

## **The Role of BUMDes in Sustainable Economic Development at Enrekang Regency**

Bahtiar<sup>1</sup>, Abdul Syukur<sup>2</sup> and Abdul Karim<sup>3\*</sup>

<sup>1</sup>Department of Postgraduate Study Programs STIE Amkop Makassar, Indonesia.

<sup>2</sup>Department of Management Studies Program STIE Amkop Makassar, Indonesia.

<sup>3</sup>Department of Accounting Study Program STIE Amkop Makassar, Indonesia

<sup>1</sup>*bahtiar.maddatuang25@gmail.com*, <sup>2</sup>*ayahsyukuramkop@gmail.com*, <sup>3\*</sup> *abdul.karim8284@gmail.com*

**Abstract.** Enrekang Regency has 12 sub-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 village economic growth. The existence of Badan Usaha Milik Desa (BUMDes) is very much needed because several villages are developed and village original income is quite good because of the role of BUMDes in managing all the potential in the village. The strategic values of the program are 1) the realization of productive collective assets that are managed and utilized jointly by the community, and 2) cumulatively the regional economy can develop, where each region has a specific and unique rural economic base.

**Keywords:** Role BUMDes, sustainable economy, regional development.

## **1. Introduction**

Specifically, the Badan Usaha Milik Desa (BUMDes) is one of the village institutions that is engaged in the socio-economic field and functions as a service provider, especially to rural communities, where the main focus of this BUMDes is on the business sector in the village. BUMDes has a very important role considering that in rural development in developing countries, of course, it will not be much related to the issue of poverty alleviation. From the perspective of economic independence, the village economy has a rational and unique institutional alternative, where the village is often seen as a small part, backward and so weak (Musa & Hasan, 2018, June). Therefore, it is necessary to have an agency that can change people's perspectives on the important role of a village in an economy.

Theoretically and empirically, it shows that the BUMDes institutional system refers to; (1) Maximum satisfaction as the goal, as well as maximum profit. (2) People tend to think that BUMDes rationally is more as a group association, by using social capital as the basis for individual interests and priorities. (3) The organizational structure of BUMDes is outside the village government system, so it is not always stable and efficient in providing services to villagers. (4) Villagers assigned as equipment/management bodies have more motivation and orientation based on non-materials, namely respect, appreciation socially and politically rather than economic (Sahabuddin, 2018).

The role of BUMDes in the welfare of the community includes (1) identifying village potential, (2) mapping the village's leading businesses, (3) building-integrated economic centers, and (4) marketing superior products produced by village businesses. BUMDes is an economic institution that lies in the capital regulated in the policy, where BUMDes capital has a composition of 49% of the community and 51% of the village government. As the Law of the Republic Indonesia Number 6 of 2014 article 90, that the government, both provincial and district/city regions, provides access to capital in the form of grants, technical assistance, and market access.

The role of BUMDes is very important as an alternative solution to reduce poverty levels, especially in rural areas. Thus, BUMDes can be a means or strategic model in poverty alleviation programs through institutions. If BUMDes is successful in managing its operations, then these results can not only benefit the village itself but also national economic growth. The success of BUMDes cannot be separated from high community participation (Ayub et al, 2020).

Economic growth in Enrekang Regency fluctuates every year, in 2010-2019 the total gross regional domestic product of Enrekang Regency continues to be stagnant, and in 2010-2019 the total gross regional domestic product has increased but the increase has not been maximized. The sectors that experienced a significant increase were in the agricultural sector wherein in 2011 it was 5.70% and an

increase of 7.39% in 2015, and the sectors that experienced a significant decline were in the water supply sector, waste procurement, and waste recycling, namely in 2011 reached 40.11% and decreased by -1.42%, and there are many other supporting sectors that can support the increase in the gross regional domestic product of Enrekang Regency.

## **2. Literature Review**

The Ministry of Villages, Development of Disadvantaged Regions, and Transmigration of the Republic of Indonesia announced that entering July 2018, the number of Badan Usaha Milik Desa (BUMDes) throughout Indonesia has reached 35 thousand from 74,910 villages throughout the archipelago. This number is five times the target of the Ministry of Villages which only set 5000 BUMDes (Karim et al, 2021). Does that mean the strength of BUMDes is ready to become a giant economic power in Indonesia? The problem is, until now, various data indicate that most BUMDes are still standing and do not have productive business activities. Some of them even withered before developing because of the lack of understanding of BUMDes among most village heads (Akbar & Sihaloho, 2019).

The village fully has the authority to formulate its own steps through the village deliberation. This is a big homework, not just the ministry of villages to be able to explain BUMDes to all villages throughout the archipelago. But it is also a big challenge for village heads in various parts of the country to understand and implement it (Bebington et al, 2006). Not only in terms of formulating how it will develop, but the village also has full authority to manage the village fund to realize village welfare. It's no joke, village funds are directly transferred from the state revenue and expenditure budget account to the village so that now the village budget no longer needs to 'drop by' to various posts and scattered on the road (Handayani & Badrudin, 2019).

The development of areas where the majority of the population depends on the agricultural sector is a rural development policy that basically aims to improve the welfare of the community and accelerate industrial development based on the potential of the local rural economy (Desi, 2021). The main targets to be achieved through the implementation of this policy are to increase people's income, expand employment and the unmet need for clothing and food for consumption-based production value and the potential of the rural area base sector, as well as the realization of harmony (Maddatuang et al, 2021). Economic development between regions, between cities, and rural areas in various regions.

The development of agricultural areas is part of the implementation of national development policies that are translated to the district level (Nugroho et al, 2021). The process was then translated by the Enrekang Regency government through an integrated regional superior program policy since 2009. The implementation of the development of the agropolitan area was then followed by the South Sulawesi

Provincial Regulation No. 9 of 2009 (RT/RW 2009-2029) and the regional regulation of Enrekang Regency No. 14 of 2008 (regional long-term development plan 2008-2028). The agropolitan area in Enrekang Regency is determined and centered in the Belajen Agropolitan area, Alla Sub-district. The Belajen agropolitan area in Enrekang Regency has been identified as having potential natural resources to support the development of the agricultural sector and horticultural commodities in particular (Rahman, 2021). This condition is also supported by the potential of human resources that are dominant in the agricultural sector.

In-Law Number 32 of 2004 and government regulation number 72 of 2005 it is mandated that in increasing community and village income, the village government can establish Badan Usaha Milik Desa (BUMDes) in accordance with the needs and potential of the village. In terms of planning and formation, BUMDes is built on initiatives (community initiatives) and is based on cooperative, participatory, and emancipatory principles, with two underlying principles, namely member base and self-help (Hehamahua, 2015).

The establishment of this village-owned enterprise is because it has been mandated that in increasing the income of the community and village, the village government can establish village-owned enterprises (Antlöv et al, 2016). The pillar of this BUMDes institution is a village socio-economic institution that is truly capable as a commercial institution that is able to compete outside the village. BUMDes as a people's economic institution, a commercial institution, first take the side of meeting the needs (productive and consumptive) of the community through distribution services for the provision of goods and services. This is manifested in the provision of community needs that are not burdensome (such as cheaper prices and easy to obtain) and profitable (Syafingi et al, 2020).

The final goal, BUMDes as an instrument of social capital is expected to be a bridge that connects the village with the economic sphere outside so that it becomes an economic booster in the countryside. To achieve these conditions, strategic and tactical steps are needed to integrate the potential, market needs, and the preparation of the design of the institution into a plan (Titi & Sri, 2020). In addition, it is necessary to pay attention to localization potential and policy support from the government above to eliminate the low surplus of village economic activities due to the possibility of not developing the economic sector in rural areas. So that the integration of agricultural systems and structures in a broad sense, integrated trading businesses, and services will be used as guidelines in institutional governance (Sendouw, 2014).

### **3. Research Methodology**

This type of research is descriptive qualitative which aims to provide a complete and in-depth description of the role of Badan Usaha Milik Desa (BUMDes) in improving the community's economy in Enrekang Regency. Qualitative research is

research that emphasizes processes and meanings or social realities that are not rigorously tested or measured in terms of quantity or frequency. Qualitative research emphasizes the construction of social reality, the reaction between the researcher and the researched, and the situational constraints surrounding the research, as well as the nature of the research requirements. The focus of qualitative research is to explain how social phenomena are formed and given meaning. Descriptive is a method used to find the broadest knowledge of the object of research at a certain time.

This study focuses on improving the economy of the rural economy through Badan Usaha Milik Desa (BUMDes). The groups used as research informants were the village head, head of BUMDes, and the community. Therefore, several descriptions of focus in this study, namely:

- a) The Village Head is a person who has administrative policies in the village government area.
- b) The head of BUMDes is a person who has a policy in carrying out the organization of village economic institutions institutionally.
- c) The community is the person who gets it directly from the village economic institution, namely BUMDes in Enrekang Regency.
- d) BUMDes is a village business managed by the village government and is a legal entity. The village government can establish Badan Usaha Milik Desa in accordance with the needs and potential of the Village. The establishment of a Badan Usaha Milik Desa (BUMDes) is stipulated by a village regulation. The management of the Badan Usaha Milik Desa (BUMDes) consists of the village government and the local village community.
- e) Improving the economy of rural communities in an effort to build community power in the economy, especially by encouraging, motivating, and exploring their potential so that conditions will change from being helpless to be empowered with the realization of real actions to increase the dignity and worth of the economy and escape from poverty and backwardness.

The types of data obtained, both data from observations, in-depth interviews, and data from documents, are grouped by topic of discussion, analyzed, and then formulated into a coherent qualitative story supported by empirical facts in the field. Clearly, the data processing and analysis procedures can be seen in the following chart:

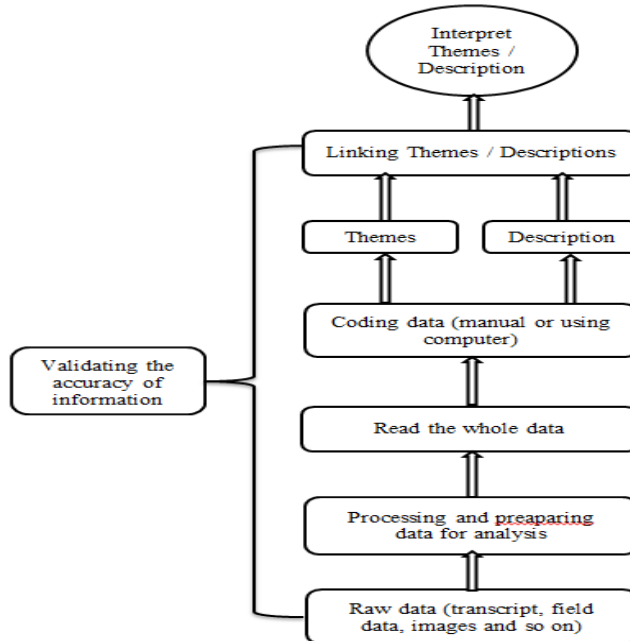


Fig. 1: Research data analysis

## 4. Result

The existence of the community empowerment agency and village government cannot be separated from the workload policy aspect of the regency government in empowering village community development like the implementation of development developments in the region. The dynamics of development always bring new aspirations and demands from the community to realize a better quality of life. The aspirations of the people's demands are based on the desire to play a more active role in creating an advanced, independent, prosperous and justice-based society. The target of the development program in regional economic growth is the establishment of Badan Usaha Milik Desa (BUMDes) as a strategic business unit in increasing village original income.

The government of Enrekang Regency is more focused on efforts to increase economic growth in all villages in Massenrempulu. Enrekang Regency has 12 Sub-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 village economic growth. The existence of Badan Usaha Milik Desa (BUMDes) is very much needed because several villages are developed and village original income is quite good because of the role of BUMDes in managing all the potential in the village. There are not many villages in Indonesia that are developed and have a prosperous society because the village is developed

and the original income of the village is high because of the existence of BUMDes.

Enrekang Regency has great natural potential as an area that is economically strong if the management of its entire potential is maximized. Currently, there is a global crisis, namely Covid-19, at this time the government and society show the public that Enrekang Regency can survive in the food security sector from the agricultural aspect. During the Covid-19 pandemic that hit the world, especially in Indonesia, farmers in Enrekang Regency remained productive in their activities in the garden. This means that this is where the role of farmers in the Enrekang Regency is to maintain stability and food availability, both in the local and national sectors. In 2019 Enrekang Regency has a ginger plant harvest area of 156,128 square meters spread over 12 Sub-districts. The sub-district with the largest harvest area is the Masalle Sub-district, which is 75,000 square meters and followed by Baraka and Maiwa Sub-districts with an area of 40,000 and 26,500 meters respectively square.

The existence of the village as a potential basis for the economic activity must become a new paradigm in Indonesia's overall economic development program. Changes in internal and external conditions that occur require appropriate and appropriate policies from policy makers in an effort to develop the potential of rural areas. It's time to make villages centers of development and make these areas the main motor driving the wheels of the economy.

During the global Covid-19 pandemic, economic growth in Enrekang Regency only reached its lowest limit, only 4.55 percent which was no longer in line with the previous prediction of 6.65 percent per year. The prediction of the economic growth rate in Enrekang Regency is estimated to be driven by two sources, namely (1) the supply side, economic growth is driven by rapid growth in leading sectors such as agriculture, manufacturing, and construction. (2) From the demand side, economic growth is driven by consumption in the household sector and the government sector. The setting of a fairly high economic growth target is expected to increase regional revenues, especially revenues from regional taxes and levies. Accelerating economic growth is predicted to reduce the unemployment rate from 1.58 percent in 2019, an increase of 1.28 percent in 2020.

Setting economic growth targets during the Covid-19 period tends to be difficult to achieve from the target until the end of 2020 along with the increasing number of unemployed. This also has an impact on increasing the number of poor people in the Enrekang Regency. The Enrekang Regency Government projects that the percentage of poor people is targeted to decrease from 12.77 percent to 11.51 percent in the 2019-2023 period. The target for the percentage of the poor in 2019 is based on the prediction of the achievement of the percentage target for the poor in 2018 of 12.96 percent. By referring to the projections of several macroeconomic variables supported by various efforts to intensify and provide information on taxes and levies as well as government financial policies both at the central and regional

levels, it is hoped that it will encourage regional revenue growth in Enrekang Regency, both regionally. income, balancing funds, and other legitimate income.

Enrekang Regency has considerable natural resource potential and is supported by human resources which are also expected to increase. regional original income, with reference to the assumption of economic growth as well as the intensification and extensification policies that will be implemented, is predicted to increase regional original income. To achieve this target, local governments need to make new breakthroughs or new innovations related to optimizing the increase in local revenue sources. The policy of intensification and extensification of taxes and levies that have been taken will be continued and refined.

The increase in the nominal value of regional original income has an impact on increasing the contribution of regional original income. With the target that has been set, the contribution of regional original income tends to increase every year from 8.63 percent in 2019 to 10.86 percent in 2021. The acceleration of growth of regional original income in the next five years is predicted by the growth of regional original income. each source of local original income faster than in previous years.

In the 2019-2021 period, local revenue is projected to increase from IDR 95.17 billion in 2019 to IDR 143.53 billion in 2021. The projected revenue growth is in line with the projected economic growth in that time span, which ranges from 7 - 7.53 percent.

Table. 1: The development of Enrekang Regency's original income in 2019 - 2021

Number	Description	Total regional budget		
		2019 Realization (IDR)	2020 Goals (IDR)	2021 Projection (IDR)
1	Regional original income	95.81 billion	116.99 billion	143.54 billion
2	Local tax	16.68 billion	20.61 billion	25.46 billion
3	Regional retribution	25.40 billion	30.98 billion	38.11 billion
4	Legalized regional wealth	15.67 billion	17.86 billion	20.54 billion
5	Other legitimate local revenue	37.43 billion	47.54 billion	59.43 billion

Source: Primary data, 2021.

The agricultural sector has an important and strategic role in national development which relies on the regional agricultural sector. These roles include: increasing foreign exchange earnings, providing employment, obtaining added value and competitiveness, meeting domestic consumption needs, domestic industrial raw materials, and optimizing sustainable natural resource management. This is indicated by the large contribution of the agricultural sector to the gross regional domestic product, especially during the Covid-19 global crisis pandemic experienced by Indonesia. the only sector that currently contributes to the national



economic growth of 12.84 percent of gross domestic product, which is the only sector that grows positively.

Data on the contribution of BUMDes in village income to finance village expenditures accumulated in the village income and expenditure budget in 2 different years in Janggurara Village, Baraka Sub-district. This has a positive impact on increasing village original income.

Table.2: Original income of Janggurara village in 2019-2020

Number	Description	Year 2019 (IDR)	Year 2020 (IDR)
1	BUMDes profit sharing	-	14,700,000,-
2	Village fund	1,121,229,000,-	935,298,000,-
3	District tax and retribution revenue sharing	-	16,220,973,-
4	Allocation of village funds	502,656,000,-	460,110,000,-
5	Bank interest	4,311,570,-	5,338,000,-
<b>Total</b>		<b>1,628,196,570,-</b>	<b>1,431,666,973,-</b>

Source: Primary data, 2021.

Based on the table, the contribution of BUMDes in 2020 in improving the village economy greatly contributes to the original income of the village of Janggurara Village. When compared to 2019, where the village's original income comes from only three sectors, while in 2020 the source of the village's original income has increased in 2 sectors. The total cumulative original village income in Janggurara Village decreased in 2020, this was due to a reduction in village funds and village fund allocations. On the other hand, the researcher shows data on village original income which is used as a village income and expenditure budget for the current 2 years which does not maximize the BUMDes institution in improving the village economy.

Table. 3: Original income of Parinding village in 2019-2020

Number	Description	Year 2019 (IDR)	Year 2020 (IDR)
1	BUMDes profit sharing	-	-
2	Village fund	1,118,760,000,-	106,3723,000,-
3	District tax and retribution revenue sharing	8,391,000,-	18,385,312,-
4	Allocation of village funds	50,5609,000,-	460,934,000,-
5	Bank interest	2,693,084,-	2,000,000,-
<b>Total</b>		<b>1,635,453,084,-</b>	<b>1,545,042,312,-</b>

Source: Primary data, 2021.

In Parinding Village, the main source is only 4 (four) main sectors as village original income. There is no contribution from BUMDes in Parinding Village. This is because the Parinding Village Government only relies on 4 (four) sources in the village income and expenditure budget in Parinding Village.

## 5. Discussion

The village is an administrative area in this part of the archipelago which has contributed a lot to urban development in every province throughout Indonesia. During the Covid-19 Pandemic, which has devastated almost all aspects of human life on this earth, the economic sector is no exception. 269.6 million people in Indonesia's total population have felt the destructive power of Covid-19. Domestic product growth in the third quarter, which began as of July 2020, was only able to grow 1.4% or weakened to minus 1.6%. On the other hand, the threat of a national food crisis has also become an extra concern from the government. Food security is intensification, extensification, and syndication. The village is an area that can answer this anxiety because the village can increase economic growth and national food availability (Alfada, 2019).

Bank Indonesia said that the current national economic growth cycle has reached its lowest point during the Covid-19 global pandemic. Realization of state expenditure until the end of February 2020 amounted to IDR 279.41 trillion (11.0 percent of the 2020 state budget ceiling for revenues and expenditures), nominally an increase of 2.79 percent from the same period compared to the previous year. The realization of the state expenditure includes the realization of the central government expenditure of IDR 161.73 trillion (9.61 percent of the budget ceiling for state revenues and expenditures) and the realization of transfers to regions and village funds of IDR 117.68 trillion (13.73 percent of the state budget ceiling). In nominal terms, the realization of Central Government Expenditures up to February 2020 grew by 11.01 percent from the previous year. The increase in the realization of Central Government Expenditures was mainly influenced by the realization of capital expenditures which increased by 51.30 percent and social assistance which increased by 35.21 percent compared to the previous year.

Furthermore, to be able to increase economic growth in South Sulawesi Province during the global pandemic Covid-19, the Enrekang Regency Government can encourage all Village Heads in South Sulawesi Province as many as 2,255 Villages to prioritize short-term planting in meeting food needs nationally. It is not without reason why it must be a village that can support the current rate of economic growth. All villages currently have available budgets from the allocation of village funds in the range of IDR 1 billion/village. If totaled from the total amount of village funds in South Sulawesi, the amount is around IDR 2.25 Trillion out of a total number of 2,255 villages.

From the amount of IDR 2.25 trillion can be allocated as much as 25% for the use of meeting food needs and improving the village economy, so the total budget allocation is IDR 250 million / village. Then the total reached IDR 563.7 billion of money movement in South Sulawesi in contributing to the support of the economy in the fulfillment and supply of food stocks from rural areas in South Sulawesi Province during the global pandemic crisis.

With such a large allocation of state revenues and expenditures in handling the

impact of Covid-19, the government has to pay more serious attention to the aspects of management, distribution, and national food availability, which will reduce the number of people infected with the coronavirus on a large scale. national. With the allocation of the state revenue and expenditure budget, the government should have been able to provide a concrete and measurable explanation in its handling so that at a certain time, the government has given an expectation of 0 (zero) new cases again based on the suitability and accuracy of the allocation.

Currently, almost all parties are pessimistic about the availability of national food ingredients and the duration of time for effective handling of government efforts that will disburse the state budget of revenues and expenditures that are very fantastic in number. To this day, the government has appealed to all Indonesian people to jointly prevent the spread of Covid-19 without exception, but on the other hand, the appeal also does not include formal involvement of community components based on their competence by adjusting the budget allocation for state revenues and expenditures that have been set. approved and distributed to all beneficiaries.

The government of Enrekang Regency is currently more focused on increasing economic growth in all villages in Bumi Massenempulu. Enrekang Regency has 12 sub-districts with 112 villages so that the government and all stakeholders will focus their attention more on increasing village-based economic growth.

Theoretically and empirically, it shows that in the BUMDes institutional system it refers to:

- 1) Maximum satisfaction as the goal, as well as maximum profit.
- 2) People tend to think that BUMDes is rationally more as a group association, by using social capital as the basis for individual interests and priorities.
- 3) The organizational structure of BUMDes is outside the village government system, so it is not always stable and efficient in providing services to villagers.
- 4) Villagers assigned as equipment/management bodies have more motivation and orientation based on non-materials, namely respect, appreciation socially and politically rather than economic.

The concept of the existence of BUMDes has been going well, in which the orientation and main priority of the existence of the institution are not only based on material benefits but has led to social interests. However, there needs to be more mature preparation if later the operation of BUMDes is left entirely to the village community. It is intended that the public can accept new ideas about economic institutions that have these two functions, namely commercial and social (Khaliq & Noy, 2007). However, it does not deviate from the characteristics of the village and the values of life in it. The most appropriate preparations to do are socialization, education, and training for parties who have an interest in improving the standard of living of the village community.

The above concept still needs to be further refined by means of proper cooperation (partnership) capital and can be implemented by BUMDes with village markets in the district, as well as with a wider market coverage if there is still a possibility. The partnership strategy used by BUMDes can be in the form of integrated and intensive partnerships. The importance of BUMDes partnerships with other institutions is used as a support for the implementation of programs and activities that have been and will be implemented by the BUMDes.

The following is the data of active BUMDes in 6 (six) Sub-districts in the Enrekang Regency, namely Alla, Anggeraja, Baraka, Buntu Batu, Curio, and Malua Sub-districts. The following are the names of the villages in each sub-district:

Based on the table data above, the total number of villages that have been active as Badan Usaha Milik Desa (BUMDes) institutions from 6 (six) Districts are the focus of the author's research location. The number of villages that have been active as BUMDes is based on the village original income data for 2020 at the Ministry of Villages of the Republic of Indonesia and the Enrekang Regency Community and Village Empowerment Service. The accumulated number of villages in these 6 (six) sub-districts is 55 villages.

BUMDes aims to improve the village economy and improve community efforts in managing the village's economic potential. In addition, BUMDes also aims to develop business cooperation plans between villages and/or with third parties, create opportunities and market networks that support the needs of public services for citizens, create jobs, improve community welfare through improving public services, growth, and equitable distribution of the village economy, and increase village community income and village original income.

Table. 4: List of active BUMDes based on income in 6 Sub-districts

Number	Sub-district	Village	Total (IDR)
1	Alla	Bolang	5,715,600,-
		Taulo	1,256,200,-
		Total	6,871,800,-
2	Anggeraja	Bamba Puang	6,800,000,-
		Mendatte	737,700,-
		Total	7,537,700,-
3	Baraka	Tirowali	4,000,000,-
		Janggurara	14,700,000,-
		Kadingeh	998,077,-
		Total	19,698,077,-
4	Buntu Batu	Buntu Mondong	3,285,000,-
		Eran Batu	1,800,000,-
		Langda	1,916,150,-
		Latimojong	8,000,000,-
		Total	15,001,150,-
5	Curio	Buntu Barana	4,000,000,-
		Mekkala	3,000,000,-
		Sangilepongan	8,260,000,-
		Total	15,260,000,-
6	Malua	Kolai	21,978,000,-
		Rante Mario	416,700,-
		Total	22,394,700,-
<b>Total (1+2+3+4+5+6)</b>			<b>86,763,427,-</b>

Source: Primary data, 2021.

## 6. Conclusion

The existence of BUMDes is expected to contribute to improving community welfare at the rural level. Based on initial observations and information obtained by researchers in the field, there are still problems in improving the welfare of rural communities in the Enrekang Regency. This is due to the weak role of existing economic institutions. BUMDes is an economic institution formed by the Village Government to utilize all economic potential, economic institutions, as well as the potential of natural resources and human resources in order to improve the welfare of the village community.

The target of BUMDes is more targeting the economically weak (poor) community based on several categories, including recommendations from the Enrekang Regency Community and Village Empowerment Service and the results of a survey of BUMDes implementers. The existence of BUMDes in relation to helping the poor by distributing assistance in the form of cash (money), with a soft return system. BUMDes in the district has a goal to improve the welfare of the village community. The presence of BUMDes is one of the hopes of the village government, especially in the 6 (six) sub-districts that are the focus of the research

location.

The role of BUMDes in improving the community's economy considering the number of poor people is quite high in Enrekang Regency. Currently, based on data from the Central Bureau of Statistics of Enrekang Regency, there is still 12 percent of poor people in Enrekang Regency. This means that if our population reaches 220 thousand, then there are still around 20 thousand people who are categorized as poor living in 12 Sub-districts. The role of the village government through Badan Usaha Milik Desa (BUMDes) must be able to empower the superior potential of each village into a productive economic source. The results of interviews related to the obstacles to the implementation of BUMDes can be concluded as follows.

Of the three indicators of internal barriers that are the focus of research, namely: management regulations, village government commitment, and innovation in BUMDes management, the most prominent is the weakness of regulation. Regulations in an organization are technical guidelines for implementing activities so that they do not deviate from the purpose of establishing BUMDes.

BUMDes as a partner of the village government in empowering the community's economy needs more optimal regulations so that it can improve the economy of the poor. For BUMDes implementers, there should be efforts to increase professionalism so that the services provided are better, accurate, targeted, and accountable to prevent nepotism and corruption. Increasing professionalism is also a benchmark in developing businesses managed by BUMDes so that they are in accordance with the needs of the community.

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