtained from the village in 2016 was then allocated to finance savings and loan cooperatives and printing activities in 2019 [8]. According to Breni Septariano and Ira Permata Sari (2021) in their research entitled "Market Intermediation with Alternative Crowdfunding Financing: Collaborative Work of Local Government – Private – Community in an Effort to Increase the Income of the Poor in Trenggalek Regency" explained that establishing partnerships with crowdfunding institutions is a strategic step taken to maintain the market intermediary program with biopharmaceuticals in Pule District. This initiation aims to strengthen the capital of Independent Village-Owned Enterprises through a crowdfunding financing scheme. Community participation in providing financial support is actualized through crowdfunding providers. This funding approach is not only a financial solution, but also the implementation of the value of mutual cooperation packaged using technology [9].

Based on existing research, capital in BUMDes uses capital from villages, the results of businesses run by BUMDes, savings and loan cooperatives, and also crowdfunding through crowdfunding institutional partnerships. However, this study focuses on the funding aspect of BUMDes through crowdfunding activities involving capital participation from village communities. This shows that there is an initiative from the BUMDes management to involve the village community to actively participate. Thus, this study contributes to the understanding of the legality of capital in the development of BUMDes business units by focusing on crowdfunding activities through capital participation from village communities.

The application in real situations regarding crowdfunding activities as an example is the Suwaluh Mandiri Sejahtera BUMDes in Suwaluh Village. These BUMDes have obtained a legal entity certificate and a Business Identification Number (NIB) in 2021. The business units run by BUMDes Suwaluh Mandiri Sejahtera consist of capital lending units, pansimas units, Bumdesmart units, Suwaluh Sport Center multipurpose building units, BNI'46 agent units, and tourism units. Related to the capital of BUMDes, which if only relies on funds from the village, the development of BUMDes is considered to be slow. Therefore, the management of BUMDes Suwaluh Village initiated by holding crowdfunding activities through the participation of village community capital. So, the question arises about what is the basis for the legality of BUMDes to carry out crowdfunding activities as a source of funding for BUMDes businesses? What form of crowdfunding is possible for the participation of village communities? And what is the legality of the participation of village communities in crowdfunding activities for Village-Owned Enterprises?.

The purpose of this study is to analyze the legality of community participation in crowdfunding activities through community capital participation as a form of funding support for BUMDes. This can provide certainty and legal guarantees to the community regarding the management and utilization of the funds they include in BUMDes. Thus, it is hoped that strong trust will be created among the community in the implementation of business activities at the village level, so that it can increase community participation and contribution in local economic development through BUMDes.

Methods

In this study, a normative juridical method is used with a legislative approach and a case approach. This study examines regulations related to crowdfunding activities and BUMDes. Primary legal materials relevant to the research are:

- a. Law No. 9 of 1961 concerning the Collection of Money and Goods;
- b. Law No. 25 of 2007 concerning Investment;
- c. Law No. 6 of 2014 concerning Villages jo Law No. 3 of 2024 concerning the Second Amendment to Law No. 6 of 2014 concerning Villages;
- d. Government Regulation No. 11 of 2021 concerning Village-Owned Enterprises; And
- e. Regulation of the Minister of Villages, Development of Disadvantaged Regions and Transmigration No. 3 of 2021 concerning Registration, Data Collection and Ranking, Coaching and Development, and Procurement of Goods and/or Services for Village-Owned Enterprises/Joint Village-Owned Enterprises.

Meanwhile, literature reviews are also based on secondary legal materials from books, journals, scientific publications, or other relevant sources. This method uses systematic interpretation to produce general conclusions according to the research objectives. In addition, this study also takes examples of cases that occur in the community so that they can be analyzed based on facts that have occurred in accordance with the research topic.

Results and Discussion

A. Funding Sources for Village-Owned Enterprises

A village is a legal community unit that has certain territorial boundaries and is authorized to regulate and manage the government, as well as the interests of the local community. This authority is based on community initiatives, rights of origin, and/or traditional rights that are recognized and respected in the system of government of the Unitary State of the Republic of Indonesia. As a legal entity, the village has the responsibility to promote local welfare in accordance with the norms and values of its community, including its financial management by paying attention to the needs and priorities of the community [10].

In this case, the village government established Village-Owned Enterprises to increase the income and welfare of the local community. BUMDes is a legal entity owned by the village to manage

business activities, use assets, develop investment and productivity, and can provide services to the village community. In other words, BUMDes is a government initiative to help villages in terms of finance and increase people's income in rural areas. The village government can also strengthen village finances so that the government runs well. The village government manages economic enterprises in the village to get additional income through BUMDes. This revenue is used to finance various village needs ranging from infrastructure development to public services. This is in accordance with Law Number 6 of 2014 jo Law No. 3 of 2024 which explains that villages have the authority to manage and regulate their resources for the prosperity of the village community.

Village-Owned Enterprises are established through a village deliberation process based on article 88 of Law No. 6 of 2014 jo Law No. 3 of 2024. The establishment and management of BUMDes is carried out through deliberation based on the spirit of kinship and mutual cooperation. The establishment of BUMDes that has been agreed upon in the village deliberations is stipulated in the village regulations. After this determination, BUMDes has obtained the status of a legal entity. However, based on Government Regulation Number 11 of 2021, there are changes to the status of BUMDes legal entities. BUMDes must be registered in the administrative system of business entities of the Ministry of Law and Human Rights. Based on article 8, the status of a BUMDes legal entity is obtained if an electronic registration certificate has been issued from the Ministry of Law and Human Rights [11].

Government Regulation Number 11 of 2021 is a complement to the previous regulation. If BUMDes has not been registered in the electronic system owned by the Ministry of Law and Human Rights, it does not eliminate the status of legal entities attached to the BUMDes. Based on article 1653 of the Civil Code which explains that legal entity associations are held by the general power, recognized by the general power, and do not contradict the law or morality. Based on this, the status of legal entities in BUMDes remains inherent because BUMDes were established and recognized by the village government.

In addition to the legality of the establishment of BUMDes, funding sources are also a crucial aspect in running a BUMDes business. The source of funding is a source of funds used to carry out business activities in BUMDes. This source of funds can come from government capital or village communities. The government can provide support in the form of grants or other ease of access to capital. Meanwhile, the community can participate through crowdfunding activities that involve the active participation of the village community. Judging from the various funding sources, BUMDes can be used to develop businesses run by BUMDes.

The source of BUMDes funding in article 90 of Law Number 6 of 2014 in conjunction with Law No. 3 of 2024 can come from the government, either from the national, provincial, district/city, or village levels. This can be done by providing grant assistance or access to capital to BUMDes [12]. The government in this case can provide funds or ease of access to funding to BUMDes so that they can start and develop their businesses. In addition, the government can also provide technical assistance and access to the market which means that the government can help BUMDes with the necessary technical knowledge and skills to run their businesses. The government can also prioritize BUMDes in the management of natural resources in villages. This means that the government provides support and opportunities for BUMDes to make the best use of natural resources in the village for the welfare of the village community. Through this source of funding, the government seeks to improve the ability and economic welfare of the community through the active role of BUMDes.

The source of funding is also regulated in Government Regulation No. 11 of 2021 Chapter VI which explains that at the time of establishment of a capital business unit, BUMDes can take advantage of funding sources from various sources such as capital from the village that comes from the Village Budget, the participation of village community capital, and also part of the business profit that has been approved in the village deliberations. The funding not only serves as initial capital, but can also be useful for increasing business capacity through various development and training programs. Thus, this funding is an important key in the development of BUMDes as a sustainable

economic entity.

The participation of village capital sourced from the Village Revenue and Expenditure Budget (APBDesa) is an important foundation in supporting the existence of Village-Owned Enterprises (BUMDes). The Village Budget is prepared annually through a village deliberation process, which accommodates the needs and priorities of village development. Capital participation from the village can be in the form of money or goods other than land and buildings. The source of funds from this capital participation can be directly channeled to BUMDes no later than three months after it is determined at the village deliberations.

On the other hand, capital participation from village communities also makes an important contribution to BUMDes. The source of funding that comes from the capital participation of the village community comes from individuals and institutions. This funding involves the community directly in the form of cooperation between the community and BUMDes, so that it can be carried out based on mutual cooperation. This can create openness and responsibility between BUMDes and the community involved in accordance with the principles of BUMDes. The contribution from the capital participation made by the community is an important resource for BUMDes to develop business units that aim to improve the standard of living of the village community.

The development of BUMDes business units is also inseparable from the existence of adequate funding sources. This can be seen in the Regulation of the Minister of Villages PD TT No. 3 of 2021 article 28 which explains that BUMDes can procure goods/services with funding derived from community capital participation. This indicates the importance of active community participation and contribution in supporting the development of BUMDes businesses. With the participation of capital from the community, BUMDes have greater access to the financial resources needed to develop their business units and increase service and production capacity. Thus, collaboration between BUMDes and the community is the key in strengthening the local economy and improving mutual welfare at the village level.

Business units that can be carried out by BUMDes focus on economic management in rural areas. This business can involve various sectors including services, trading of agricultural products, distribution of basic materials, handicrafts or other businesses that do not violate laws and regulations. Businesses in the service sector can include transportation services, microfinance services, communication services, energy services, construction services, and tourism services. BUMDes also has an important role in developing businesses and investments in the village. BUMDes aims to advance the village in a sustainable manner by improving the welfare of the entire community. BUMDes can also optimize the resources owned by the village. This can create new jobs so as to improve the standard of living of people in the village. The existence of BUMDes is expected so that the community can benefit from the management and services provided.

This can be seen in the Suwaluh Mandiri Sejahtera BUMDes as an example of a funding source. In the Suwaluh Mandiri Sejahtera BUMDes, the source of funding according to Village Regulation No. 4 of 2016 concerning the formation, establishment and management of the Suwaluh Village BUMDes article 7 can come from the village government, assistance from the central government, loans from banking institutions, capital transfers from third parties or the private sector, capital from the community, and frozen deposits. However, the funding sources used at this time come from the village government and also capital participation from the local community. The capital participation of the village community was obtained by crowdfunding carried out by the community to increase capital in the Suwaluh Mandiri Sejahtera BUMDes business unit. This BUMDes is engaged in the business of building rental, savings and loans, agriculture and fisheries, shops, clean water supply, and payment services. In addition, BUMDes also develops its business units by holding tourism units.

In this case, BUMDes collaborates with local communities to provide funding that prioritizes community empowerment patterns. The village community is directly involved in the business journey owned by BUMDes by crowdfunding through the participation of village community capital. With this involvement, the community not only supports the local economy but also actively

participates in developing businesses, so that it can sustain and strengthen the economy of the village community in a sustainable manner.

B. Crowdfunding as a Source of Funding for BUMDes

Indonesia is a country with cultural values that are still inherent to this day. One of these cultural values is mutual cooperation [13]. Gotong royong is a form of social solidarity between communities that is formed due to cooperation for personal or group interests, so that there is a loyal attitude towards each other. In this context, the emergence of fundraising activities or crowdfunding becomes relevant. Crowdfunding activities mean activities to collect funds from the local community. The purpose of the activity is to support development from various fields such as social welfare, religion, education, and so on.

Gotong royong has two forms, the first is in the form of voluntary cooperation between individuals that arises from the community's own initiative. Second, it comes from internal systems in society that are designed to improve common welfare. However, mutual cooperation is not limited to social activities only, but can also be applied to economic activities. One example is the use of funding schemes that utilize crowdfunding activities. The community in this case, together can provide capital to BUMDes to support their business units. Thus, mutual cooperation is not only the foundation for social solidarity, but can be a source of economic strength that helps improve the welfare of the village community.

Crowdfunding activities can be a solution for institutions related to funding problems. These activities can strengthen institutional finances, so that the business units or programs that are run can develop according to the needs of the community. Not only that, this activity can also be a strategic innovation to attract funds from the community. It also allows the community to play a role and actively participate in sustainable development. Crowdfunding activities are regulated in Law No. 9 of 1961 concerning the Collection of Money and Goods of a conventional nature. Article 1 states that every effort to obtain money and goods is used for development in the social welfare sector, fulfillment of mental/spiritual needs, physical health, and culture. The scope of crowdfunding in BUMDes funding is as follows:

a. Regulation of crowdfunding in BUMDes

BUMDes was established in the spirit of mutual cooperation to build the economy in the village. The realization of this economic development requires capital or funding, so that BUMDes can take advantage of crowdfunding activities that are in accordance with Indonesian cultural values. Crowdfunding activities carried out by village communities are in accordance with laws and regulations.

In Government Regulation No. 11 of 2021, capital participation from village communities can come from various parties such as individuals or individuals, a combination of village communities, legal entities and unincorporated institutions. Village communities individually through their own initiative or a group of communities that have agreed can include their funds to BUMDes. In addition, institutions or organizations, both legal entities and non-legal entities, can also include their capital to support activities carried out by BUMDes.

Capital participation from various parties in BUMDes is carried out through a village deliberation process. This is in accordance with Government Regulation No. 11 of 2021 article 16 which explains that village deliberations hold the highest power in BUMDes. Village deliberations also need to be attended by the Village Consultative Body, the Village Government, and community elements. The village deliberations are held in a place that is easily accessible to residents. The village deliberations can explain the purpose and benefits of capital participation for BUMDes. In accordance with article 18, decisions are taken collectively at the time of village deliberation based on the principle of deliberation for consensus.

The capital participation of the village community can be in the form of contributions of money or goods, except for land and buildings according to applicable regulations. Capital collection from the village community is carried out through a deliberation process and decisions on capital participation are made together. Funds derived from community capital participation are distributed

to BUMDes in accordance with the mechanism that has been regulated in village regulations or local policies. This is an important resource for BUMDes to develop businesses, programs, or other activities aimed at improving the welfare of village communities.

Funding for BUMDes can be in the form of goods or money. Funding in the form of goods must be recorded in the financial statements of BUMDes, while funding in the form of money must be placed in BUMDes accounts. The amount of capital ownership of BUMDes obtained through community crowdfunding activities must not exceed the capital provided by the village. In addition, at least 51% of the total capital of BUMDes must be owned by the village [14]. This ensures that the village still has majority control over BUMDes.

Government Regulation No. 11 of 2021 emphasizes the importance of capital contribution from village communities in supporting the development of BUMDes. This capital can come from various parties who voluntarily provide funding to support BUMDes. Contributions from the village community are an essential resource for BUMDes in developing businesses and programs with the aim of improving the welfare of the village community. The capital received must be managed transparently, both in the form of financial statements for goods and money, so that the village can direct BUMDes activities in accordance with the needs and interests of the community.

The management of this crowdfunding source must be in accordance with the principles of BUMDes. These principles are such as transparency, accountability, effectiveness, efficiency, and prudence. The implementation of transparency is very important for BUMDes in running their business units to ensure the harmony of information between many parties, such as the village government which plays the role of stakeholders. The principle of transparency must also be upheld because BUMDes as a village-owned business is directly supervised by the government and village communities. Therefore, this principle aims to minimize the potential for fraud and increase public trust in BUMDes [15].

Not only that, the principle of accountability also needs to be upheld by BUMDes. This is because accountability is a form of good governance in a community service organization. The form of accountability is realized in the report which includes the planning, implementation, management, and accountability process. This aims to maintain public trust and the existence of business entities. In addition, the principles of effectiveness and efficiency also need to be applied to direct each process of activities and institutions to produce something that is truly in accordance with the needs through optimal utilization of various available resources [16]. The next principle that needs to be considered is the application of the principle of prudence. The purpose of this principle is so that BUMDes are in a good state in running their business in accordance with the applicable legal provisions and norms. By applying these principles, BUMDes can ensure that the activities carried out run responsibly so as to provide maximum benefits for the community.

b. Crowdfunding in BUMDes from a Crowdfunding Perspective

Crowdfunding activities carried out by BUMDes involve direct cooperation from other parties. The other party is the village community who chooses to directly include their funds to BUMDes. In this cooperation, it must be mutually beneficial and protect the interests of the village and the village community. Funding for crowdfunding activities through community capital participation must obtain approval from the village deliberations. In this activity, the community includes their capital to BUMDes which will then be distributed to the managers of BUMDes business units.



Figure 1. Flow of BUMDes Crowdfunding Activities

BUMDes in carrying out crowdfunding activities for business unit activities involves the active participation of village communities. Through this scheme, village communities contribute

funds to BUMDes which are used to encourage the development and development of their business units. This participation not only provides the needed capital, but also strengthens community involvement in village economic development. By collecting funds from the community, BUMDes can take advantage of local potential by improving the welfare of residents and ensuring that the profits generated from the business unit return to the village community to strengthen the local economy in a sustainable manner.

The implementation of the value of mutual cooperation is growing along with the development of technology. At this time, the term Crowdfunding appeared. Crowdfunding is a system used by companies or individuals who are looking for capital to get investors through an open electronic network platform [17]. Although the purpose of crowdfunding and crowdfunding activities is the same, which is to raise funds, they have different concepts. Crowdfunding can be said to be a method to raise money from a group as a funding scheme. The concept of Crowdfunding is carried out on a small scale from a number of people ranging from small or large numbers to fund a business.

In the Crowdfunding flow, the Crowdfunding platform acts as an intermediary between investors/financiers and creators/borrowers. The rewards received by investors/funders depend on the type of Crowdfunding. Crowdfunding programs allow individuals to allocate funds as venture funding facilitated by the platform. According to Massolution, Crowdfunding can be divided into 4 categories, namely donation-based crowdfunding which is crowdfunding for non-profit projects such as donations, waqf, zakat, building orphanages, and so on. Second, prize-based crowdfunding is usually used in the creative industry. Third, loan-based crowdfunding where the donor gets interest when receiving the money back. Fourth, equity-based crowdfunding where investors get rewards in the form of shares [18].



Figure 2 Crowdfunding Flow

A business entity can do crowdfunding according to the type of business classification. Crowdfunding is profitably used for commercial purposes such as promoting products, setting up businesses, and so on. In this Crowdfunding, the public can contribute by investing or buying the products offered by the project. From the results of this participation, they will get rewards in the form of profits from product sales or share ownership. Non-profit crowdfunding is when a group of people start a project for social benefits without seeking financial gain. All groups of people can contribute to making donations to support and help realize the project.

This is different from the concept of crowdfunding activities. The most important difference between crowdfunding and crowdfunding activities lies in the way they are carried out. Crowdfunding activities are carried out conventionally without using electronic networks or platforms, while Crowdfunding utilizes digital platforms. In addition, in Crowdfunding there are various types of Crowdfunding, while crowdfunding activities in BUMDes use the concept of capital participation of village communities. In other words, crowdfunding is broader while crowdfunding for BUMDes focuses more on direct contributions from village communities to support local business units and strengthen the village economy in a sustainable manner.

Crowdfunding is regulated in POJK No. 37/POJK.04/2018 and POJK No. 16/POJK.04/2021 jo POJK No. 57/POJK.04/2020. Crowdfunding cannot be done carelessly because institutions that conduct crowdfunding must be recognized and supervised by the Financial Services Authority. On the other hand, crowdfunding activities can be carried out directly to BUMDes without intermediaries in accordance with the principle of mutual cooperation. The parties involved in this activity collect

the funds together. In crowdfunding activities, capital participation is carried out based on village deliberations stipulated in the articles of association of BUMDes. This shows that although these two funding activities aim to raise funds, the way they are implemented has fundamental differences related to regulation and stakeholder engagement. Crowdfunding is more structured and closely supervised, while crowdfunding prioritizes togetherness and local agreements without external interference. The following is a table of differences between crowdfunding activities carried out by BUMDes and Crowdfunding:

Table 1. The Difference Between Crowdfunding Table and Crowdfunding Activities

No	Aspects	Crowdfunding	Crowdfunding Activities by BUMDes
1	Definition	A system used by companies or individuals seeking capital to obtain investors through an open electronic network platform.	The activity collected funds from the local community to provide funding to BUMDes.
2	Method	Using digital platforms or electronic networks	Carried out conventionally without using digital platforms
3	Assent	It is regulated and supervised by the Financial Services Authority (OJK).	Must get approval from the village deliberations.
4	Kind	- Donations-Based - Reward-Based - Debt-Based - Equity-Based	Capital participation of rural communities
5	Funding Participation Rewards	- No reward (Donation-Based) - Reward-Based - Debt-Based - Equity (Equity-Based)	In the form of profit-sharing money
6	External Parties	Involving digital platforms as third-party organizers.	Without involving external parties as organizers.
7	Regulation	- POJK No. 37/POJK.04/2018 concerning Crowdfunding Services through Information Technology-Based Stock Offerings - POJK No. 16/POJK.04/2021 jo POJK No. 57/POJK.04/2020 concerning Securities	- Law No. 6 of 2014 jo Law No. 3 of 2024 concerning the Second Amendment to Law No. 6 of 2014 concerning Villages - Government Regulation No. 11 of 2021 concerning Village-Owned Enterprises

Offerings through
Information
Technology-Based
Crowdfunding
Services.

- Village
Regulations

C. **Community Participation Space in Crowdfunding for Village-Owned Enterprises**

Village-Owned Enterprises (BUMDes) have the authority to involve community participation through crowdfunding activities to build and develop businesses in village areas. This is based on laws and regulations that accommodate the concept of capital participation from the community in accordance with Government Regulation No. 11 of 2021 concerning Village-Owned Enterprises. Article 40 of the PP states that the source of funding or capital of BUMDes consists of three sources, namely the village, the village community, and the part of BUMDes business profits. Crowdfunding activities involving community capital participation can be carried out after receiving approval and decision from the village deliberations. Crowdfunding activities with the concept of community capital participation are one of the mechanisms that allow BUMDes to develop their businesses and strengthen the local economy.

Government Regulation No. 11 of 2021 article 3 emphasizes that BUMDes aims to carry out activities in the economic sector by developing an economy that takes advantage of the potential of the village. This goal is intended to increase the economic resources of the village community so that it can develop as much as possible. BUMDes held crowdfunding activities as a manifestation of the principle of mutual cooperation that has long been part of the life of people in rural areas. This activity is based on regulations set by the village government through the results of village deliberations.

The concept of crowdfunding involves active community participation that reflects the nature of kinship among village communities. Crowdfunding activities through the concept of capital participation of village communities are not only a tool to collect funds, but also realize social and cultural values that are deeply rooted in rural communities. This community capital participation can be used as a source of initial capital funding for the establishment of BUMDes and also as an additional capital for BUMDes. The need for additional BUMDes capital is conveyed by the operational executor to advisors and supervisors. In this case, the capital increase plan must be approved in village deliberations and stipulated in the amendment of the Village Regulation regarding the articles of association of BUMDes.

In crowdfunding activities through the participation of village community capital, it is used for various purposes. These objectives include the development of BUMDes business activities and their business units, increasing business capacity by strengthening the capital structure, and implementing certain activities assigned by the village to BUMDes. The funds collected from the participation of community capital can be used to expand and improve business activities managed by BUMDes. The development of business activities carried out by BUMDes through this funding source can provide greater economic benefits to the village community.

In crowdfunding activities through the participation of village community capital, it can involve the participation of each individual. This is in accordance with article 40 paragraph 4 of Government Regulation No. 11 of 2021 which explains that the capital participation of village communities comes from every individual, either a combination of village communities, or from legal or unincorporated institutions. This means that crowdfunding activities are not limited to village communities only, but every individual has the opportunity to include their funds in BUMDes. This community participation allows for a wider contribution to support the development of the village economy.

A concrete example of this crowdfunding activity occurred at BUMDes Suwaluh Mandiri Sejahtera. The implementation of crowdfunding activities at BUMDes Suwaluh Mandiri Sejahtera is carried out through a cooperation scheme called Synergy 3. This cooperation scheme involves three parties consisting of the community that includes capital, BUMDes Suwaluh Mandiri Sejahtera, and

also business unit managers. This Suwaluh BUMDes acts as the person in charge and controller of the business unit. In this case, BUMDes is responsible for all forms of professional development of the business units it runs. BUMDes Suwaluh Mandiri Sejahtera uses this scheme to fund the procurement of tourism units.

The flow of community funding that will include their funds to BUMDes Suwaluh Mandiri Sejahtera begins by making an agreement with BUMDes Suwaluh Mandiri Sejahtera. Funds that go to BUMDes in accordance with the management rights agreement will be spent on a number of equipment, raw materials, and procurement of tourism unit buildings by business unit managers. At the end of the period, profits and losses from the business that have been carried out by BUMDes will be taken into account in accordance with the mutual agreement. In this case, to make it easier to calculate the profit, BUMDes sets the minimum number of funds that the community includes which is Rp. 250,000 and multiples apply. The maximum limit for the public to include the funds is Rp. 2,500,000 stated in the share certificates.

The scheme run by BUMDes Suwaluh Mandiri Sejahtera is included in the investment category. In accordance with law No. 25 of 2007, article 1 states that investors can come from individuals or business entities. This means that people who participate in including their funds in BUMDes can be called investors. Thus, investors have a foundation in carrying out their investment activities [19]. This investment activity is carried out by investors to improve welfare as expected [20]. In this case, investors or the community who include their funds hope that the funds can be used for the development of business units run by BUMDes, so that it will have a positive impact on the village. Not only that, BUMDes also hopes that the public can entrust their funds to BUMDes, so that the funds can be managed for the advancement of the business units they run.

Community participation in crowdfunding activities in BUMDes can be said to be effective because it helps BUMDes to overcome funding problems. This can be seen in the Suwaluh Mandiri Sejahtera BUMDes which have carried out the crowdfunding activity. Before carrying out crowdfunding activities, the BUMDes only relied on funding from the village, a share of the profits from the activities of their business units, and if there was assistance from the regional/central government. The business units run by BUMDes at that time grew slowly due to lack of funding. Therefore, BUMDes initiates crowdfunding through community capital participation so that its business units can develop and bring progress to the village. So, at this time BUMDes Suwaluh Mandiri Sejahtera can develop its business unit, marked by the procurement of a new business unit, namely the tourism business unit. In addition, as time progresses, the business of BUMDes Suwaluh Mandiri Sejahtera is growing through increasing consumer trust, so that the income at the BUMDes increases.

Through crowdfunding activities carried out by BUMDes Suwaluh Mandiri Sejahtera, people who include their funds also benefit. One form of this profit is the profit sharing received by the community of 70%. In addition, BUMDes Suwaluh Mandiri Sejahtera also protects the capital included by the community. If in the final period there is a loss to the community that includes its funds, then BUMDes will bear the losses experienced by investors without reducing the value of the capital that the community includes. This is in accordance with the agreement between the BUMDes and the community. It is also strengthened in Government Regulation No. 11 of 2021 article 68 which states that if there is a cessation of BUMDes business activities, then the community that makes capital participation only bears losses in the amount of the capital they include.

This is also in accordance with Government Regulation No. 11 of 2021 article 63 which explains that BUMDes losses caused by business failure are not due to the negligence of advisors, operational implementers, or supervisors so that they cannot cover the loss of assets and wealth owned, so it is decided through village deliberation. Based on village deliberations, a policy option can be taken that BUMDes assets can be returned to capital participants and business activities can be stopped. If the loss of BUMDes is caused due to the negligence of the advisor, operational implementer, or supervisor, the form of accountability must be carried out based on village deliberation in accordance with article 62 of Government Regulation No. 11 of 2021. If the parties

do not have good faith, the settlement is carried out through the applicable legal process. However, the regulation needs additional regulations that provide rules on guarantees to the community that include capital. This capital inclusion guarantee needs to be provided as well as the crowdfunding rules regulated in the regulations of the financial services authority. With this regulation, people who invest through this crowdfunding scheme have a guarantee of capital security and significant profit potential. This guarantee can be in the form of legal protection from financial institutions or a refund policy in the event of a business failure in BUMDes. Therefore, additional regulations regarding this guarantee are important to increase public confidence in investing to support village economic activities through BUMDes.

However, BUMDes also faces challenges in terms of managing crowdfunding activities through community capital participation related to the value of the amount of capital included by the community. The amount of funding capital included by the community in this crowdfunding activity can exceed the amount of funding from the village. Thus, funds that exceed the village capital are considered debts and BUMDes must buy shares from the capital that the community includes. This is because in accordance with Government Regulation No. 11 of 2021 article 39 explains that the largest capital ownership must be held by the village. Therefore, BUMDes must buy shares from the community so that the largest amount of capital ownership remains owned by the village. With the problem of the amount of public capital ownership, there needs to be a regulation that regulates this problem. This is possible if the BUMDes business unit does promise to be developed so that it requires funds larger than the funds included by the village. Thus, the government is expected to provide additional solutions or regulations regarding the amount of capital ownership included by the community, if the funds included by the village are smaller than the funds included by the community with certain conditions.

In addition, people are also sometimes still hesitant to include their funds to BUMDes because of the lack of information they receive about this crowdfunding activity. The lack of understanding and socialization about the mechanism and benefits of crowdfunding makes people have doubts about participating. Therefore, it is important for BUMDes to increase managerial capacity and provide clear and transparent information to the public in order to build trust and active participation in crowdfunding activities.

Although there are regulations that regulate community participation in crowdfunding activities through community capital participation, these regulations still need to be detailed and clarified. There is also a need for regulations that regulate the community that includes funds in crowdfunding activities. This is because the community or investors who include funds are not only limited to the local community, but also people from outside the village can include their funds. So, it is possible that the funds they include can be larger than the funds of the village community itself. If this happens, regulations are needed that regulate that people who include funds only act as investors or passively accompany funds and the right to manage business units is fully held by BUMDes. Therefore, there needs to be more detailed regulations to ensure safety and certainty for the community who include their funds. This will help reduce risk and increase public confidence in participating, as well as ensuring that all parties involved understand their rights and obligations. Thus, BUMDes can carry out crowdfunding activities more effectively and transparently, so that the goal of village economic development can be better achieved.

Conclusion

Village-Owned Enterprises (BUMDes) have the authority to carry out crowdfunding activities in accordance with Government Regulation No. 11 of 2021. Law No. 6 jo Law No. 3 of 2024 also provides a legal basis for village governments to support BUMDes capital through various funding sources. BUMDes plays a role in village economic management to improve the welfare of local communities by utilizing various funding sources. BUMDes can involve community participation in crowdfunding through the participation of village community capital. Public capital participation in

accordance with Government Regulation No. 11 of 2021 can be carried out by any individual or institution with or without legal entity. Examples that have occurred such as the Suwaluh Mandiri Sejahtera BUMDes show that active community participation in capital participation can accelerate local economic development and strengthen the capital structure. Crowdfunding activities through community capital participation allow people to actively participate in economic development in rural areas. In addition, it can also optimize the potential in the village and ensure that this crowdfunding activity is beneficial for the village community and BUMDes. This crowdfunding activity must be regulated in accordance with village deliberations and pay attention to the principles of BUMDes such as transparency, accountability, effectiveness and efficiency, and prudence. These principles must be applied by BUMDes in managing crowdfunding activities so that they run professionally and responsibly. This is shown by the Suwaluh Mandiri Sejahtera BUMDes which collaborates with the village community. This collaboration is the key to the success of BUMDes in advancing the local economy in a sustainable manner. The implementation of crowdfunding activities at BUMDes Suwaluh Mandiri Sejahtera is marked by the procurement of tourism business units. However, this activity still requires clear regulations from the government to protect and ensure the safety of the community that includes the funds. Thus, BUMDes has a clear legal basis in carrying out crowdfunding activities so that the goals of BUMDes to develop and advance the village economy can be achieved

References

- [1] A. Alfiansyah, "Status Badan Usaha Milik Desa Sebagai Badan Hukum Atas Diundangkannya Undang-Undang Cipta Kerja | Alfiansyah | JISIP (Jurnal Ilmu Sosial dan Pendidikan)," *JISIP J. Ilmu Sos. Dan Ilmu Polit.*, vol. 5, no. 2, 2021.
- [2] F. H. U. L. Agung Suprojo, "Peran Pemerintah Desa Dalam Pengembangan Badan Usaha Milik Desa (BUMDes)," *JISIP J. Ilmu Sos. Dan Ilmu Polit.*, vol. 8, no. 367–371, 2019, Diakses: 29 April 2023. [Daring]. Tersedia pada: <https://publikasi.unitri.ac.id/index.php/fisip/article/view/2017/1467>
- [3] H. Hamdani, M. Syafei, dan E. Mintarsih, "Pelatihan Pembentukan Peraturan Desa Tentang Badan Usaha Milik Desa Berdasarkan Peraturan Pemerintah Nomor 11 Tahun 2021 Di Desa Madu Sari Kecamatan Sungai Raya Kabupaten Kubu Raya," *J. Pengabd. Kpd. Masy. Nusantara*, vol. 5, no. 1, Art. no. 1, Feb 2024, doi: 10.55338/jpkmn.v5i1.2421.
- [4] A. O. Pramesty, S. Tiara, dan A. P. Hrp, "Perancangan Pengelolaan Badan Usaha Milik Desa Berbasis Syariah," *J. Akunt. Audit Dan Perpajak. Indones. JAAPI*, vol. 1, no. 2, Art. no. 2, Agu 2020, doi: 10.32696/jaapi.v1i2.477.
- [5] N. K. Sinarwati dan M. A. Prayudi, "Kinerja Badan Usaha Milik Desa dan Kontribusinya bagi Pendapatan Asli Desa," *J. Ilmu Sos. Dan Hum.*, vol. 10, no. 3, Art. no. 3, Des 2021, doi: 10.23887/jish-undiksha.v10i3.37931.
- [6] I. Rahayu, "Analisis Hukum Terhadap Badan Usaha Milik Desa (Bum Desa) Yang Didirikan Tanpa Akta Notaris," Nov 2022, Diakses: 21 Mei 2024. [Daring]. Tersedia pada: <https://dspace.uir.ac.id/handle/123456789/41877>
- [7] T. P. H. Sanjaya, "Peranan Koperasi Simpan Pinjam Terhadap Permodalan Unit Usaha BUMDES (Studi Kasus pada Kecamatan Pameungpeuk Kabupaten Bandung)," Program Studi Akuntansi S1 Fakultas Ekonomi - Bisnis Universitas Widyatama, 2020. Diakses: 30 November 2023. [Daring]. Tersedia pada: <http://repository.widyatama.ac.id/xmlui/handle/123456789/13582>
- [8] A. K. Wijaya dan E. Zuhriyati, "Penguatan Kapasitas BUMDes Sambimulyo Desa Sambirejo Kecamatan Prambanan dalam Meningkatkan Perekonomian (Studi Kasus Wisata Tebing Breksi)," *J. Pemerintah. Dan Kebijak. JPK*, vol. 1, no. 2, Art. no. 2, Jul 2020, doi: 10.18196/jpk.v1i2.9358.
- [9] B. Septariano dan I. P. Sari, "Keperantaraan Pasar dengan Alternatif Pembiayaan Crowdfunding: Kerja Kolaboratif Pemerintah Daerah-Swasta-Masyarakat Dalam Upaya Menambah Pendapatan Warga Miskin di Kabupaten Trenggalek," *Pros. Semin. Nas. Penanggulangan Kemiskinan*, vol. 1, no. 1, Art. no. 1, Agu 2021, Diakses: 30 November 2023. [Daring]. Tersedia pada: <https://conference.trunojoyo.ac.id/pub/semnaspk/article/view/37>
- [10] D. A. S. Ramadhani, N. Hisamuddin, dan M. Shulthoni, "Analisis Rasio Keuangan untuk Menilai Kinerja APBDesa (Studi Kasus Desa Bulak Kecamatan Bendo Kabupaten Magetan)," *J. Akunt. Univ. JEMBER*, vol. 17, no. 1, hlm. 1–12, Feb 2020, doi: 10.19184/jauj.v17i1.10687.
- [11] S. B. Purwaningsih, N. F. Mediawati, L. Mursyidah, M. Faizin, M. A. Fatthurahman, dan F. Z. Siswapranata, "Bentuk-bentuk Badan Hukum Unit Usaha Badan Usaha Milik Desa," *Ganaya J. Ilmu Sos. Dan Hum.*, vol. 6, no. 4, Art. no. 4, Agu 2023, doi: 10.37329/ganaya.v6i4.2555.
- [12] S. Suparji, *Pedoman Tata Kelola BUMDes*. Jln. Sisingamangaraja, Kompleks Masjid Agung Al Azhar Kebayoran Baru, Jakarta Selatan: UAI Press, 2019.

- [13] M. A. Darmawan dan M. Yusuf, "Gotong-Royong (Haridesi) Pada Masyarakat Di Desa Wumbuburo Kecamatan Kabaena Timur Kabupaten Bombana," *SELAMI IPS*, vol. 16, no. 1, Art. no. 1, Jan 2023, doi: 10.36709/selami.v16i1.22.
- [14] M. A. Khomsin, "Analisis Yuridis Perlu Tidaknya Peraturan Desa tentang Penyertaan Modal BUM Desa: Studi Kasus di Kabupaten Kudus," *J. Studi Pemerintah. Dan Akuntabilitas*, vol. 3, no. 1, Art. no. 1, Agu 2023, doi: 10.35912/jastaka.v3i1.2331.
- [15] A. T. R. Ana dan L. L. Ga, "Analisis Akuntabilitas dan Transparansi Pelaporan Keuangan BUMDes (Studi Kasus BUMDes Ina Huk)," *J. Akunt. TRANSPARANSI DAN AKUNTABILITAS*, vol. 9, no. 1, Art. no. 1, Mar 2021, doi: 10.35508/jak.v9i1.3991.
- [16] F. E. D. Robial, C. Tarandung, A. Patiro, dan T. Wangania, "Efektivitas Penerapan Prinsip-Prinsip Good Governance Pada Pelayanan Publik Di Era Digital (Studi Di Kantor Camat Ternate Utara Kota Ternate)," *J. Pendidik. Dan Konseling JPDK*, vol. 5, no. 1, Art. no. 1, Jan 2023, doi: 10.31004/jpdk.v5i1.11695.
- [17] I. D. Marjanah dan W. Yuspin, "Implementasi Crowdfunding dalam Rangka Mengaktualisasikan Nilai-Nilai Pancasila demi Mencapai Kesejahteraan Sosial," *Pros. Semin. Nas. Program Dr. Ilmu Huk.*, hlm. 183–193, Des 2022.
- [18] N. Hutami dan I. Irwansyah, "Pemanfaatan Aplikasi Mobile Kitabisa Dalam Pelaksanaan Crowdfunding Di Indonesia," *J. Komun.*, vol. 13, no. 2, hlm. 183–194, 2019, doi: <https://doi.org/10.21107/komunikasi>.
- [19] H. Ras dan J. T. Suroso, "Kepastian Hukum Dalam Hukum Investasi Di Indonesia Melalui OMNIBUS LAW," *J. Ilm. Manaj. Ekon. Akunt. MEA*, vol. 4, no. 1, Art. no. 1, Apr 2020, doi: 10.31955/mea.v4i1.557.
- [20] W. Pontoh dan N. S. Budiarmo, "Keputusan Investasi pada Usaha Mikro, Kecil, dan Menengah," *Stud. Soc. Sci.*, vol. 2, no. 1, Art. no. 1, Jan 2020, doi: 10.35801/tsss.2020.2.1.27583.