Building Partnership or Competition: Village Business Sustainability

Soelchan Arief Effendi, Eko Ganis Sukoharsono, Lilik Purwanti, Rosidi, Khairul Shaleh

Faculty of Economics and Business, Brawijaya University, Malang-Indonesia
Faculty of Economics and Business, Widyatama University, Bandung-Indonesia

Abstract

Purpose — This study aims to understand the reality of Village-Owned Enterprises and their implications for rural communities. The focus of this research is to explore the role of Village-Owned Enterprises in carrying out their role as an engine for driving the economy of people in rural areas. Village-owned enterprises have turned into competitors for small rural enterprises.

Design/methodology/approach — This research uses a qualitative approach and the informants from Village-Owned Enterprises are the Chairman, Secretary, and Treasurer. Village-owned enterprises become a medium for rural business groups to develop economic potential.

Findings — The results of the study indicate that the business fields that village-owned enterprises develop have in common with small businesses of rural communities, so it interferes with the sustainability of local communities businesses.

Practical implications — Provide academic considerations for regulators to evaluate and reorganize the role of Village-Owned Enterprises for the sustainability of small rural businesses.

Originality/value — The development of Village-Owned Enterprises is based on building a business chain by involving local economic groups so that the sustainability of community economic business activities impacts the economy of rural areas.

Keywords: Village-Owned Enterprises, Partnership, Competitor, Village Economy, village business sustainability