



INTERNATIONAL JOURNAL OF CREATIVE RESEARCH THOUGHTS (IJCRT)

An International Open Access, Peer-reviewed, Refereed Journal

Regional Economic Growth the Role of BUMDes Institutions in Enrekang Regency

Abdul Karim*¹, Chalid Imran Musa², Romansyah Sahabuddin³, Muhammad Azis⁴

* Doctoral Student in Economic Program Universitas Negeri Makassar, Indonesia

¹ Departement Accounting, STIE AMKOP Makassar, Indonesia.

² Departement of graduate program Universitas Negeri Makassar, Indonesia.

³ Departement of graduate program Universitas Negeri Makassar, Indonesia.

⁴ Departement of graduate program Universitas Negeri Makassar, Indonesia.

Abstract: The target of the development program is in regional economic growth with the establishment of Badan Usaha Milik Desa (BUMDes) as a strategic business unit in increasing Village Original Income. The strategic values of the program are 1) the creation of productive collective assets that are jointly managed and utilized by the community, and 2) cumulatively the regional economy can develop, where each region has a specific and unique economic base.

Keywords : Regional Economic Growth, BUMDes Institution, Enrekang Regency.

I. INTRODUCTION

The District Government of Enrekang is more focused on efforts to increase economic growth in all villages in Massenrempulu. Enrekang Regency has 12 Districts with 112 Villages in it, each village has its own potential in various sectors, especially in the agricultural sector because it contributes 49.82 percent to economic growth in Enrekang Regency. This is what makes the local government focus its attention on efforts to increase rural economic growth. The existence of Badan Usaha Milik Desa (BUMDes) is needed because several villages are developed and Village Original Income is quite good because of the role of BUMDes in managing all the potential of the village. Not many villages in Indonesia are developed and the people are prosperous because the villages are developed and the village's original income is high because of the BUMDes (Soleh, 2017).

Administratively, Enrekang Regency has a total area of 1,820.67 KM². Enrekang Regency is bordered by Tana Toraja Regency in the North, Luwu Regency in the East, Sidenreng Rappang Regency in the South, and Pinrang Regency in the West. The economy of Enrekang Regency is still dominated by small industries, the industrial sector has increased in the last five years in line with the economy that has grown gradually (BPS, 2020).

Enrekang Regency has great natural potential as an area that is economically strong if its management maximizes its full use of its potential. Currently, there is Crisis Global, namely Covid-19. It was during this period that the government and society showed to the public that Enrekang Regency could survive in the food security sector from the agricultural aspect. During the Covid-19 Pandemic period that hit the world, especially in Indonesia, farmers in Enrekang Regency remained productive in activities in the garden. This means that this is where the role of farmers in the Enrekang Regency to maintain stability and food availability, both in the local and national sectors, is still being carried out (Musa, 2019).

In 2019, Enrekang Regency has a harvest area of 156,128 square meters of ginger, which is spread across 12 sub-districts, the sub-district with the largest harvest area is the Masalle sub-district, which is 75,000 square meters and is followed by Baraka and Maiwa Districts with an area of 40,000 and 26,500 meters respectively.

II. METHOD

This research is descriptive qualitative. which is done to determine the value of the independent variable, whether one or more (independent) variables being asked are expressed in the form of words, sentences, and descriptions without making comparisons, or connecting between one variable and another. This research was conducted in Enrekang Regency, South Sulawesi Province.

To obtain relevant data in accordance with the objectives of this study, the researchers took data from data sources, namely primary data and secondary data. The resource persons that the researchers will make informants in this study are 16 BUMDes administrators. Data collection techniques used in this study were observation, interview, documentation.

III. RESULT AND DISCUSSION

3.1. Result

3.1.1. The existence of BUMDes institutions in the village

In achieving the desired objectives of the central and regional governments, several strategies and targets are required to be implemented. In this effort, the direction and policies for the development strategy of villages and rural areas, namely all villages, legitimize the existence of BUMDes institutions in every village.

Based on data from 16 respondents, all of them said that their village currently has a BUMDes institution. Meanwhile, the existence of BUMDes institutions within the period can be seen in the answers in the following table:

Table 1. Existence of BUMDes institutions in the village (years)

Number	Year	Percentage (%)	Number of respondents
1	0 – 1	18.75	3
2	2 – 3	25.00	4
3	3 – 4	25.00	4
4	4 – 5	21.25	5
Total		100.00	16

Source: processed data, 2020.

3.1.2. The role of the Village Government in encouraging the development of BUMDes

The existence of villages as a potential basis for the economic activity must become a new paradigm in Indonesia's economic development program as a whole. Changes in internal and external conditions that occur require the right and right policies from policymakers in an effort to develop the potential of rural areas. It is time to make the village the center of development and make this area the main motor of the economy.

Adjusted to the data from all respondents as many as 16 people in this study, the majority said that the village government is currently encouraging the formation and development of BUMDes institutions. As a means of economic growth in rural areas to support an increase in Village Original Income in supporting regional development growth. This can be seen in the following table:

Table 2. The role of the Village Government in the formation and development of BUMDes institutions

Number	Role	Percentage (%)	Number of respondents
1	Very encouragin	75.00	12
2	Less encouraging	6.25	1
3	Mediocre	18.75	3
4	Don't push	00.00	0
Total		100.00	16

Source: processed data, 2020

3.1.2. BUMDes institutions encourage economic growth and development of village potential

The development of village potential aims to encourage the realization of community independence through the Development of Leading Potentials and Institutional Strengthening and Community Empowerment. Village development must consider and be based on the potential of each village (physical potential and non-physical potential) by prioritizing the advantages of each village. Efforts to develop village potential need to empower community participation so that they feel like they belong and are responsible.

In driving regional economic growth, the role of BUMDes institutions is sufficient to contribute to the rate of economic improvement, as seen from the answers of respondents as follows:

Table 3. BUMDes institutions in contributing to regional economic growth

Number	Role	Percentage (%)	Number of respondents
1	Contribute	87.50	14
3	Mediocre	12.50	2
4	Don't contribute	00.00	0
Total		100.00	16

Source: processed data, 2020.

3.2. Discussion

3.2.1. Basic village potential development

The effort to build a village is to carry out development by considering links and match. Because links and matches are the main keys to achieving good development. This means that the linkage/synergy of development policies from the local government (top-down planning) and the village government (bottom-up planning) is needed. In this case, the development policy in rural areas must also not contradict the development strategy set by the local government.

The basis of the national development strategy is as follows: 1) building without increasing regional inequality, 2) utilizing natural resources for the greatest possible prosperity of the community, 3) building starting from the village, 4) the economy must be oriented and based on sectors and types of businesses that add value add as much as possible with quality human resources, innovation, creativity and application of appropriate technology, and 5) regional-scale development is a quality sustainable development nationally.

In an effort to achieve the desired development synergy, there are several rules and conditions that must be met and fulfilled. In accordance with the objectives of regional development, the provisions and regulations must be fulfilled regarding the norms, dimensions of development, and socio-economic conditions that occur, as in the following table diagram:

Table diagram 4. Norms and dimensions of rural-based regional development

Development norms			
1	Build for people and society		
2	Efforts to increase welfare, prosperity, productivity do not create inequality in the social environment of rural communities		
3	Development must not damage, reduce the carrying capacity of the environment, and balance the natural ecosystem.		
Development dimensions			
Dimensions of human development	Leading sector dimension	Mapping & zoning dimensions	
1. Education 2. Health 3. Housing 4. Mental / Character	1. Food sovereignty 2. Energy Sovereignty 3. Maritime and marine 4. Tourism and Industry	1. Between income groups 2. East Enrekang area 3. Enrekang West Area	
Necessary conditions			
Law and enforcement certainty	Security and order	Politics & Democracy	Governance & management

Source: processed, 2020.

Based on the development that has been determined by the central government, what needs to be done in order to achieve development synergy is the development of the regions/villages from below (Bottom up Planning) or what is known as building from the periphery. The main objective of this development is to strengthen regions or villages to accelerate growth and equity.

3.2.2. Involving all resources in regional economic growth

Since the Global Covid-19 Pandemic hit the whole world, almost all economic activities have experienced paralyzed activity. The impact is a decrease in Regional Original Income, as a result, economic activity does not circulate as usual. This becomes the basis for local governments to conduct analysis and involve competent institutional structures in assessing the various potentials of each village.

Local governments and village communities need to carry out activities that can increase food security and economic growth in rural communities during the Covid-19 Pandemic. Regional economic growth can move through the utilization and maximization of the village's superior potential. This can lead to the movement of the village economy in increasing village economic income.

Enrekang Regency is an area with a lot of potentials that can be converted into economic value. Where the location in Enrekang Regency is only limited to rice fields, but because of its uniqueness, the rice fields can become a tourist attraction that can support rural-based economic growth. The contribution to the utilization of these locations can contribute to the graph of the increase in local revenue. The development of villages and rural areas is an important factor for regional development, poverty alleviation, and reduction of disparities between regions. Village development in Indonesia is rapidly increasing with an average growth of 2.29 percent or 1,409 villages per year.

Strengthening the technology of local communities must be improved, so as to increase the productivity and quality of regional economic development. Utilizing and transforming local potential into local advantages. To achieve this goal, support is needed through 1) Program for enhancing rural economic institutions, 2) Program for developing and utilizing appropriate technology, and 3) Program for enhancing village government institutions with various activities. These three programs can be implemented if the role of Badan Usaha Milik Desa (BUMDes) has the right space in every village in Enrekang Regency.

IV. CONCLUSION

The existence and activities of community institutions in the Enrekang Regency cover almost all areas of community life, such as socio-culture, economy, politics. The community institutions that have developed in Enrekang Regency today are the result of articulation between values and norms that originate from modernity with values and norms that come from traditionalism. The rules of the game that become the reference for society is behaving, interacting with each other, and realizing common goals, are born from these mutual articulations.

In the economic field, existing institutions are growing rapidly, but their identities are similar to one another. Modern economic institutions place profit as the main orientation. Banks and cooperatives, including their variants Bank Perkreditan Rakyat and Bank Syariah, have shifted traditional institutions such as the Potteseng bond which is unique in offering choices and channeling voice among rural communities. The presence of modern market institutions tends to marginalize the existence of traditional markets. The presence of modern markets, which are supposed to increase diversity, is actually weakening the existing traditional market entities. The presence of large companies as economic institutions that are more concentrated in the automotive and construction sectors, less encouraging manufacturing and agro-industrial production, is also a phenomenon behind the low diversity in economic institutions in increasing the rate of regional economic growth.

REFERENCES

1. Azis, M., Hasiara, L. O., & Abduh, A. (2020). Relationship between Lecturers' Competences and Student Academic Achievement in Indonesian Public Universities. *Talent Development & Excellence*, 12(1).
2. Agunggunanto, E. Y., Arianti, F., Kushartono, E. W., & Darwanto, D. (2016). Pengembangan Desa Mandiri Melalui Pengelolaan Badan Usaha Milik Desa (Bumdes). *Jurnal Dinamika Ekonomi & Bisnis*, 13(1).
3. BPS. (2020). Enrekang dalam angka. Enrekang. Sulawesi Selatan, Indonesia.
4. Soleh, Ahmad. (2017). Strategi pengembangan potensi desa. *Jurnal Sungkai Vol.5 No.1*, Edisi Februari 2017 Hal : 32-52.
5. Chintary, V. Q., & Lestari, A. W. (2016). Peran Pemerintah Desa dalam Mengelola Badan Usaha Milik Desa (BUMDes). *JISIP: Jurnal Ilmu Sosial dan Ilmu Politik*, 5(2).
6. Dewi, A. S. K. (2014). Peranan Badan Usaha Milik Desa (BUMDes) Sebagai Upaya Dalam Meningkatkan Pendapatan Asli Desa (PADes) Serta Menumbuhkan Perekonomian Desa. *Journal of Rural and Development*, 5(1).
7. Karim, A. (2019). Peningkatan Ekonomi Desa Melalui Badan Usaha Milik Desa (BUMDes). CV. Nas Media Pustaka, Makassar.
8. Karim, A. (2020). Indonesia's Economic Revival Behind the Lockdown of 59 Countries. *International Journal of Scientific & Engineering Research Vol. 11, Issue 9, September-2020*. ISSN 2229-5518. Page 1385 – 1388.
9. Karim, A. (2020). Endemic Rice Pulu' Mandoti Supports the Economy and Food Security at Salukanan Community During Covid-19 Global Pandemic Crisis. *International Journal of Innovative Science and Research Technology*. Vol. 5, Issue 9, September 2020. ISSN:-2456-2165. Page 793 – 796.
10. Karim, A. (2020). The Village as the Main Supporter of the National Economy in the Global Pandemic Period (Covid-19). <https://www.academia.edu/43676075/>.
11. Karim, A. (2020). The Role of Village Tourism in Improving the Community's Economy During the Covid-19 Period in Enrekang District. <https://www.academia.edu/43716400/>.
12. Karim, A. (2020). BUMDes as a Solution for Food Stock Preparation and National Economic Buffer in the "Covid-19" Global Pandemic Period. <https://www.academia.edu/43739231/>.
13. Karim, A. (2020). The Role of BUMDes as Supporting Regional Economy in Enrekang Regency Based on Local Wisdom. <https://www.academia.edu/43785786/>.
14. Musa, C. I., & Hasan, M. (2018, June). The influence of social, economic, and demographic characteristic on working hours of micro, small, and medium enterprises (MSMEs) in Makassar City. In *J. Phys.: Conf. Ser. (Vol. 1028, p. 012181)*.
15. Musa, C. I., Ramli, A., & Hasan, M. (2019, March). How does the family capital and market orientation affect the business performance of the family business in the manufacturing sector?. In *First International Conference on Materials Engineering and Management-Management Section (ICMEMm 2018)*. Atlantis Press.
16. Musa, C. I., & Ramli, A. (2017). Effect of Characteristics and Entrepreneurial Orientation towards Entrepreneurship Competence and Crafts and Arts Small and Medium Enterprises Business Performance in Makassar. *International Review of Management and Marketing*, 7(2), 166-173.
17. Musa, C. I., Parinsi, W. K., & Rasyid, R. (2019, November). Penguatan ekonomi kreatif berbasis potensi sumber daya desa pada masyarakat Desa Kaliang Kecamatan Duampanua Kabupaten Pinrang. In *Seminar Nasional Pengabdian Kepada Masyarakat (Vol. 2019, No. 2)*.
18. Nur, M., Rosmawati., & Karim, A. (2020). Effect of Attendance Compensation and Satisfaction Against Effectivity of Performance Employee at Regent Enrekang Office. *International Journal of Scientific & Engineering Research Vol. 11, Issue 10, October-2020*. ISSN 2229-5518. Page 129 – 132.
19. Payangan, O. R., Sahabuddin, R., & Girikallo, A. S. (2017). Mediation Effect of Marketing Mix Strategy on Supply and Demand Towards Marketing Performance. *Journal of Environmental Management & Tourism*, 8(1 (17)), 223.
20. Ridlwan, Z. (2014). Urgensi BUMDes dalam Pembangunan Perekonomian Desa. *Fiat Justicia Jurnal Ilmu Hukum Fakultas Hukum Universitas Lampung*, 8(3), 424-440.
21. Rostina, M., Musa, C. I., Kurniawan, A. W., & Gani, H. A. (2018, October). Determinant Factors Affecting the Business Performance of Silk Enterprises in Wajo Regency. In *1st International Conference on Social Sciences (ICSS 2018)*. Atlantis Press.
22. Sahabuddin, R. (2016). Development of business values and behaviours: Takalar district, South Sulawesi (Indonesia) case study. *Актуальні проблеми економіки*, (2), 440-449.
23. Sahabuddin, R. (2019). PENGARUH ROLE OVERLOAD TERHADAP KINERJA PEGAWAI PADA KANTOR BADAN KEPEGAWAIAN DAN DIKLAT DAERAH KABUPATEN MAMUJU TENGAH (Studi Kasus Seleksi Berkas CPNS Kabupaten Mamuju Tengah Tahun 2014). *Economix*, 4(1).
24. Setyobakti, M. (2018). Identification of Business Enterprises Bumdes Based on Social and Economic Aspect (Case Study at Bumdes Ijen Lestari Tamansari Village District of Banyuwangi). *Jurnal Ilmiah Bidang Akuntansi dan Manajemen (JEMA)*, 14(2).
25. Srirejeki, K. (2018). Empowering the role of village owned enterprises (BUMDes) for rural development: case of Indonesia. *Jurnal Akuntansi, Manajemen dan Ekonomi*, 20(1), 5-10.
26. Sufi, W., & Saputra, T. (2017). Implementation of village empower program in supporting form of institutions of village business institutions (BUMDes)(Study on Dayang Suri Village Bungaraya Sub District Siak Regency Riau Province). *Jurnal Perspektif Pembiayaan dan Pembangunan Daerah*, 5(2), 91-98.
27. Sumantara, K., Suryani, K., Widnyana, I. W., Menes, C. C., Sutrisna, I. P., Oktariana, O., & Dana, R. S. (2019). Swot Analysis Of Village Owned Enterprises (Bumdes) Trading Business Of "Ayu Bagia" Goods In Baha Village-Kecamatan Mengwi Badung District-Bali. *International Journal Of Sustainability, Education, And Global Creative Economic (Ijsegece)*, 2(1), 15-20.
28. Sofyani, H., Atmaja, R., & Rezki, S. B. (2019). Success factors of village-owned enterprises (BUMDes) performance in indonesia: An exploratory study. *Journal of Accounting and Investment*, 20(2), 44-58.
29. Syahrudin., & A, Karim. (2019). The Effect of "Axis Hits Bonus" Version Tagline Advertising and Ambassador Brand Against Axis Cards Awareness. In *First International Conference on Materials Engineering and Management-Management Section (ICMEMm 2018)*. Atlantis Press.
30. Syahrudin., & A, Karim. (2020). The Role of Cooperatives in Economic Growth in Makassar City During the Covid-19 Pandemic. *International Journal of Innovative Science and Research Technology*. Vol. 5, Issue 10, October 2020. ISSN:-2456-2165. Page 334 – 337.

31. Winarsi, S., Widyantoro, A., & Moechthar, O. (2018). The Law Principles for Village-Owned Enterprises (BUMDes) Management in Indonesia to Improve the Village's Economy. *Sociological Jurisprudence Journal*, 1(2), 130-136.
32. Zulkarnaen, R. M. (2016). Pengembangan potensi ekonomi desa melalui badan usaha milik desa (bumdes) pondok salam kabupaten purwakarta. *Dharmakarya*, 5(1).

