

Local Economic Development Through Village Funds in Barru District

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Abstract The purpose of this study is to impact the management of village funds for the local economy, the determinant factors in managing village funds in developing the local economy, the efforts made by the government in developing the local economy. This research uses descriptive type with a qualitative approach. Collection techniques used include the method of observation, interviews, and documentation. Collection techniques used include the method of observation, interviews, and documentation. The results of the study show that the utilization of village funds in local economic development in Paccekke Village, Soppeng Riaja sub-district, Barru Regency has a positive impact with the development of infrastructure built by the community so that the crops can be channeled properly thereby increasing income and making an increase in the community economy in Paccekke Village, Soppeng sub-district Riaja Barru Regency The factors that support the implementation of the Village Fund program in local economic development are the existence of policies from the government to cooperate with the private sector such as in the construction of roads involving the participation of local communities. Efforts made in developing the local economy are gathering community aspirations, improving public facilities and infrastructure, infrastructure so that it can provide community access in managing their agricultural products

Keywords— Local Economy, Village Fund component

I. INTRODUCTION

Regional economic development is a process in which regional governments and their communities manage existing resources and form a partnership pattern between local governments and the private sector to create new jobs and stimulate the development of economic growth in the region[1], [2]

Regional economic development can begin in rural development in general and the agricultural sector in particular because they are not passive at all and merely supportive in the process of overall economic development, both must be placed in their true position, namely as a very important, dynamic and even very decisive in overall development strategies, especially in low-income developing countries

In order to optimize local economic development in the era of autonomy which refers to Law no. 32 of 2004 concerning Regional Government, automatically demands

regional governments to be globally oriented. Due to the condition of the level of competition between countries that is getting higher and does not rule out the possibility of having an impact on the economy in Indonesia, especially in the regions. Therefore, the challenge of the regional government is no longer on autonomy and decentralization, but the regions are demanded to increase their competitiveness.

Abdullah explain that regional competitiveness is development.[3] According to Tjokroamidjojo development is "the effort of a nation society which is a major social change in various fields of life towards a more developed and better society, in accordance with the views of that community." So, "the ability of the regional economy to achieve growth a high level of prosperity and sustainability while remaining open to domestic and international competition."

Local Ecology Development is a process where local government and community organizations are involved to encourage, stimulate, maintain business activities to create jobs[4]

Soppeng Riaja District Barru Regency is one area that has applied the concept of local economic development to develop its region. This development is focused on the agricultural sector, and fisheries where the agriculture and aquaculture sectors are the basic sectors that can be developed in Soppeng Riaja District, Barru Regency. But in its development, the concept of local economic development faces obstacles and challenges in its development where farmers are still traditional in nature, so here the role of government is needed.

Village funds provided by the Government are really needed by the villagers for community economic development. Infrastructure development is very much needed considering the agricultural products in this village are immediately marketed considering the location or location is still very far away and road conditions are still damaged. There needs to be an effort from the local government in managing agricultural products so as to add value to these results. So it is very necessary guidance of knowledge or skills for it. These village funds are needed to help achieve this.

1. Local Economic Development

Local Economic Development is a process in which local government and community organizations are involved to encourage, stimulate, maintain, business activities to create jobs. In addition, according to local economic development (LED) is a process that tries to formulate development institutions in the region, increase the ability of human resources to create better products and industrial development and business activities at the local scale.[5] Thus, regional development is seen as an effort of the regional government together with the community in developing economic opportunities that are compatible with HR, and optimizing the utilization of natural resources and institutions locally.

According to Blakely in the success of local economic development can be seen from several indicators, namely:

- 1) expanding opportunities for small communities in work and business opportunities;
- 2) expansion for the community to increase income;
- 3) empowerment of micro and small business institutions in the production and marketing process; and
- 4) institutional empowerment through partnership work between the government, the private sector and local communities [4]

2. Definition of Village Funds

Regulation of the Minister of Finance of the Republic of Indonesia Number 241 Year 2014 article 1 concerning Implementation of Transfer Accountability to Regional and Village Funds. Village funds are funds sourced from the APBN which are intended for those who are transferred through the district and city APBDs which are used to finance government administration, development implementation, community development.

According to the Minister of Domestic Affairs Regulation Number 37 of 2007 concerning Guidelines for Village Financial Management in Article 18 that the Village Fund Budget comes from the Regency / City APBD sourced from the Central and Regional Financial Balance Funds received by the Regency / City for villages at least 10% (ten percent). Revenue and Expenditure Budget that the Village Revenue and Expenditure Budget hereinafter abbreviated as APBDES is the Village Annual Financial Plan which is discussed and agreed upon by the Village Government and the Village Consultative Body stipulated by the Village Regulation and the Village Allocation Fund contained in the Regency Government Financial Assistance covering:

- 1) Village Government Apparatus Income Allowance (TPAPD).
- 2) Village Fund Budget.
- 3) Allowance for regional taxes and levies.
- 4) Other assistance donations from the Regency

The distribution of the Village Fund Budget (ADD) can be seen based on the main Independent Variables and additional Independent Variables with the following details:

- 1) Equitable Principle is the same magnitude of the Village Fund Budget (ADD) for each or what is called the minimum Village Fund Allocation (ADD). Village Fund Allocation (ADD) The main Independent Variable is 70% and Additional Independent Variable is 30%.

- 2) Fair Principle is the magnitude of the Village Fund Allocation (ADD) portion that is divided proportionally for each based on the Village Weight Weight calculated by certain formulas and variables or Proportional Village Fund (ADD) Allocation (ADDP), Main Proportional Variable by 60%.

Additional Proportional Variable of 40%. Main Independent Variables are the variables that are considered most important to determine the value of village weights. The Main Variable is aimed at gradually reducing disparities in community welfare and basic public services between villages and overcoming poverty in the community. The Main Independent Variables include the following:

- 1) Indicator of poverty.
- 2) Basic Education Indicators.
- 3) Health Indicator.
- 4) Village Affordability Indicators Additional Variables are Variables that can be added by each region which includes the following:
 - a) Indicator of Population.
 - b) Area Size Indicator.
 - c) Economic Potential Indicator (PBB).
 - d) Indicator Number of Community Units (Hamlet).

The enactment of Law No. 6 of 2014 is felt to be a breath of fresh air for the village. The existence of this law becomes the legal basis of the recognition of the village as an autonomous region itself. In connection with fiscal decentralization, which is the subject of the enactment of the law, which is related to 10% of funds from the National Budget for villages throughout Indonesia, where each village will receive funds of approximately 1 billion per year. Budget distribution is almost uniform around 1 billion whereas the management capacity of the government is very diverse (this will be anticipated through fiscal decentralization rules that govern the amount of the village budget based on the needs and ability to manage through government regulations.

II. METHODS

A. Research Type

The type of research used is descriptive qualitative research type, which aims to provide a description of a phenomenon or problem in accordance with existing data and facts. The reason is because descriptive qualitative research uses qualitative methods to explore meanings, variations, and perceptual understandings, which are then analyzed qualitatively, when research is carried out in the field relating to the management of village fund programs for village community empowerment

B. Data Analysis

a. Data collection stage

This data collection stage can be done by interviewing the village head, the institutions in the village, and the community in Paccekke village, Soppeng Riaja District, Barru Regency.

b. The reduction stage

At the research stage, reducing data and focusing on certain problems. Researchers sort interesting, important and new data from the data found in the first stage grouped into categories that are determined as the focus of the study.

c. Stage display

At the display stage, data is presented in the form of brief descriptions, charts, relationships between categories and the like.

C. Conclusions and verification

At the conclusion and verification stage, the initial conclusions submitted are still temporary and will change if there is no strong evidence to support the next stage of data collection. But if the conclusions raised at an early stage are supported by valid and consistent evidence when the researcher returns to the field to collect data, then the conclusions put forward are the most conclusive conclusions.

III. RESULTS

A. Local Economic Development of Paccekke Village Community Before and After the Village Fund Program

In interviews conducted with the Paccekke Village Head and several community leaders stated that: "Empowerment prior to the existence of village funds was only limited, limited in the sense that such activities or funding was still self-supporting. Therefore, community empowerment in the economic sector has never existed or has never been discussed in the community, because it is still very limited. In addition, institutions that work in synergy with villages are not yet running optimally, such as Karangtaruna, one of which is empowerment of young people, the programs have not been running optimally.

The interview continued, they said the same thing that the empowerment carried out by the village government was hindered by the lack of funds and before the existence of village funds the village administration only carried out minimal empowerment with makeshift funds.

"The general economic situation of the Paccekke Village community is actually not too bad, well before the village funds were provided. Some people farm, and also work as farm laborers, trade, civil servants and others. This village fund is prioritized for infrastructure development this year. Hence the state of infrastructure before the existence of village funds is quite different from after the existence of village funds. Before the existence of village funds, the state of infrastructure had not been improved, such as roads and bridges that had not been repaired. The rough condition of infrastructure before the existence of village funds was quite

bad, like roads in damaged villages, bridges were also the same. In addition, when we want the village government to carry out infrastructure improvements for example, we always clash with the available funds, it is quite difficult if before the village funds exist ". (Interview on September 10, 2018)

Empowerment of the local economy of the Paccekke Village community prior to the existence of village funds did indeed look very lacking, or even though it had not been able to be felt by the community as a whole. Not only that, the condition of the infrastructure is still not good, such as roads, bridges and others in the village.

In the summary of interviews with the public it is said that:

"With the village fund, the village government invites and embraces all levels of society in empowerment and development so that it can be improved from various elements, be it the empowerment of population, welfare, and so on, thank God we gradually increase. An example is the Procurement of BUMDES in the form of Village Stalls. Bumdes sells agricultural needs, KWT organizers (farmer women groups originating from the PKK program), in health activities, namely latrization and cadre Posyandu and in the field of education, namely the provision of facilities and infrastructure for underage education (PAUD), LINMAS empowerment. "

Before the existence of village funds, things that were specifically community empowerment and / or development were not felt, this was because one of them was the limited available budget, even the community empowerment in Paccekke Village was funded only in a self-sufficient or self-supporting way. Seeing the current situation, with the existence of these village funds, the village government is able to make the best use of it in seeking to improve Paccekke Village. Development in physical or infrastructure aspects, community empowerment in all aspects needs to be improved.

With funds that are large enough for the village now, in order to improve the quality of the village, and the quality of the community to be more advanced and better.

B. Factors that support the implementation of the Village Fund program in local economic development in Pangaloang Village, Soppeng Riaja Ale, Barru Regency.

Supporting factors for the implementation of the Village Fund program are the existence of policies from the village government and community involvement. For more details, the role and management can be described as follows:

a. Village development policy direction

According to the results of an interview with Mr. Muhammad Dahlan, S. Sos said that:

"The direction of the Paccekke Village development policy as outlined in the 2014-2018 RPJMDes is an inseparable part of the village's vision and mission." (Results of the interview on 8 September 2018)[6]-[8]

According to him, the policy direction is a guideline to elaborate the formulation of the village mission to be more

focused in achieving the objectives and facilities in each stage of development for 6 years operationally, the preparation of the policy direction for the cancellation of Paccekke Village in 2014-2018 is based on the goals and objectives to be achieved, where the targets and the goal is the operational step of every village mission.

The direction of the Paccekke Village development policy based on the village mission is as follows:

- a) Improving the quality of community resources with high moral morals.
- b) Improve institutional and community roles
- c) Grow and activate farmer groups in an effort to increase food production
- d) Strive to provide the means of production needed by the community.
- e) Potential and Problems

Potential and problems are things that must be seen in the formulation of the Paccekke Village development plan because the potential is estimated to be the village potential while the problems are problems that must be targeted for improvement or development programs.

"According to the head of the village, this potential is included in several parts, namely general potential and special potential, general potential is the potential of the village in the village with special ownership, such as rice fields, plantations and businesses, the potential of the village becomes the reference and formulation of potential development the potential that is quite prominent in the village also becomes a reference in the formulation of the vision and mission of the village, so that the development program must lead to it." (Interview results on 8 September 2018)

C. Village Development Program

In the preparation of village development where the results of the selection of problems and potentials that have been made are compiled then collected and grouped, then reviewed and analyzed in Workshop 1 of Paccekke Village. The workshop was held on Monday 11 January 2013 at the Paccekke Village Office. This assessment process is carried out in the following stages:

D. Ranking of problems

The ranking of problems aims to find out the priority of the problems which must be solved immediately. The technique used in this determination is weighting

E. Assessment of problem ratings

Problem solving assessment is carried out to find various alternative solutions to problem solving by taking into account the root causes of the problem and the potential that exists.

According to the village head and community leaders as well as the device, the village treasurer, after being interviewed said that:

"Many programs have been proposed by the community. However, the village government has not been able to realize all, the main focus and the interests of the community are the

construction of roads and bridges, drainage development. The issued budget is in accordance with the needs of the program." (Results of the interview on September 8, 2018)

This further interview said that:

"The village government and the community did not program local economic development, seeing that there was a lot of assistance given by the Agriculture Office in the form of rice seeds and even tractor cars. And also the Social Service which is providing assistance to the people who have their own businesses in the form of sewing machines, carpentry tools, workshop tools." (Results of the interview on September 8, 2018)

With the assistance of the village government in collaboration with the Agriculture office and the Social Service they felt very happy because many were paying attention. According to one community member who received assistance from the Social Service in the form of a sewing machine said that:

"I have received assistance in the form of a sewing machine and I feel that this assistance is very helpful because it can smoothen my business and the incoming orders can be completed quickly with the help of my family so consumers do not complain much anymore because the goods are finished quickly." interview on September 10, 2018)

F. Community participation

Community empowerment is a process in which the community, especially those who lack access to development resources, are encouraged to increase their independence in developing their lives.

The Paccekke Village Head and several community leaders after being interviewed said that:

"Without the role of the community, local economic development will not go well. The need for community empowerment carried out by the government to improve the ability and independence of the community. Where community members work together with formal and informal groups to share knowledge and experience and try to achieve common goals. So community empowerment is a process." (Interview on 8 September 2018)

The condition of the people of Paccekke Village itself, the majority of them have the unique character of the Paccekke village area, namely dynamic, creative, polite and welcoming Most of the population is at a young age which is a productive age, so that such demographic conditions indicate that the human resource potential of Paccekke Village is sufficient as a potential in the process of developing the local economy in Paccekke Village.

G. The efforts made in developing the local economy in Paccekke Village, Soppeng Riaja District, Barru Regency.

Local economic development is a process in which local government and community organizations are involved to encourage, stimulate, maintain, business activities to create jobs [4]. In Paccekke Village itself, local economic development has been carried out by looking at the potentials that are then developed into superior products. To see the potentials that are superior.

In Paccekke village itself the start of local economic development did indeed originate from the government. At that time the government saw that there were a lot of potentials in Paccekke Village that should be able to be developed into other products in order to have high selling points. Seeing the agricultural potentials that exist, the village government to develop the local economy in the village by looking at the agricultural potential in the village.

Local economic development is an effort to optimize local resources that involve the government, business world, local communities and civil society organizations to develop the economy in a region. Based on the results of an interview with Mr. Muhammad Dahlan said that:

"Initially the government saw the agricultural potentials in Paccekke Village as seen by the large number of people whose livelihoods were farmers because of the fertile soil conditions. To improve agriculture, the government provides integrated agricultural training (crop and livestock integration models) to further enhance farmers' insights. "

Analysis of Supporting Factors in Local Economic Development in Paccekke Village There are several things that become supporting factors in the development of the local economy including:

1. The availability of abundant natural resources. In Paccekke Village itself has abundant natural resources, especially in agricultural resources. Many different types of plants can flourish there such as rice, hazelnut, cloves, vegetables and fruits.
2. The existence of good human resources. The large number of residents in Paccekke Village makes this opportunity for local economic development even greater because many will develop this local economy in their respective regions.

IV. DISCUSSION

In this discussion, the problem will be analyzed based on the results of research on the factors that support the management of the Village Fund in local economic development, factors that support the implementation of the Village Fund program in local economic development, efforts made in the development of the local economy in Paccekke Village, Soppeng Subdistrict Riaja, Regency of Barru.

A. Implementation of the Local Economic Empowerment Program through the Village Fund

The implementation of community empowerment, development, and other programs in rural areas, often does not go well, and phenomena like this last several years. This is said to be caused by the limited budget available in each village government, which in consequence the programs implemented in the villages did not run significantly.

In addition, not a few villages in Indonesia are categorized as disadvantaged. While urban areas are incessant with their urban development and structuring programs, rural areas seem to have received less attention, perhaps in almost all sectors. The city with all its progress continues to advance, while the village seems to be stagnant

or static, the road where it has not been, there is development.

In this case the Paccekke Village Government involved the community in the process of preparing an agenda for the empowerment activities to be carried out. Community participation in empowerment or development is very important, community participation becomes important in the development process, firstly community participation is a tool to obtain information about the conditions, and needs of the community. Second, the community will trust the program of development activities more if they are involved in the preparation and planning process. Third, there will be an assumption of the fulfillment of democratic rights when they are involved in development.

B. Supporting factors for the management of the Village Fund in the development of the local economy in Paccekke Village, Soppeng Riaja District, Barru Regency

1. Government Policy

The existence of Law Number 32 of 2004 concerning Regional Government which has the authority to make policies on the Village in providing services, enhancing the participation and empowerment of the Village community aimed at community welfare. The Village Fund Allocation Management system implemented by the Village Government includes a mechanism of collection and accountability referring to Law Number 33 of 2004 concerning Fiscal Balance between the Central Government and Regional Governments. In this case funding follows the functions of government which are the obligations and responsibilities of each level of government.

Village Independence is a long-term ideal ideals To reach the ideal ideals of the Village,; (a) bringing development planning closer to the community; (b) improve public services and equitable development; (c) creating efficiency in financing development in accordance with local needs; (d) boost the welfare of village officials; (e) stimulating the local economy and the livelihoods of village communities; (f) provide the village with confidence, responsibility and challenges to generate village initiatives and potential; (g) build village capacity in managing governance and development; (h) opening a valuable learning arena for the village government, the Village Representative Body and the community; and (i) stimulate local community participation.

2. Role of the Community

The role and involvement of the community is also a necessity in Village Financial Management. Therefore, each stage of Village Financial Management activities must provide space for the role and involvement of the community. The community referred to loosely can be understood as local villagers, 2 or more people, individually or together, play a role and be positively involved and contribute in Village Financial Management. But if it was done privately by a villager, it would be quite troublesome. Therefore, the role and involvement referred to should be carried out by the villagers in an organized manner through the Community Institutions and / or Community Institutions in the local village.

The role and involvement of the community are important factors, because:

- a. Foster a sense of community responsibility for everything that has been decided and implemented;
 - b. Foster a sense of ownership, so that the community is aware and able to maintain and develop development results.
 - c. Give legitimacy / validity to everything that has been decided.
- C. Efforts made in the development of the local economy in the Village of Paccেকে Kec. Soppeng Riaja of Barru Regency.

Local economic development is carried out by looking at the potentials that exist in the agricultural sector first. In enhancing the concept of local economic development, of course it cannot be separated from the role of the government, where the government provides training, capital assistance to support the success of local economic development. In addition, the role of the community itself is also an important factor in the development of the local economy in Paccেকে Village.

Community Participation in Developing Local Economy in Paccেকে Village greatly influences the local economic development process. Because without the role of the community, of course local economic development will not be able to run properly.

V. CONCLUSION

Based on the research process, the following conclusions can be drawn:

1. Utilization of village funds in local economic development in Paccেকে Village, Soppeng Riaja sub-district, Barru Regency before the village funds had not been able to be felt by the community as a whole. In addition, the condition of infrastructure as a support for community growth activities in various fields, the situation is not so good. This can be seen from the condition of several connecting roads between villages in some areas that are still damaged, as well as bridges, and there are no developments intended to improve the local economy of the village. After the existence of village funds the community began to feel a positive impact seen from the cooperation of the government and the community in improving the construction of village facilities and infrastructure such as the construction of roads, bridges, culverts for the improvement of village facilities and development activities aimed at improving the economy of the Paccেকে village community in Soppeng Riaja sub-district Barru Regency.
2. Factors that support the implementation of the Village Fund program in the development of the local economy in Paccেকে Village, Soppeng Riaja sub-district, Barru Regency are the policies of the government to cooperate with the private sector such as road building and the participation of local communities.
3. The efforts of the Paccেকে Village Government of Soppeng Riaja Sub-district of Barru Regency in enhancing local economic development after the village funds need to be appreciated, changes and

improvements are made. So far, the main focus in local economic development programs implemented by the Paccেকে Village Government, Soppeng Riaja sub-district, Barru Regency, namely infrastructure development, road, bridge, Posyandu, and culverts are programs run by the Paccেকে Village Government Soppeng Riaja sub-district Barru Regency.

VI. SUGGESTION

After conducting research in Paccেকে Village, Soppeng Riaja District, Barru Regency, the writer has several suggestions, namely:

1. It is better if the community empowerment does not only lead to infrastructure development, the exploration of the potential that exists in the community must begin or be carried out, so that the community is able to develop.
2. Transparency of funds to the community is deemed necessary, this is intended so that the public clearly knows the number and programs carried out, besides that transparency is expected to be able to increase trust in the Village Government itself, also to increase good synergy between the government and the community.
3. The village community must in the future have a good will and cooperation with the government in an effort to increase independence and the implementation of community empowerment in the local economy and the community should be able to dig deeper into the potential of what is in the community, so that in the future it is expected to be able to improve the quality and standard of living society itself.

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