

## An analysis of optimizing the utilization of village treasury lands on the government of Geneng village, Prambanan district, Klaten regency

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### Abstract

This article aimed to analyze the optimization of the utilization of village treasury lands in Geneng Village, Prambanan District, Klaten Regency. This study employed empirical legal research with a sociological juridical approach. The data in this study used primary data through interviews. The results showed that the implementation was based on the Regulation of the Minister of Home Affairs Number 1 of 2016 concerning village assets' management utilizations. These utilizations included (1) lease, (2) borrows-to-use, (3) joint utilization, and (4) Build Operate Transfer (BOT). The government of Geneng Village, Prambanan District, Klaten Regency utilized less productive village treasury lands by renting them out to corporations to increase Original Local Government Revenue. This study suggests that before agreeing, the government of Geneng Village, Prambanan District, Klaten Regency should be more observant and careful in considering the corporation's impact on production activities.

**Keywords:** optimization, utilization, village treasury lands

### Introduction

The utilization of village treasury lands is as village potential. Village treasury lands are potential village assets. According to Law No.1 of 2016 concerning Village Asset Management Article 1 paragraph 26, Village Land is land controlled and/or owned by the Village Government as one of the village's original sources of income and/or social interests. Moreover, according to Fattahillah Fahmi, "village treasury lands are state land handed over by the village government which is used for the benefit of the village."

According to article 1 paragraph <sup>[1]</sup> of Law Number 6 of 2014 concerning Villages, Villages are legal community units that have territorial boundaries authorized to regulate and administer government affairs, the interests of local communities based on community initiatives, rights of origin, and/or traditionally rights recognized and respected in the government system of the Unitary State of the Republic of Indonesia. Meanwhile, according to Village Law Number 6 of 2014 Article 1 paragraph <sup>[11]</sup>, village assets belong to the village originating from the village's original assets, purchased or obtained at the expense of the Village Revenue and Expenditure Budget or other legal rights acquisition. Good and proper management of village assets is a step that the village government must implement. Law Number 6 of 2014 concerning Villages gives Villages authority to be more independent in managing their resources to develop the village economy with community welfare. The management of village treasury lands in each village is different because the potential, culture, and welfare of each village's human resources are also different.

Considering the importance of managing village-owned assets, the village government must manage village assets professionally, effectively and prioritize economic aspects so that the village community's economic welfare can be achieved in utilizing village assets. One of the management of village assets mentioned in the Minister of Home Affairs

Regulation Number 1 of 2016 Article <sup>[11]</sup> is utilization. The utilization of village assets includes <sup>[1]</sup> lease <sup>[2]</sup> borrow-to-use <sup>[3]</sup> joint utilization <sup>[4]</sup> Build Operate Transfer (BOT).

The utilization of village assets in village treasury lands is one of the efforts to increase Original Local Government Revenue. However, in the utilization of village assets, some experience profits, and some experience losses. This is because some of the village treasury lands are productive, and those are unproductive. For example, village treasury lands in Geneng Village, Prambanan District, Klaten Regency, some of the village treasury lands are initially less productive, so the Original Local Government Revenue is not optimal. However, as time goes by, the village treasury lands are now more optimally utilized.

Based on the description above, the researcher is interested in conducting a study entitled "An Analysis of Optimizing the Utilization of Village Treasury Lands on the Government of Geneng Village, Prambanan District, Klaten Regency." The researcher wants to review and analyze how to optimize the utilization of unproductive village treasury lands in Geneng Village, Prambanan District, Klaten Regency in increasing Original Local Government Revenue?

### Research Methods

This study employed empirical legal research with a sociological juridical approach. The data in this study used primary data through interviews. According to Soerjono Soekanto and Sri Mamuji, sociological or empirical legal research is "legal research conducted by examining primary data." Primary data is data derived from field data. Field data is analyzed from the aspect of implementing regulations in the community. Empirical legal research is a type of legal research that analyzes and examines its work in society.

The analysis technique in this study was qualitative. It

means that the formulation of justification was based on the quality of legal experts' opinions, doctrines, and the formulation of legal norms themselves processed in detail in the form of descriptive sentences. Moreover, the research using descriptive methods described the state of a research object. It means that the researcher described the current situation at the study's location or object, namely in Geneng Village, Prambanan District, Klaten Regency.

**Results and Discussion**

The results of the utilization of village assets constitute village income. According to Law No.1 of 2016 concerning Management of Village Assets Article 18, all village income must be deposited or entered into the Village treasury account. Village land assets are not permitted to transfer ownership rights to other parties unless required for public interests. The release of village land ownership rights to the public is carried out after receiving compensation in the form of money that has to be used to buy other better land located in the local village. A decision of the village head determines the release of the village land ownership rights. After obtaining Village Consultative Board (BPD) approval and obtaining written permission from the Regent/Mayor and Governor, the village head's decision is issued. The procedure for managing village assets is regulated by a Regent/Mayor regulation. The Village Head submits a report on the results of village asset management to the Regent/Mayor through the Head of District at the end of each fiscal year and/or at any time if needed. The report on the results of managing village assets is part of the accountability report. The Regent/Mayor should provide guidance and supervise the management of village assets. Coaching is carried out by establishing technical policies for managing and protecting village assets. The Regent/Mayor supervises the management of village assets by conducting an audit.

Widayanti stated that optimizing the use of regional assets affects the inventory and identification of assets. It means that the optimization of asset utilization can increase regional income by carrying out an inventory and identification using a good system. The statement also states that in order to increase the village's original income, professional management of village assets is needed and is followed by optimizing the village's use of assets. This is considered to be able to increase Original Local Government Revenue significantly.

Optimizing the utilization of assets has a positive effect on increasing Original Local Government Revenue. It means that assets in the village must be used optimally with the orientation of increasing Original Local Government Revenue so that the village is increasingly able to lead to an independent village. Professional asset management is needed to increase village income and utilize the productive potential of the village, which will be able to increase village income.

One of the villages that have several village assets is Geneng Village, Prambanan District, Klaten Regency. A part of the Geneng Village land is strategically located at Raya Jogjakarta Solo Street No. 19, Tegalsarwono, Kemudo, Prambanan District, Klaten Regency, Central Java. The land is 10,090 m2, with parcel 74 covering 2,300 m2, parcel 72 covering 210 m2, parcel 73 covering 2,500 m2, parcel 70a covering an area of 4,600 m2, parcel 71a covering an area of 480 m2. The land boundary is north of

the Klaten-Jogja highway, east of the village road, south of rice fields, and the west is empty land. Initially, procurement planning will be used to support services to the community. However, in the process of using the village treasury land, it cannot be used optimally. The land of the Geneng Village is agricultural land. However, if it is done for agriculture, it gets results that are not optimal compared to maintenance costs and yields. This is because part of the land in the village treasury lands in Geneng Village, Prambanan District, Klaten Regency is less fertile. The productive and unproductive village treasury lands categories in Geneng Village, Prambanan District, Klaten Regency can be seen in the table below.

**Table 1**

No.	Indicators	Productive	Unproductive
1	Soil quality	Fertile	Not fertile
2	Land rental price	High	Low
3	Employment	Absorb labor so that it reduces unemployment	Does not absorb labor so that it does not reduce unemployment
4	Original Local Government Revenue	Increase	Decrease

The existence of unproductive village treasury lands requires a solution in order to change the soil conditions to be productive. Of course, this is a challenge for village officials, especially village heads, to optimize all village assets and provide benefits to the village government and its people. The benefits of optimizing village assets can be in the form of income for the village or employment opportunities for village communities by using unproductive land assets. However, opening up job opportunities for rural communities through the utilization of unproductive land by farming or gardening is not the only way to optimize it. This is because part of the village treasury lands in the Geneng Village, Klaten Regency, is a type of agricultural land. Still, for the agricultural business, it does not provide optimal results or is even detrimental. However, due to the efforts and hard work of the Geneng Village officials, the utilization of the land in the Geneng Village has now been optimal so that the village's original income in the Geneng Village has increased.

According to information from one of the officials of Geneng Village, Prambanan District, Klaten Regency, the steps are taken by the village government in order to optimize the utilization of less productive village treasury lands by leasing a portion of the village treasury land with a corporation in the form of a Village Property Utilization Cooperation. The cooperation of village assets by other parties within a certain period is in order to increase village income.

The Geneng Village government's importance to fighting for cooperation in terms of community involvement in economic activities emphasizes the use of labor from local village communities so that the presence of corporations through collaborative utilization of village assets impacts reducing unemployment in Geneng Village. If you look at the statistics, it's quite large. The synergy mediated through the optimization of assets between the village government and the corporation will be able to become the engine of the village economy, especially Geneng Village, Prambanan District, Klaten Regency.

## Conclusion

The unproductive utilization of village treasury lands is carried out through a village treasury land lease agreement in cooperation with a corporation. In this case, the village government hopes to absorb workers from local villages in the corporate business activities but ignores other impacts. It is hoped that if there will be a new agreement in the future, the government of Geneng Village, Prambanan District, Klaten Regency will be more observant and careful in considering the impacts that occur with production activities carried out by the corporations that carry out the collaboration.

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