






Holtekamp's Microfinance Landscape: Navigating Challenges, Fostering Community Engagement

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Abstract. This research is a focused analysis of BUMKamp (Village-Owned Enterprises) in Holtekamp, Jayapura, with a particular emphasis on the microfinance units. The study's primary goal is to delve into the untapped potential of these microfinance units and scrutinize the key challenges impeding their effective management. The research reveals a notable deficiency in the integration and coordination among the various BUMKamp units in Holtekamp. This lack of synergy leads to suboptimal revenue generation within the microfinance sector. Moreover, the research identifies low levels of community participation and a deficit in essential managerial skills as additional barriers to the efficient operation of these microfinance units. A crucial finding of the study is the pressing need for a comprehensive BUMKamp model. This model should feature interconnected units that can facilitate the establishment of integrated markets, encompassing a broad spectrum of economic activities such as goods, money, labor, loan funds, stocks, and exports. By implementing such a holistic approach, the microfinance sector can be revitalized within the BUMKamp framework, contributing to sustainable economic growth and financial stability in Holtekamp, Jayapura. This research offers valuable insights into the microfinance landscape, emphasizing its pivotal role in the prosperity and development of the local community.

Keywords: Microfinance, Village-Owned Enterprises, Community participation, Revenue generation

1 Introduction

In the vibrant village of Holtekamp, Jayapura, the intricate network of Village-Owned Enterprises (Bumkamp) serves as a crucial foundation for local economic endeavors. This research initiates a focused analysis, centering its attention on the microfinance units within the framework of Bumkamp. Holtekamp stands at the crossroads of opportunities and challenges, as the microfinance [1–3] sector within Bumkamp grapples with issues hindering its optimal functionality. The primary gap identified in the study revolves around a significant deficiency in integration and coordination among various

Bumkamp units in Holtekamp. This lack of synergy negatively affects the efficiency and productivity [4,5] of the microfinance sector, impeding its optimal functioning. This gap highlights the need for enhanced collaboration to improve the overall effectiveness of microfinance units in contributing to local economic growth and community development. The research aims to provide in-depth insights into the extent to which Bumkamp, especially in the microfinance sector, can act as a catalyst for local economic development and community building in Holtekamp.

By emphasizing the need for increased collaboration [6,7], this research offers strategic considerations on how Bumkamp can become a more effective driver of local economic development and community building. Recognition of this integration gap opens opportunities for developing solutions that can enhance the overall performance of Bumkamp, particularly in improving the effectiveness of microfinance units. The novelty of this research lies in its contribution to a deeper understanding of the specific challenges faced by Bumkamp at the local level and provides a foundation for strategic recommendations that can positively impact economic growth and community development in Holtekamp, Jayapura. Despite the valuable insights provided by this research into the role of Bumkamp in stimulating the local economy [8–10] in Holtekamp, Jayapura, there are several limitations to consider. Firstly, the research's narrow focus on Holtekamp may limit the generalization of findings to other regions, given the variations in local economic conditions and dynamics [9,11,12]. Secondly, limitations in data and resources can impact the precision of the analysis, considering the restricted access to in-depth data [13,14]. This can affect the validity of findings and the accuracy of recommendations. Additionally, the research may reflect a specific perspective, especially if it involves stakeholders with views on Bumkamp. Therefore, considering multiple perspectives becomes crucial. The constraints of research time and contextual changes in the economic or regional policy landscape also need acknowledgment, given the ongoing dynamics. Finally, while the research identifies gaps and proposes solutions, limitations in implementation or creating tangible changes within Bumkamp need acknowledgment. With a careful understanding of these limitations, this research can serve as a foundation for further studies and the development of a more comprehensive approach to addressing challenges in Bumkamp, not only in Holtekamp, Jayapura but also in similar regions.

2 Methods

The research method used in the study is mainly descriptive, aiming to provide a comprehensive understanding of the Bumkamp implementation in Jayapura. This research will use descriptive research type [15]. Descriptive research will reveal facts in the field using research instruments, observations, interviews. Facts in the field are then analyzed and given meaning. The population in this study is all Bumkamp located in Jayapura City. The number of Bumkamp in Kota Jayapura is 13 located in villages in Kota Jayapura. Of the 14 villages in Kota Jayapura, there is one village that has not formed a Bumkamp. The use of the term in Kota Jayapura is different from the national term. Therefore, the term used is Bumkamp. Bumkamp that will be sampled in this research

is Bumkamp that received a good rating by Government Jayapura City. Bumkamp that received a good rating are: Holtekamp, Yoka and Kayu Pulo Bumkamp. Good in this criterion is Bumkamp that can contribute to the original income of the village. The Bumdes assessment indicators are based on the BUMDes classification assessment indicators. There are six indicators that will be used for the BUMDES assessment. Indicators have different assessment weights between one indicator and another. The weight of the indicator is expressed in percentage (%): Institutional at 25%, Regulatory at 10%; Business at 30%; Administration, Reporting & Accountability at 10%; Capital and Assets at 15% BUMDes Impact on the community at 10%, referring to the 2018 BUMDes Assessment Guidelines. BUMDes will be assessed based on the level of development. The level of development is based on the indicators of the BUMDes classification assessment. The level of development of BUMDes will be classified as Basic has a value of 25 - 49 units; Growing has a value of 50 -74 units; Developing has a value of 75 - 85 units; and Advanced has a value of > 85 units. this assessment as well as the indicators refer to the 2018 BUMDes Assessment Guidelines.

3 Results and Discussion

Bumkamp Holtekamp in Hentechahi has five business units, such as savings and loan, credit, gallon water, banana boat, and mini petra The savings and loan have a lower limit of 700 thousand rupiah and an upper limit of 100 million rupiah, run by the Bumkamp team with difficulties in repayment. Bumkamp Holtekamp faces constraints in its savings and loan management model. Difficulties mainly arise from the low awareness of the community in loan repayment, and this is overcome through door-to-door collection with regional division. Although difficulties are still encountered, there is no fine system, and the main expectation is the return of principal. Officers hope that simply returning the principal is considered a success, while the interest on the loan is not yet a burden on the customer. The credit unit provides a variety of Telkomsel credit prices, with high financial turnover. Bumkamp Holtekamp understands the need for credit amidst the rapid development of telecommunications. To address this need, Bumkamp opened a credit business unit with a variety of prices. The management (16–18) of the credit unit involves several employees who perform picket duty every day. Although there are other credit sales kiosks, people still seek credit at Bumkamp. Although the profit from credit sales has not been maximised, the positive contribution has been seen, and the market potential for credit in Holtekamp village is quite large. Gallon water management faces obstacles in delivery. To fulfil the community's drinking water needs, Bumkamp Holtekamp opened a gallon water filling business unit. Although the source of drinking water comes from Sentani and is refilled in cash, the management of gallon water faces constraints, especially in delivery. The purchase process is still done in cash, and has not yet served cash bon for its gallon water products. Banana boats are operated at Holtekamp beach, awaiting assistance from the government. Bumkamp Holtekamp has a banana boat business unit ready to be used at Holtekamp beach. Although available, the banana boat operation is still waiting for a speed boat which is currently not available and is still being applied for assistance from the village

government. Management [19–21] is handed over to the banana boat business unit, and although it has not yet provided maximum profit, the contribution from sales has been seen. The petrol kiosk is still under development. In anticipation of the need for fuel oil in Holtekamp village, Bumkamp is planning a petrol kiosk business unit. Although not yet operational, this plan is still under development and awaiting the availability of equipment and location of business activities. The market potential of around 100 households indicates that this business unit has good prospects. The main inhibiting factors are team commitment and human resources. The biggest factor hindering the management of Bumkamp Holtekamp is the lack of commitment of team members in carrying out their respective work tasks and functions. Solutions to overcome these barriers involve personal evaluation and improving the team's understanding of Bumkamp goals and tasks.

Although the savings and loan management model face obstacles in loan repayment due to low community awareness [22]; [23], Bumkamp continues to actively run door-to-door collections with regional divisions. The pulse unit offers a variety of prices and has proven a high financial turnover, capturing opportunities in the rapid development of telecommunications. Gallon water management is faced with delivery constraints, while plans for banana boat operations are still awaiting government assistance. Plans for a Mini Petra business unit in response to the need for fuel oil in Holtekamp village are still under development. The main limiting factor lies in the lack of team commitment and human resources, with solutions involving personal evaluation and improved team understanding of Bumkamp 's objectives. To address the challenges faced by Bumkamp Holtekamp, several strategic steps can be taken. In the context of the savings and loan business unit, intensive efforts are needed in education campaigns [24]; [25] to raise community awareness on loan repayment obligations. The implementation of a fair fine system can be an additional incentive, while the involvement of community leaders [26] and elements of local wisdom [27]; [28] is expected to strengthen community support. In terms of the credit business unit, product diversification [29]; [30] and more aggressive marketing through social media can help expand customer reach. Partnerships with local traders and innovative marketing strategies can also be a solution to increase distribution and profits. For the gallon water filling business unit, logistics evaluation is needed to make the delivery process more efficient. Stronger marketing [31]; [32] efforts to increase public awareness on the quality of drinking water produced by Bumkamp Holtekamp is also an important step. In the context of banana boats, it is important to establish partnerships [33]; [35] with the local government or private parties that can support their operations. Increased marketing and promotional efforts around Holtekamp beach are also needed to attract more visitors. Meanwhile, the petrol kiosk needs to focus its attention on strategic location planning and local government support [36]; [38]. These measures are expected to help overcome operational constraints that may arise. Finally, to overcome the constraining factors in management and team, personal evaluation is needed to identify and improve weaknesses. Employee training [39]; [40] and development are also key to improving managerial and operational skills [41]. By implementing these measures, it is expected that Bumkamp Holtekamp can optimize its potential and bring positive impact to its community.

Stakeholders [42]; [44] play a crucial role in underpinning the success and sustainability of Bumkamp Holtekamp. Local communities have a fundamental role as members of Bumkamp, where their active participation in products and services supports financial and operational sustainability. Local government has the responsibility to create regulations that support and encourage the growth of Bumkamp, through financial assistance and support facilities. The village government, as the direct organizer, can provide direct support, such as business premises facilities and programs that support Bumkamp. Cooperation with local traders and the private sector also has a positive impact, both in product sales and financial and technical support. Financial institutions play an important role in providing access to capital or credit, while the Bumkamp management team has the responsibility to design and implement operational strategies by involving all stakeholders. Non-governmental organizations (NGOs) can aid in training and advocacy, strengthening sustainable business practices. With effective collaboration between all stakeholders, Bumkamp Holtekamp can reach its potential in providing meaningful services to the local community. Analyses of the Bumkamp management model, loan repayment difficulties, and constraints and growth potential provide a deeper understanding of the microfinance landscape in the area. In understanding microfinance in Holtekamp, the problems in Bumkamp management are reflective of the dynamics in the broader scenario. Low loan repayment awareness, collection challenges, and lack of team commitment summarize some of the key issues faced by microfinance institutions in the area. Meanwhile, the positively assessed growth potential, in line with the "Growing" category, illustrates optimism regarding future opportunities and prospects. Through this in-depth understanding, strategies to address challenges and increase community engagement can be better targeted. Steps taken to resolve loan repayment issues, increase team commitment, and strengthen relationships with stakeholders can support efforts to harmonize policies related to microfinance in Holtekamp.

4 Conclusion

Bumkamp Holtekamp in Hentechahi manages five business units encompassing savings and loans, credit, gallon water, banana boat, and Mini Petra. The savings and loan unit faces challenges in loan repayment and team commitment despite door-to-door collections. Strategies proposed involve intensive education campaigns, implementing a fair fine system, and engaging community leaders. The credit unit demonstrates success with diverse Telkonsel credit prices, while the gallon water management grapples with delivery constraints. Plans for banana boat operations await government assistance, and the Mini Petra unit is still in development. Key hindrances include team commitment and human resources. To overcome these challenges, the implementation of strategies such as product diversification, aggressive marketing for the credit unit, logistics evaluation for the gallon water unit, and establishing partnerships for the banana boat unit are crucial. Additionally, intensified marketing and strategic location planning, along with local government support, are essential for the Mini Petra unit's development. Stakeholders, including local communities, local and village governments, private sectors, financial institutions, Bumkamp management, and NGOs, play

crucial roles. Collaborative efforts can optimize Bumkamp potential and positively impact the local community. Bumkamp Holtekamp faces challenges, but strategic steps can overcome them. Stakeholder collaboration is vital for success and sustainability. The analysis provides a comprehensive understanding of the microfinance landscape, guiding targeted strategies for improvement. This research focuses on tapping the untapped potential of Bumkamp's microfinance units and scrutinizing key challenges in effective management.

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