OPTIMIZING THE BUREAUCRACY IN ECONOMIC DEVELOPMENT EFFORTS TO PROVIDE COMMUNITY WELFARE IN INDONESIA

OPTIMALISASI BIROKRASI DALAM PEMBANGUNAN EKONOMI UPAYA MENYEDIAKAN KESEJAHTERAAN MASYARAKAT DI INDONESIA

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ABSTRACT

The objective of this study is to examine the strategies employed by the government to enhance bureaucratic performance with the goal of promoting economic growth and improving community welfare. The primary objective of bureaucratic institutions in delivering public services is to enhance the quality of services given to the community, hence fostering public satisfaction with the government's service provisions. The successful progression of economic growth necessitates the presence of a streamlined bureaucracy that effectively facilitates cooperation among the government and relevant stakeholders. In order to foster economic growth within society, it is necessary for the government to engage in bureaucratic policy-making procedures, including the effective socialization of programs. This study employs a qualitative analytic approach, utilizing triangulation as a data analysis technique to enhance data visualization. Based on the findings of this study investigation, it can be inferred that the government has effectively executed bureaucratic performance. Nevertheless, it is evident that there persist issues within the bureaucratic procedures, as indicated by the increasing number of economies throughout time. However, the stability of this growth is compromised inside the government's bureaucratic service processes, exemplified by the significant prevalence of micro, small, and medium enterprises (MSMEs) in Indonesia.

Keywords: Bureaucracy, Economic Development, Optimization

ABSTRAK

Tujuan dari penelitian ini adalah untuk mengkaji strategi yang dilakukan pemerintah untuk meningkatkan kinerja birokrasi dengan tujuan mendorong pertumbuhan ekonomi dan meningkatkan kesejahteraan masyarakat. Tujuan utama lembaga birokrasi dalam menyelenggarakan pelayanan publik adalah untuk meningkatkan mutu pelayanan yang diberikan kepada masyarakat, sehingga menumbuhkan kepuasan masyarakat terhadap pemberian pelayanan pemerintah. Hasil penelitian ini adalah Keberhasilan kemajuan pertumbuhan ekonomi memerlukan adanya birokrasi yang efisien yang secara efektif

memfasilitasi kerja sama antara pemerintah dan pemangku kepentingan terkait. Untuk mendorong pertumbuhan ekonomi masyarakat, pemerintah perlu melakukan prosedur pengambilan kebijakan yang birokratis, termasuk sosialisasi program yang efektif. Penelitian ini menggunakan pendekatan analitik kualitatif dengan memanfaatkan triangulasi sebagai teknik analisis data untuk menyempurnakan visualisasi data. Kesimpulan dalam penelitian ini adalah bahwa pemerintah telah melaksanakan kinerja birokrasi secara efektif. Namun demikian, terbukti bahwa masih terdapat permasalahan dalam prosedur birokrasi, seperti yang ditunjukkan oleh meningkatnya jumlah perekonomian dari waktu ke waktu. Namun, stabilitas pertumbuhan ini terganggu dalam proses pelayanan birokrasi pemerintah, seperti yang ditunjukkan oleh tingginya prevalensi usaha mikro, kecil, dan menengah (UMKM) di Indonesia.

Kata kunci: Bureaucracy, Economic Development, Optimization.

PENDAHULUAN

The purpose of this study is to examine the bureaucracy carried out by the government in carrying out economic development to provide social welfare. The important meaning of bureaucracy in the administration of public services is to provide superior service to the community so that people are satisfied with government services (Lee & Lee, 2020). In addition to providing quality services, the government must also provide more efficient services (Wang et al., 2021). Community economic progress and the administration of government services cannot be separated; thus, the government must succeed (Ness, 2021). The process of economic development requires an efficient bureaucracy to maintain coordination between the government and the parties involved. In an effort to encourage community economic growth, the government must also carry out the process of making bureaucratic policies, such as efficient socialization of programs (Hasmath et al., 2019).

Every government policy or program relies heavily on bureaucracy (An et al., 2022; Hasmath et al., 2019). Bureaucracy is a process in which organizations cultivate a mentality to produce efficient and effective public services (Wang et al., 2021). Performance delivery methods to improve service quality in a timely, efficient, effective, transparent, and responsible manner. The Indonesian government has emphasized constructive reforms in efforts to reform the bureaucracy as part of efforts to reform the bureaucracy. With the issuance of the 2010 Presidential Decree concerning the grand design of bureaucratic reform for 2010-2025, it is hoped that improving the quality of public services will bring about more effective governance reforms (Wahyurudhanto, 2020).

Government bureaucracy cannot contribute to the economic development of a nation without an efficient, effective, and responsible bureaucratic process (Ness, 2021; Utama, 2020). To achieve community economic progress, programs issued by the government must be implemented following appropriate bureaucratic procedures. The data shows community economic growth from year to year in Indonesia. The following information relates to the economic development of the Indonesian people.
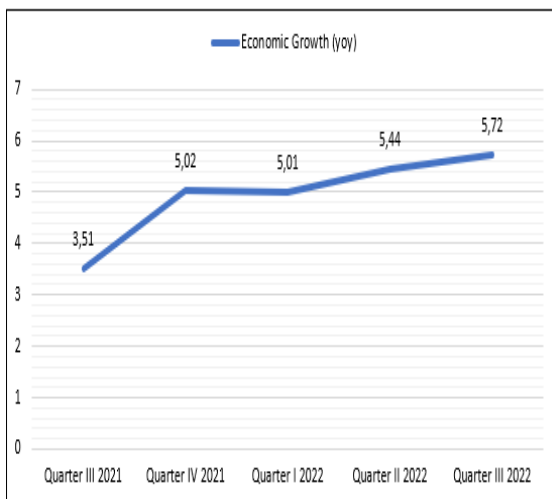
Source: Central Agency of Statistics 2022

Figure 1. Economic Growth in Indonesia

As illustrated in Figure 1, the fourth quarter of 2021 shows an increase in community economic growth from the third quarter of 2021. The economic growth rate of the fourth quarter (2021) of 5.2 percent indicates a considerable shift. Even so, there was a decline in the first quarter of 2022, but this decline can be managed so that the decline in the rate of community economic growth is only around 0.1%. In the second quarter of 2022, growth was considered to have reached 5.44 percent. This indicates an increase in economic expansion. However, high or low economic growth cannot be used as a reference in an effective, efficient, and responsible bureaucratic process because bureaucracy is the key to the administrative process in government organizations so that it can improve governance (Ness, 2021).

The bureaucracy's success in economic growth can be determined by looking at the process of economic growth in the future (Obamuyi & Olayiwola, 2019). Such as establishing facilities in the process of community economic development, such as support for standardizing SME certificates and providing cost assistance services for SMEs (Williams & Orokpo, 2019). Bureaucracy is integral to the state administration system (Rockman, 2020). The

reform process in the bureaucracy is a crucial component (Labolo & Indrayani, 2017). This will have an impact on the economic growth of the community. The existence of an inefficient bureaucracy and price competition, which is the main concern, hinders government programs aimed at improving the community's economy, such as managing natural resources and increasing SMEs/MSMEs. Therefore, in the process of community economic development, efficient bureaucratic procedures are needed (Goldsmith, 1999; Obamuyi & Olayiwola, 2019). So, efforts to reform the bureaucracy in accordance with the goals that have been achieved will significantly impact the economic growth process in society.

Collaborative processes in bureaucratic implementation for success in policy and program processes are a must for government performance processes to be effective, efficient, and accountable (Lazzarini et al., 2020). The smooth running of government programs and the process of economic growth in society will be assisted in many ways by institutional and government cooperation. The bureaucratic reform process will also improve performance. Use of e-government and e-governance principles and collaborative governance processes (Indrawati et al., 2020). The role of bureaucracy in the life of the nation and state is very important. Moreover, the bureaucracy has supported the implementation of government functions such as public services, regulation, protection, and distribution. Bureaucracy is defined as a formal organization with regulated positions and modes of operation, competencies based on positions and jobs, a spirit of public service, a strong separation between organizational and individual properties, and organizational resources subject to external scrutiny (Kallio et al., 2020).

The government continues to push for bureaucratic reform, but in its development, there are still obstacles that must be overcome by the government and

stakeholders (Pratama et al., 2019; Umar et al., 2019). Repairing the bureaucracy is the most important task because it affects the interests of society. The main question is how to improve the quality of public services in a timely, effective, efficient, transparent, and responsible manner in the near future. Every change must be interconnected with government services, both within one agency and between agencies (Umar et al., 2019).

The purpose of bureaucratic reform is to improve the bureaucracy's effective and efficient mindset and organizational culture to provide better public services (Turner et al., 2022; Umar et al., 2019). One of the obstacles still being faced in the development of bureaucratic reform is the government's reluctance to take and bear risks that will later become the effect or result of the reform itself (Turner et al., 2022). Presidential Regulation Number 81 of 2010 concerning the Grand Design of the 2010-2025 Bureaucratic Reform has given the implementation of bureaucratic reform a legal basis. Indonesia's bureaucratic reform strategy includes the promotion of good governance. In essence, it is an effort to carry out significant reforms and modifications to the government administration system, especially from an institutional (organizational) perspective, management (business processes), and human resource apparatus (Wahyurudhanto, 2020).

The government implemented bureaucratic reform; To reduce the risks that must be faced, stakeholders in the regions must consider the following criteria in implementing bureaucratic reform (Dhaliwal & Hanna, 2017; Gaus et al., 2017):

Bureaucratic reform begins with individual reform and requires the support of a change trigger that encourages others to reform themselves; Professional apparatus is the backbone of the implementation of bureaucratic reform; The aim of bureaucratic reform is an overall improvement that results in increased benefits for society; The government does not carry out reforms alone; multiple partners can contribute to improving government performance; and

Bureaucratic reform aims to improve the government's performance as a whole.

Approaches that local governments can use to complete bureaucratic reform (Turner et al., 2022): Improving government regulations and policies; Implementing e-government and e-governance; and Collaborative governance.

Good Governance is one of the emerging paradigms in the public service sector (Mlambo et al., 2020). Good governance is characterized by partnerships between the government, the corporate sector, and the community. With cooperation between the government, the business world, and the community, it is hoped that dynamic challenges can be overcome so that the ideals of good governance can be achieved. According to (Doornbos, 2019), the demand for good governance arises because of irregularities in the implementation of democratization, which encourages citizen awareness to create a new system or paradigm to oversee the running of government so that it does not deviate from its original purpose. As a result, a good governance paradigm is created, which is expected to be able to synergize the principles of good governance and not deviate from its implementation. In addition, there is a need for monitoring and evaluation in the bureaucratic reform process so that it goes well in a program or policy issued by the government (Gomide et al., 2019; Gulzar & Pasquale, 2017).
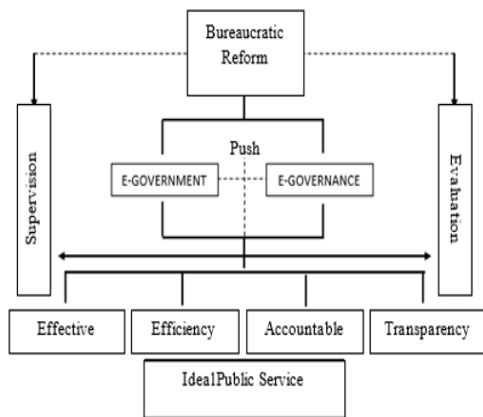
Source: (Gomide et al., 2019; Wang et al., 2021)

Figure 2. Bureaucratic Reform

The principles of good governance guide its implementation. Therefore, collaboration or cooperation between stakeholders is needed to achieve good governance (Lazzarini et al., 2020). The community expects that effective governance can foster cooperation between the government (government), private sector (private sector), and society (civil society) (Sumartono & Hermawan, 2020; Turner et al., 2022). From the explanation above, it is clear that the functions of the three stakeholders cannot be separated in implementing or maintaining good governance because all three are interdependent and play an important role in realizing good governance. Good governance is the management of government synergy and positive interaction between sectors (state, private sector, and society). Of course, evaluating the effectiveness of programs in producing better public services is very important for the success of each program (Sumartono & Hermawan, 2020).

The primary catalyst for societal progress in contemporary times is the existence of a bureaucratic system (Khani & Kadivar, 2023). The presence of bureaucracy may be understood as a rational outcome stemming from the state's responsibility to effectively structure and give precedence to the well-being of the community, sometimes referred to as social welfare. The presence of bureaucracy inside a nation is necessary in order to effectively oversee and govern the production of essential products and services required by its populace, commonly referred to as public goods and services (Kadarisman et al., 2022). The state, in this particular instance, exercises direct control through bureaucratic mechanisms to determine all topics pertaining to the optimal public policy for the populace. Based on the description above, this research will use a qualitative analysis method by triangulating the data to facilitate the data analysis process. This research uses secondary data in its research methodology.

MATERIALS AND METHODS

This study will analyze the role of bureaucracy in the process of economic development in Indonesia. By analyzing the bureaucratic process as part of bureaucratic reform, which aims to provide effective, efficient, and responsible services as part of the government's efforts to implement community-based economic development, Indonesia's economic growth can increase from the previous year. This is a condition that must be met to advance society's welfare. The process of the government bureaucracy running the government in providing economic growth initiatives for the community shows the government's efforts to improve the community's welfare. The value of economic growth from 2021 to 2022 is quite significant because of the growth seen in Figure 1.

This research uses qualitative analysis. This research will use secondary data with data obtained from several works of literature, government documents and mass media related to the research to be conducted. And this research will carry out analysis using a triangulation approach by displaying data, then reducing the data collected for this research and formulating theories from the research literature. The triangulation data analysis technique is an approach that integrates several data collection methodologies and data sources

(Schröer et al., 2020). Apart from collecting data for use in research, this research also assesses the correctness of the data using various data collection methodologies from predetermined data sources and the data analysis process is carried out using triangulation of data obtained by researchers from secondary data sources. Therefore, bringing together disparate data to get accurate and precise findings.

RESULTS AND DISCUSSION

Bureaucratic Process in Economic Growth

The process of bureaucratic reform is very important. Economic development initiatives, such as natural resource management and the expansion of small and medium enterprises, are hampered by inefficient bureaucracy and price competitiveness, which are major concerns (Goldsmith, 1999). The course of community economic progress will be greatly influenced by efforts to reform the bureaucracy following the objectives achieved. The efficiency of government programs and community economic growth will greatly benefit from increased cooperation between institutions and the government. Efforts to implement the concepts of e-government and e-governance, as well as other collaborative governance methods (Utama, 2020).

The government is still trying to push through bureaucratic reform, but obstacles still need to be addressed. Because it impacts the interests of the community, improving the bureaucracy is a top priority. Presidential Regulation Number 81 of 2010 concerning the Grand Design of Bureaucratic Reform 2010-2025 provides a legislative framework for realizing bureaucratic reform. Reforming the Indonesian government administration includes encouraging better governance. In short, bureaucratic reform is an attempt to significantly change the "engineering" of governance, especially concerning the institutional framework, managerial approach, and human resources. In the process of improving the bureaucracy, problems can be very serious, such as those caused by internal and external problems, according to the Ministry of Trade in 2021. These problems include. Internal problems, the composition of government human resources is not yet ideal.

Human Resources (HR) still doesn't have the right number of people in the right places. This is because the number of Human Resources (HR) with skills appropriate to the job is not proportional to the number of HR positions that need to be filled.Budgetary support to improve supervisory performance is inadequate.

The budget requirement for strengthening supervisory operations has not been fully met, especially given the government's decision to reduce next year's budget. External, Public demand for clean, professional, and competent government apparatus.

The community wants a clean, corrupt-free, intelligent, professional government apparatus. Public perception of government officials is negative and is always associated with corruption. Therefore, the responsibility and openness of government officials must be carried out to minimize mistakes made.

Table 1. Community Satisfaction Index (IKN) For Public Information Services In 2021

No	Element	Community Satisfaction Index Value Period 1 of 2021	Community Satisfaction Index Value Period 2 of 2021	Community Satisfaction Index Value Period 3 of 2021
1	Ease of Reporting Procedures	6.09	6.19	6.19
2	Ease of Public Information Application Requirements	3.27	3.32	3.21

3	Appropriateness of Implementation of Service Time	3.20	3.23	3.30
4	Appropriate Service Completion Period	3.14	3.15	3.17
5	Time to Obtain the Information Needed	11.66	11.43	11.75
6	Clarity of Information Provided by Service Officers	6.19	6.24	6.19
7	Politeness and Friendliness of Service Officers	10.69	10.83	10.82
8	Justice To Obtain Information	6.30	6.21	6.16
9	Comfortable Waiting Room Facilities	10.31	10.45	10.32
10	Supplement to the Website of the Ministry of Trade	10.18	10.23	10.41
11	Ministry of Trade Website Access Speed	3.16	3.19	3.27
12	Conformity Information Service Information	6.13	6.09	6.20
13	Handling of Complaints at the Information Service Unit	3.21	3.32	3.22
Total		83.52	83.88	84.21

Source: Ministry of Commerce 2022

The Indonesian government, especially the Ministry of Trade, has made several innovations in the public service process to facilitate the ideal public service process. This is closely related to formulating a program or policy which answers a bureaucratic problem in the context of carrying out development efforts or community economic growth. Building public information channels online using email, CMS, the LAPOR application, the PPID portal, and direct communication through the Instagram social media application. This is a process of providing public services that are fast, precise, and efficient. The data table shows that the community satisfaction index (IKN) for the three periods in 2021 is relatively high and experiencing growth. It can be said that the government, especially the Ministry of Trade, has succeeded in implementing its public service process. However, this must be done more efficiently to increase the number of public services provided.

This will result in community economic growth, so the government must reform the bureaucracy to encourage community economic development. The increase in the working-age population and the rate of investment are the two most important elements supporting economic development (national income) (Williams & Orokpo, 2019). The ever-increasing global population will drive future economic developments and technological breakthroughs. In addition, competition in international trade is unavoidable due to initiatives to increase the competitiveness of SME products.

Standardization can be adopted to make products more competitive (Junita et al., 2022). Various obstacles have slowed progress in adopting small and medium enterprise (SME) standards. The International Organization for Standardization (ISO) developed a system called the ISO methodology to assess the financial benefits of standardization in making suggestions on how to weigh the benefits of specific norms in various sectors

(Riaz et al., 2019). This method aims to provide value in pressing business and to provide criteria in business processes that are clear and well-managed to provide benefits for financial gain and assess industry-specific standards.

In addition, Indonesia can develop an economy in the marine sector that is profitable for society (Al Syahrin, 2018). Indonesia is the largest archipelagic country in the world, offering maritime potential in several sectors, including biotechnology, marine tourism, deep-sea waters, and marine minerals, as well as the shipping and military industry and the global maritime industry (Al Syahrin, 2018; Irianto, 2021). To become a maritime country, Indonesia must be able to take advantage of its maritime potential. Thus, the Indonesian state requires the renewal of port infrastructure aimed at accommodating and offering international port systems and services so that Indonesia can take advantage of the world's logistics distribution industry (Rochwulaningsih et al., 2019).

In addition to the utilization of the sea area, there has been progress in the utilization of tourist areas by utilizing the region's ability to generate regional income. The implementation of breakthroughs in the utilization of tourist areas by using various marketing strategies with the development of tourist areas (Liao & Chuang, 2020), such as marketing strategies utilizing social media, which many people use, has had a positive effect on the local community's economy and also regional income (Canovi & Pucciarelli, 2019). In (Guryanova et al., 2020) explains that Don Tapscott (The Digital Economy, 1995) was the first to introduce the concept of the digital economy, which refers to socio-political situations and economic systems with characteristics of intelligence space, such as information, various access to instruments, capacity, and order. The digital economy contributes to the nation's economy by creating new jobs and influencing the growth of Micro, Small and

Medium Enterprises (MSMEs) (Aryadi & Hoesin, 2022).

In addition, digitization can open the faucet for commodity price competition offered to buyers; this gives customers an edge as they have a wider range of products and prices to choose from. The central government, especially the Ministry of Trade, has digitized reporting so that the licensing process can be completed online; this program facilitates the implementation of public services that make it easier for the public to obtain information about economic growth or development programs. In addition, this impacts the effectiveness of the implementation of government performance and excellent bureaucratic processes.

This online public service was developed by the Department of Commerce. The name of this program is the National Public Service Complaint Management System (SP4N). This initiative will streamline the licensing procedures for public service activities in the economic growth of the community.

Table 2. Of The Number Of Complaints Per Month In 2022.

No	Total Type of complaint	Year 2021
1	January	4790
2	February	4438
3	March	5213
4	April	4503
5	May	3387
6	June	4062
7	July	3830
8	August	3646
9	September	4355
10	October	4616
11	November	8221
12	December	8594

Effective bureaucratic procedures can facilitate economic progress in Indonesia (Ali et al., 2017; Rimawan & Aryani, 2019). With effective, efficient, transparent, and accountable procedures can reduce the number of errors that occur while

formulating economic policies and programs in Indonesia. The bureaucratic process that must be a guideline for substantial economic development will result in a development process that affects the economic growth of a nation (Dhaliwal & Hanna, 2017). Forming a bureaucratic implementation that emphasizes effective implementation procedures will enable the community to enjoy economic success. In addition, the implementation of the bureaucracy can produce more efficient government performance to develop the regional economy. The Government of Indonesia has developed a program to increase the value of performance accountability at district/city regional institutions, which has yielded quite good results (Faedlulloh et al., 2019). This is an initiative to improve the bureaucratic efficiency of each local government. Success in government performance is not only seen in the value of public satisfaction but also seen how economic growth is in a country, besides that the process of government performance must also be seen in how the process of performance accountability or accountability from the government in carrying out the performance process is carried out.
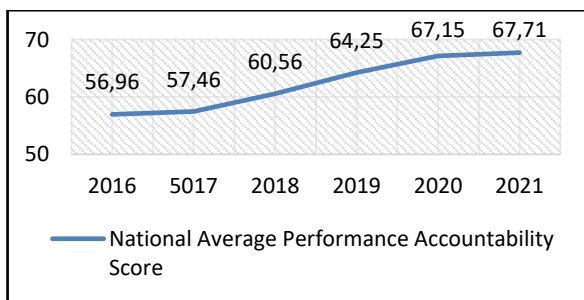
Source: Ministry of State Administrative and Bureaucratic Reform 2021

Figure 3. National Average Performance Accountability Value.

Figure 3 shows an increase from year to year in the accountability process for government performance. It can be seen from 2016-2020 that the increase is quite significant, but in 2021 the increase in the government performance accountability score only gets a value of 0.66, so there is no high increase. In addition, the target set for 2021 is 68, so it will not reach the predetermined target. This value is averaged from the results of performance realization by looking at government agencies. For example, in 2021, the district/city government will obtain a yield of 102.06%.

Meanwhile, the provincial government yield was 103.09%. Accountability for government performance carried out by the Ministry of Administrative and Bureaucratic Reform shows that 93.26 percent of the achievements of ministries/agencies are not following the objectives that must be achieved to improve performance. Improving the economy or growth in the economy is very important. The implementation of a good bureaucracy to obtain a policy or program process that is more effective and efficient can produce better programs in efforts to grow the community's economy (Dhaliwal & Hanna, 2017). However, the implementation of the ongoing process of bureaucratic reform in economic growth, which is a very important effort by the government, is not enough to be said to be successful, so more emphasis must be placed on decision-making processes or significant policies and programs in order to establish an effort to improve the community's economy.

Table 2. Prime Public service index

TARGETS 2021	REALIZATION 2021	REALIZATION 2020
3.40	3.79	3.75

Source: Ministry of State Administrative and Bureaucratic Reform 2021

Apart from increasing accountability for the performance of government agencies, the bureaucracy has seen performance achievements in good public services. The government has a target in the process of public service, which is 3.40, with the realization that it is carried out at 3.79. The achievement in the process of good public service is 111.47%. Seen in table 1 above shows the success achieved in excellent

public services. The realization obtained from achieving public services is quite high with predetermined targets so that there is success in the process of public services. The government's performance in the effort to implement a professional bureaucracy and good performance will affect economic development in Indonesia (Fajar & Azhar, 2018). Judging from the results of the government's realization of the implementation of excellent public services, there are still only a few compared to the realization in 2020. This has become a reference for the government in implementing public services, which must be made more efforts to provide a high influence on the development process in predetermined sectors such as the growth sector. Community economy, as is the case with programs launched by the government, such as in Indonesia, a country that has great economic power, such as the number of UKMK in Indonesia. The following table 3. Number of MSMEs in Indonesia.

Table 3. Number of MSMEs per Province in Indonesia.

NO	PROVINCE	TOTAL MSMEs
1	Aceh	229.101
2	North Sumatra	595.779
3	West Sumatra	296.052
4	Riau	252.574
5	Jambi	57.597
6	South Sumatra	330.693
7	Bengkulu	83.523
8	Lampung	285.909
9	Kep. Bangka Belitung	30.77
10	Kep. Riau	76.217
11	DKI Jakarta	658.365
12	West Jawa	1.494.723
13	Central Jawa	1.457.126
14	DI Yogyakarta	235.899
15	East Jawa	1.153.576
16	Banten	339.001
17	Bali	407.64
18	West Nusa Tenggara	287.882
19	East Nusa Tenggara	81.742
20	West Kalimantan	29.813
21	Central Kalimantan	66.06
22	South Kalimantan	72.113
23	East Kalimantan	46.824
24	North Kalimantan	7.588
25	North Sulawesi	116.666
26	Central Sulawesi	29.706
27	South Sulawesi	268.299
28	Southeast Sulawesi	8.978
29	Gorontalo	85.583
30	West Sulawesi	20.111
31	Maluku	18.789
32	North Maluku	4.141
33	West Papua	4.604
34	Papuan	3.932

Source: Ministry of Cooperatives and SMEs 2023

Indonesia is very focused on economic growth because it wants to improve the standard of living of its people and become a country with high economic strength in all fields. The Indonesian government plans to increase UKMK in every region. From table 2 it can be seen that Indonesia has many MSMEs in each province. Although not quite evenly distributed. The largest number of MSMEs is only in West Java, Central Java and East Java. The Indonesian government needs to improve programs and policies that are already on the right track so that all MSMEs can benefit from the country's overall economic growth. Efforts to equalize MSMEs in the process of developing the creative economy are very necessary so that society can increase its economic independence. The government needs to utilize MSMEs which have the potential for economic growth in society (Maryanti et al., 2019). Such as efforts to improve bureaucracy in forming policies and programs that are solutions to problems resulting from MSME products being unable to compete at home and abroad. Apart from that, Indonesia has a fairly high number of

companies categorized as business sectors in 2010-2023. MSMEs are very influential in the economic development process to provide community welfare in the economic aspect which will have a significant impact on people's lives. Table 4 below shows the five number of companies per business field category for 2010-2023.

Table 4. Number of Companies Per Business Field Category 2010 – 2023.

NO	CATEGORY	VALUE
1	Agriculture, Forestry, and Fisheries	110650
2	Mining and excavation	6422
3	Processing industry	1325746
4	Procurement of Electricity, Gas, Steam/Hot Water, and Cold Air	18909
5	Water Management, Wastewater Management, Waste Management, and Recycling and Remediation Activities	21097
6	Construction	15697
7	Wholesale and Retail Trade; Repair and Maintenance of Cars and Motorcycles	4964467
8	Transportation and Warehousing	30463
9	Provision of Accommodation and Provision of Food and Drink	1846980
10	Information and Communication	101403
11	Financial and Insurance Activities	3125
12	Real Estate	2733
13	Professional, Scientific, and Technical Activities	15881
14	Leasing and Leasing Activities Without Option Rights, Employment, Travel Agents, and Other Business Support	42252
15	Government Administration, Defense, and Compulsory Social Security	655
16	Education	5257
17	Human Health Activities and Social Activities	5863
18	Arts, Entertainment, And Recreation	11825
19	Other Service Activities	525520
20	Household Activities As Employers; Activities That Produce Goods And Services By Households That Are Used To Meet Their Own Needs	82553
21	Activities of International Agencies and Other Extra International Agencies	281

Source: Ministry of Cooperatives and SMEs 2023

In Indonesia, many companies are engaged in controlled business for economic growth, as shown in Table 4. This is a contribution to the economic progress of cities. With a good bureaucratic process (effective, efficient, transparent, and accountable), the government must provide good programs or policies in carrying out or trying to improve

the community's economy so that it can influence the process of significant economic development in carrying out economic development. As a result of efforts to increase welfare by empowering MSMEs in business entities with the business sector categories listed in Table 5, it will generate large profits. This advantage can be seen from table 4 of the turnover received or turnover from one of them, UMKM. Profit income earned can be a reference in improving the economy as a whole, with the process of the government issuing a policy or program that focuses on economic growth efforts that will have a positive impact, with good bureaucratic processes with an effective organizational work culture, efficient, accountable and transparent will change a better bureaucratic quality and affect the performance of the government that is carried out (Labolo & Indrayani, 2017; Ray, 2019). In addition, the government must continue to innovate in the form of policies or programs that focus on economic development in order to create high growth and optimize bureaucratic performance in order to create collaboration with related parties such as the private sector (business), academics, communities, and the media so that a Penta Helix concept is created to develop government performance that provides positive innovation for the creation of welfare. Data from table 5 above shows that the company has a high business field. This must be carried out with a good and effective bureaucratic process so that problems do not occur.

Table 5. MSME Turnover

NO	CATEGORY	VALUE
1	Domestic	34439933
2	Overseas	3577

Source: Ministry of Cooperatives and SMEs 2023

Table 5 shows that UKMK turnover is quite high. MSME turnover is the gross profit generated domestically and abroad based on the type of MSME output. From Table 5, it can be seen that countries have the highest turnover rates. This shows that the

government needs to continue making better plans and programs to generate more profits or turnover abroad. So this influences a good bureaucratic process to issue a program and policy that can effectively overcome the problems in the economic development process (Doberstein, 2016). In addition, the government needs to continue to make creative efforts to help improve it so that existing product competition can compete with other products. This increase must also be able to provide competition abroad so that the turnover that is owned can increase. The large number of exports of domestic products to foreign countries shows the competition that has an impact on the process of economic development. The results of the turnover you have will have a very positive impact on the economy. This must be the main goal in providing prosperity in the community's economy. And will have a positive impact on state revenues. But the government needs to be more effective in performing in order to achieve a good bureaucracy. The following is export data for 2021 and 2022.
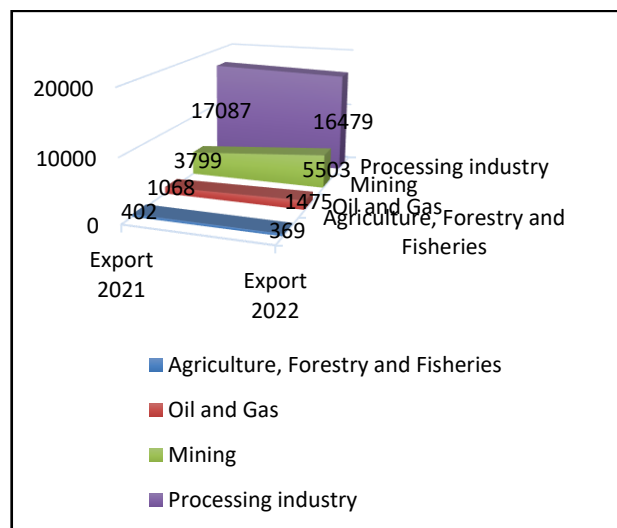
Source: Ministry of Commerce 2022

Figure 5. Indonesia's exports for 2021-2022.

The very important role played by the government to facilitate the implementation of community economic development by utilizing effective, efficient, accountable, and transparent bureaucratic efforts will affect the process of community economic

development (Fajar & Azhar, 2018). By marking a good bureaucratic process, it will be easier to implement programs or policies issued in the process of economic development. One of the processes in implementing economic development made by the government is making programs or policies in exports to grow the turnover obtained. Figure 5 data. Shows the results of exports carried out in 2021 and 2022 from several domestic products such as agriculture, oil and gas, mining, and industrial management. Of the domestic products, the highest export is in the management industry.

The data shows that the products for export are not evenly distributed. So, the government must make a program or policy so it can be evenly distributed, not only the management industry, which has the highest export value. This is closely related to the

process of good and corrects bureaucratic efforts to create programs or policies that significantly influence programs or policies (Brotestes Panjaitan et al., 2019). However, when viewed as a whole, the export value from 2021 to 2022 increased by 6.58%. The government must collaborate with countries so that products in Indonesia can compete internationally and increase exports higher for the benefits obtained by the Indonesian state. So doing a simpler bureaucratic process can provide convenience for the community conducting international trade. However, the government needs to prioritize performance that is more effective, efficient, accountable, and transparent in managing programs or policies so that there are no problems in implementing the performance. Good management will affect state revenues, as seen from the tax perspective that the state gets from taxes.

Table 6. State Revenue from domestic taxes and internasional taxes.

Description			2018	2019	2020			2021
			LKPP	LKPP	APBN	Presidential Decree 54/2020	Presidential Decree 72/2020	APBN
Tax Revenue			1,518.8	1,546.1	1,865.7	1,462.6	1,404.5	1,444.5
A	Domestic Tax		1,472.9	1,505.1	1,823.1	1,427.0	1,371.0	1,409.6
	1	Income tax	750.0	750.0	929.9	703.3	670.4	683.8
		a) Oil and Gas PPh	64.7	59.2	57.4	43.7	31.9	45.8
		b) Non-oil and gas PPh	685.3	685.3	872.5	659.6	638.5	638.0
	2	value-added tax	537.3	531.6	685.9	529.7	507.5	518.5
	3	property tax	19.4	21.1	18.9	13.4	13.4	14.8
	4	Excise	159.6	172.4	180.5	172.9	172.2	180.0
	5	Other Taxes	6.6	6.6	7.9	7.7	7.5	12.4
B	International Trade Tax		45.9	41.1	42.6	35.6	33.5	35.0
	1	Import duty	39.1	37.5	40.0	33.9	31.8	33.2
	2	Export Duty	6.8	3.5	2.6	1.8	1.7	1.8

Source: Ministry of Commerce 2022.

Tax revenues are shown in data table 6. It can be used as a reference in increasing effective bureaucratic efficiency. Taxes obtained from the description of the table data above will be greater if the performance of the management bureaucracy is

improved. To build trust in tax management. From 2018 to 2020, domestic tax revenues have grown. However, the acceptability of domestic taxes and foreign trade will decrease in 2021 compared to the previous year. Governments must urgently implement more effective policy or program initiatives that offer answers to increasing international trade taxes on state revenues. This tax revenue

affects the process of the state budget revenue (APBN). The budget will affect the government's performance in making a policy or program more effective. In addition, revenue from the state budget is not only obtained from tax revenues. However, the revenue budget is obtained from the following non-tax revenues from table 7 of non-tax state revenues:

Table 7. Non-Tax State Revenue

Description		2018	2019	2020			2021
		LKPP	LKPP	APBN	Presidential Decree 54/2020	Presidential Decree 72/2020	APBN
Non-tax revenue		409.3	409.0	367.0	297.8	294.1	298.2
SDA Receipt		180.6	154.9	160.4	82.2	79.1	104.1
1)	oil and gas	142.8	121.1	127.3	53.3	53.3	75.0
	a) Petroleum	101.5	83.6	96.8	40.4	40.4	57.9
	b) Natural gas	41.3	37.5	30.5	12.9	12.9	17.1
2)	Non-Oil and Gas	37.8	33.8	33.0	28.9	25.8	29.1
	a) Mineral and Coal Mining	30.3	26.3	26.2	22.1	19.4	22.1
	b) Forestry	4.8	5.0	4.7	4.4	4.2	4.6
	c) Fisheries	0.4	0.5	0.9	0.9	0.9	1.0
	d) Geothermal	2.3	1.9	1.2	1.5	1.3	1.4
BUMN Profit Share		45.1	80.7	49.0	65.0	65.0	26.1
Other PNBP		128.6	124.5	100.9	94.7	100.1	109.2
BLU revenue		55.1	48.9	56.7	55.8	50.0	58.8

Source: Ministry of Commerce 2022

Non-tax state revenue is the most important source of APBN revenue to meet government performance needs. One is responsible for ineffective performance due to a lack of available funds. Therefore, the process of bureaucratic performance in managing state finances must be carried out as effectively as possible so that government performance can have a good influence. Nonetheless, this APBN must also be a solution for the government's efforts to encourage economic growth to improve the people's economy.

Based on the aforementioned research, it can be concluded that the government has

demonstrated commendable performance, as evidenced by an enhanced level of responsibility in the execution of its duties at the national level. In addition, the government has implemented a data collection initiative encompassing all Micro, Small, and Medium Enterprises (MSMEs) in Indonesia. This can be observed in Table 4, which demonstrates the government's endeavors to enhance bureaucratic processes. It is evident that these efforts have yielded positive outcomes, as the categorization of companies and production in Indonesia reflects a relatively high standard. According to the data presented in Table 6 and Table 7, it is evident that the government has collected substantial tax

revenues, while non-tax state incomes have also exhibited a significant increase. The aforementioned outcome represents a noteworthy achievement within the realm of bureaucratic procedures in the context of managerial endeavors aimed at fostering community-based economic development.

CONCLUSION

This study investigates the optimization of bureaucratic systems as a means to effectively enhance the economic development of a society. The implementation of a robust bureaucratic process is crucial for ensuring the optimal functioning of all programs within the community economic development process. This entails the attainment of effectiveness, efficiency, transparency, and accountability in program operations. The utilization of effective bureaucratic practices within the governmental framework to address issues arising from inefficient bureaucratic systems will have a significant impact on the formulation and implementation of government programs and policies.

Based on the findings of this study investigation, it can be inferred that the government's efforts in optimizing bureaucracy have had positive outcomes. Nevertheless, the bureaucratic procedure continues to present problems. Based on an analysis of the annual fluctuations in the economy, it can be observed that the rate of increase remains volatile and lacks stability. Nevertheless, the implementation of bureaucracy has been successful. Based on the data acquired throughout the conducted research. The presence of a utilization program aimed at effectively managing micro, small, and medium enterprises (MSMEs) with the objective of enhancing the local economy. Regarding bureaucratic service procedures conducted by the government, it is noteworthy to mention the substantial presence of Micro, Small, and Medium Enterprises (MSMEs) in Indonesia.

The procedure at hand exhibits a significant degree of bureaucracy. In addition to this, the implementation of effective administrative procedures within the bureaucracy will play a crucial role in fostering neighborhood economic growth and subsequently enhancing state budget revenues (APBN).

The wellbeing of a community is influenced by the effects derived from an effective bureaucratic process in the management of economic growth. This measure also guarantees an enhancement in state revenue management, encompassing money generated through taxation processes as well as non-tax revenue acquired by the state. In addition to this, the government has conducted data collection pertaining to micro, small, and medium enterprises (MSMEs) in order to enhance their ability to effectively steer community economic development. This initiative enables the government to gain insights into the challenges arising from mismanagement, which may stem from a bureaucratic framework that deviates from the government's intended course of action.

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