

Analysis of Lkm-A Gapoktan Ngudi Makmur Village in Tambi in Implementing Its Activities

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Abstract

The Ngudi Makmur Gapoktan Microfinance Institution (LKM) in Tambi Village, Watukumpul District, Pemalang Regency, is a rural economic institution that plays a role in supporting savings and loan activities and community economic empowerment. This article aims to analyze the implementation of the Ngudi Makmur Gapoktan LKM activities in carrying out its functions and authorities in terms of implementation, organization, control, evaluation, and institutional legality aspects. The research method used is a normative juridical approach supported by an empirical juridical approach through work experience and direct observation of the implementation of the Ngudi Makmur Gapoktan LKM activities in Tambi Village. The results of the analysis show that in general the Ngudi Makmur Gapoktan LKM has carried out savings and loan activities in accordance with the objectives of the institution's formation and the needs of the village community. However, in its implementation there are still obstacles, including limited human resources, institutional administration that is not yet fully orderly, and limited capital. Therefore, it is necessary to strengthen the implementation and evaluation aspects of activities, increase the capacity of managers, and provide institutional support so that the implementation of LKM activities can run optimally and sustainably.

Keywords: Microfinance Institutions, Gapoktan, Activity Implementation, Tambi Village.

Introduction

Background: Rural economic development is a crucial component in achieving equitable social welfare. One of the main challenges facing rural communities, particularly farmers and micro-entrepreneurs, is limited access to capital and weak economic institutions. This situation necessitates strengthening local economic institutions capable of bridging the community's financing needs easily, securely, and sustainably.

In the context of agricultural development, the government is encouraging the formation and strengthening of Farmers' Group Associations (Gapoktan) as an institutional framework for farmers. Gapoktan not only serves as a means of coordinating agricultural activities but is also being developed as an economic institution through the establishment of Agribusiness Microfinance Institutions (LKM-A). The existence of LKM-A is expected to increase farmers' access to capital while strengthening rural economic institutions.

The Ngudi Makmur Farmers' Association (LKM-A) in Tambi Village, Watukumpul District, Pemalang Regency, was established around 2010 with initial capital sourced from government assistance. Since its inception, the LKM-A has focused on providing savings and loan services to Gapoktan members and the surrounding community. Over the course of its existence, the Ngudi Makmur Farmers' Association (LKM-A) has experienced dynamic development influenced by institutional factors, management, and the community's socio-economic environment.

Based on this background, an academic study is needed to analyze the role of the Savings and Loans Business Unit of LKM-A Gapoktan Ngudi Makmur in economic empowerment and strengthening farmer institutions, while identifying obstacles and development efforts from a legal and institutional governance perspective.

Formulation of the problem

Based on the background above, the problem formulation in this article is as follows:
What is the role of the LKM-A Gapoktan Ngudi Makmur Savings and Loans Business Unit in empowering the village community economy?

What obstacles are faced in the management and development of LKM-A Gapoktan Ngudi Makmur?

How can institutional strengthening of the LKM-A Gapoktan Ngudi Makmur be carried out so that it is sustainable?

The purpose of writing this article is to:

Analyzing the role of LKM-A Gapoktan Ngudi Makmur in empowering the economy of farmers and village communities.

Identifying constraints in managing the Savings and Loan Business Unit of LKM-A Gapoktan Ngudi Makmur.

Formulate recommendations for strengthening LKM-A institutions in supporting village economic independence.

Literature Review and Theoretical Framework

Village Community Economic Empowerment Village community economic empowerment is a systematic effort to increase community capacity and independence in managing their economic resources. Empowerment is achieved through increased access to capital, institutional strengthening, and human resource capacity building. In the agricultural context, farmer economic empowerment is a key factor in increasing productivity and welfare.

Agribusiness Microfinance Institutions (AMFIs) A MMF is a microfinance institution established within the Farmers' Group (Gapoktan) to support the financing of agribusiness activities. The purpose of AMFIs is to provide easily accessible savings and loan services to farmers, reduce dependence on informal financial institutions, and strengthen rural economic institutions.

Institutional Strengthening and Governance Institutional strengthening is the process of increasing an organization's capacity to carry out its functions and roles effectively and sustainably. In the management of LKM-A, institutional strengthening encompasses aspects of organizational structure, financial management, administration, and compliance with legal principles and accountability.

Discussion

The Role of the Ngudi Makmur Farmers' Association (LKM-A) in Economic Empowerment of the Savings and Loans Business Unit The Ngudi Makmur Farmers' Association (LKM-A) serves as an alternative source of financing for farmers and micro-entrepreneurs in Tambi Village. Through its savings and loan services, the LKM-A helps members meet their capital needs for agricultural and other productive economic ventures. The existence of the LKM-A also encourages the growth of a savings culture and more orderly financial management within the village community.

LKM-A Management Constraints In its implementation, the Ngudi Makmur Gapoktan LKM-A still faces several obstacles, including limited human resources for management, suboptimal administration and bookkeeping systems, and limited capital for business development. Furthermore, members' level of discipline in loan repayment is also a challenge in maintaining the institution's sustainability.

Institutional Strengthening Efforts: Efforts to strengthen the institution of the Ngudi Makmur Farmers' Group (LKM-A) through capacity building, improvements to the administrative and financial systems, and strengthening the institution's internal regulations. Support from the village government and relevant agencies is also needed to strengthen LKM-A's position as a legal, accountable, and sustainable microfinance institution.

Conclusion and Recommendations

Conclusion: The Ngudi Makmur Farmers' Cooperative (LKM-A) plays a strategic role in empowering rural communities economically by providing savings and loan services that support agribusiness and micro-enterprises. This institution's existence also strengthens farmer institutions and promotes village economic independence. However, the management of the LKM-A still faces various challenges that require institutional strengthening and increased management capacity.

Recommendations: Institutional strengthening of the Ngudi Makmur Farmers' Group (LKM-A) needs to be carried out sustainably through improving human resource quality, improving financial governance, and providing regulatory support and mentoring from the government. This way, LKM-A is expected to function optimally as a pillar of a sustainable rural economy.

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