

Strategy for Empowering Village-Owned Enterprises through Parson's Social System Approach

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Abstract

This research examines Talcott Parsons' Structural Functionalist method to empowering Village-Owned Enterprises. BUMDes' economic and social dynamics are understood using this method. The Parsonian social framework's adaption factors, goal attainment, integration, and delay are studied. This normative, philosophical, and analytical research examines social and legal theories to characterize BUMDes' role in village development. The descriptive analytical research technique reviews BUMDes-related legislation, regulations, and practical practices. Qualitative data analysis yields extensive Parsons' theory application results. The research found that BUMDes promotes inclusive and sustainable village development. BUMDes adapts its economic approach to the village's possibilities, such as agricultural or tourist development. BUMDes may boost village revenue by fostering productive companies, achieving objectives by improving community welfare. The integration component emphasizes village institution-community engagement for social stability. Latency involves BUMDes' attempts to conserve local culture to retain village identity throughout development. However, financing and institutional coordination concerns are typically major barriers. This research found that Parson's strategy may help BUMDes improve Indonesian communities' economic and social growth.

1. Introduction

Regions are more effective, efficient, and tailored than countries in addressing socio-

economic disparities. The history of economic development shows that regional growth and spatial strategies are vital to a country and its regions. Regional development is dynamic, with fresh viewpoints and diverse players and interests. Regional development strategies help underdeveloped areas that need above-average growth impulses from outside.¹

In recent decades, most regional development programs have supported infrastructure that supports a region's economy without excluding specific industries. More emphasis has been placed on the development of infrastructure (e.g., roads, ports, airports, railways, communication infrastructure, resource infrastructure, etc.) that will indirectly improve the quality of productive inputs, improving the overall efficiency or productivity of the existing regional system.² Recent emphasis has focused on regional export orientation policies via transportation, communication, and trade infrastructure.

Rural development is vital for regional development. Villages are an essential indicator of regional development and expansion. Modern assumptions that villages are archaic, backward, and primitive are incorrect. Most villages in Indonesia have developed enough to catch up to metropolitan regions, despite their physical differences. Not all Indonesian communities have developed, particularly interior areas.

Lack of money, education, and homogeneity make village growth difficult, resulting in poor competitiveness and a lack of people to drive them toward regeneration. It also involves sociological issues like primordialism, the way of thinking of country people who are behind, and psychological aspects like competitiveness with metropolitan populations in education, socioeconomic, and social areas.

Rosenqvist used "hermeneutic realism" to examine the countryside holistically. This idea expands space beyond geography and physicality.³ The definition of village development stresses individual quality, progressive culture, and openness, not just physical growth. One method is Parson's Social System (Structural Functionalists), which outlines the form and function of social institutions that must perform particular responsibilities to maintain society and village development. Parsons links this method to numerous variables: 1. Environmental adaptability (economic institutions); 2. Development objective achievement 3. Integration (legal and religious institutions) 4.

¹ Andrea Caragliu et al., 'The Winner Takes It All: Forward-Looking Cities and Urban Innovation', *The Annals of Regional Science* 56, no. 3 (1 May 2016): 617–45, <https://doi.org/10.1007/s00168-015-0734-5>.

² Maria Deijfen and Remco van der Hofstad, 'The Winner Takes It All', *The Annals of Applied Probability* 26, no. 4 (August 2016): 2419–53, <https://doi.org/10.1214/15-AAP1151>.

³ Hassan Shahraki, 'Three-Dimensional Paradigm of Rural Prosperity: A Feast of Rural Embodiment, Post-Neoliberalism, and Sustainability', *World* 3, no. 1 (March 2022): 146–61, <https://doi.org/10.3390/world3010008>.

Latency (educational institutions).⁴

Talcott Parsons believed that individuals adapt to social standards in beneficial ways, teaching others the society's morals and norms. Positive dedication to an ordered society shows that social norms have been assimilated via socialization.

The Talcott Parsons Social System concept may empower Village-Owned Enterprises (BUMDes) for inclusive and sustainable village development. Parsons' framework can be used to understand the dynamics of Village-Owned Enterprises (BUMDes), which are economic institutions and social agents that help village communities modernize and become independent.

Parsons factors may improve Village-Owned Enterprise (BUMDe) empowerment methods. These characteristics may strengthen BUMDes:

a. Adaptation to the environment

Institutional adaptation to the local economic, social, and environmental context is a major obstacle in empowering Village-Owned Enterprises (BUMDes). Each town has unique natural resources and economic possibilities.⁵ Village-Owned Enterprises (BUMDes) must establish economic strategies that fit local circumstances and potential. community-Owned Enterprises (BUMDes) may create ecotourism and local artisan items if a community has tourist potential. This change will boost the village's economy and preserve Village-Owned Enterprises.

b. Achievement of development goals

Parsons believes every social organization needs a mission. Village-Owned Enterprises (BUMDes) aim to promote village communities via profitable, properly managed companies. Village-Owned Enterprises (BUMDes) must establish clear revenue and community engagement goals to accomplish this. Increasing village revenue handled by BUMDes, business diversification, and implementing skills training programs for villagers to assist the growth of Village-Owned Enterprises' goods or services will help accomplish this aim.

c. Integration

Parsons believes societal stability and coherence need integration amongst social institutions. Integration with local legal and religious institutions is necessary to empower village-owned enterprises (BUMDes). Businesses may get help with licenses and trade contracts from legal agencies. Village-Owned Enterprises (BUMDes) may get social legitimacy from religious organizations, making village residents feel comfortable and supporting them. Village-Owned Enterprises

⁴ Roland Robertson and Bryan S. Turner, 'Talcott Parsons and Modern Social Theory — An Appreciation', *Theory, Culture & Society* 6, no. 4 (1 November 1989): 539–58, <https://doi.org/10.1177/026327689006004002>.

⁵ Dodi Faedlulloh, 'BUMDes and Citizen Ownership: Building a Participatory Organization Scheme', *Journal of Governance* 3, no. 1 (14 June 2018), <https://doi.org/10.31506/jog.v3i1.3035>.

(BUMDes) will foster village community cohesiveness as economic and social actors with the engagement of several partners.

d. Latency (maintenance of cultural patterns)

Rural-Owned Enterprises (BUMDes) strengthen rural communities by supporting education and community skills. Village-Owned Enterprises (BUMDes) and educational institutions may teach communities in business management, market procedures, and technology for business growth. Thus, Village-Owned Enterprises (BUMDes) promote a more progressive, inventive, and open-minded mentality and work culture in village communities.

Parsons promotes balance and cooperation between social factors. Village-Owned Enterprises (BUMDes) empowerment methods must incorporate economic adaptability, development objectives, institutional integration, and community culture and skills preservation and development. To be economic drivers and durable social development tools, Village-Owned Enterprises (BUMDes) must include all of these components.

Talcott Parsons' Social System method empowers Village-Owned Enterprises (BUMDes) by providing a comprehensive framework that covers economic, social, and cultural factors. This strategy presents obstacles for local-Owned Enterprises (BUMDes), particularly in adapting to a complicated environment, social integration, and local culture in modernization.

Village-Owned Enterprises (BUMDes) struggle to adapt to the changing economy, both locally and worldwide. Isolated towns or those with fewer technology and knowledge struggle to capitalize on market prospects.⁶ Rural communities' lack of education and skills makes it harder for them to compete with metropolitan goods and services. According to Parsons, every social organization must adapt to its surroundings to survive and thrive. Failure to adapt might cause stagnation and slow community growth.

The absence of cooperation between Village-Owned Enterprises (BUMDes) and other village social organizations including religious and legal institutions sometimes hinders integration. Village-Owned Enterprises (BUMDes) function independently in many villages without enough assistance from these institutions, which should legitimize them socially and legally. Village-Owned Enterprises (BUMDes) without sufficient legal assistance may struggle to manage permits or confront business-related legal issues. Parsons stressed the significance of social integration for social institution stability and operation. Without this integration, Village-Owned Enterprises (BUMDes) may function

⁶ Lenny Nadriana and Idham Idham, 'LEGAL CONSTRUCTION OF VILLAGE-OWNED ENTERPRISES (BUMDes) AS A FORM OF COMMUNITY ECONOMIC RESILIENCE DURING THE COVID-19 PANDEMIC', Audi Et AP: Jurnal Penelitian Hukum 1, no. 01 (24 January 2022): 30–41, <https://doi.org/10.24967/jaeap.v1i01.1495>.

without community support, diminishing their efficacy in village development.

Legal issues are crucial to strengthening Village-Owned Enterprises. Law No. 6 of 2014 respecting Villages establishes and regulates local-Owned Enterprises (BUMDes) as economic structures based on local communities. This legislation stresses competent and responsible management of Village-Owned Enterprises (BUMDes) while promoting independence and openness. However, Village-Owned Enterprises (BUMDes) managers typically lack legal knowledge, which may lead to law infractions or misuse of power in handling village money. Parsons' legal institution integration technique applies here. Legal institutions must develop, supervise, and nurture Village-Owned Enterprises (BUMDes) to guarantee compliance with laws and regulations.

Company law and civil law must also be considered while establishing and managing Village-Owned Enterprises (BUMDes). Village-Owned Enterprises (BUMDes) are commercial entities with village capital and must follow company financial management and contract rules. Many Village-Owned Enterprises (BUMDes) lack a defined legal framework for financial management or third-party participation, which causes legal issues. This issue may lead to legal battles that harm village communities if not managed effectively.

For Village-Owned Enterprises (BUMDes), village economic growth must constantly address local cultural characteristics, as Parsons stressed the relevance of cultural patterns (latency). However, traditional culture and industrialization can clash. To avoid being uprooted, communities must be receptive to change yet retain their cultural identity. growth strategies frequently prioritize physical growth above social and cultural implications.

Thus, this research examines Talcott Parsons' Structural Functionalist method to empowering Village-Owned Enterprises. This research uses the Social System framework to examine how adaptability, goal attainment, integration, and latency may be used to manage Village-Owned Enterprises (BUMDes) as economic and social organizations. This research also examines BUMDes' obstacles in applying Parsons' model, particularly in adapting to a changing economic environment, coordinating social institutions, and preserving local culture throughout modernization.

This research shows how Parsons' strategy may boost Village-Owned Enterprises (BUMDes) as an engine for inclusive and sustainable village development and incorporate legal and social factors into their administration. This research should assist build more comprehensive policies to empower Village-Owned Enterprises (BUMDes) economically, socially, culturally, and legally to maintain village development and address local community needs. Problem formulation: (1) What is Parsons Structural Functionalists approach? Second, how can Parson's social system approach (Structural Functionalists) promote BUMDes?

2. Research Method

This research is categorized into the normative legal research type, it is based on the issues and/or themes raised as research topics. The research approach used is philosophical and analytical, namely research that focuses on rational, critical and philosophical analytical views, and ends with conclusions that aim to produce new findings as answers to the main problems that have been determined.⁷ And it will be analyzed using analytical descriptive methods, namely by describes the applicable laws and regulations related to legal theory and positive law enforcement practices related to the problem.⁸

3. Results and Discussion

Parsons Structural Functionalists Approach Concept

Some social scientists utilize structural functionalism, although its qualitative approach and concentration on the general have discredited it.⁹ Parsons focused on qualitative data analysis rather than quantitative analysis like the positivist theory he replaced.¹⁰ Some social scientists utilize structural functionalism, although its qualitative approach and concentration on the general have discredited it.

Structurel functionalism, a 1930s sociological paradigm, dominated social studies interpretation until the 1970s.¹¹ Talcott Parsons, born in Colorado in 1902, introduced a theory based on Max Weber and Emile Durkheim in the US. Few years after becoming a Harvard professor in 1927, Parsons researched Weber and Durkheim and translated their work into English.¹² Parsons wrote *The Structure of Social Action* and *The Social System*, popular social science classics.

The principles in Parson's theory may be utilized to explain distinct levels of social reality. This abstract hypothesis applies to current complex civilizations and simple polarized societies.¹³

Structural functionalism holds that each member of a socio-political, familial, or organizational system has a role. These functions might be tiny or large, are dynamic, and

⁷ H. Ishaq, *Legal Research Methods and Thesis Writing* (Bandung: ALFABETA, 2017).

⁸ Peter Mahmud Marzuki, *Legal Research* (Jakarta: Kencana Prenada Media Group, 2005).

⁹ John Barton et al., 'A Maturing of Systems Thinking? Evidence from Three Perspectives', *Systemic Practice and Action Research* 17, no. 1 (2004): 3–36.

¹⁰ B. Robert Owens, 'Producing Parsons' Reputation: Early Critiques of Talcott Parsons' Social Theory and the Making of a Caricature', *Journal of the History of the Behavioral Sciences* 46, no. 2 (2010): 165–88, <https://doi.org/10.1002/jhbs.20424>.

¹¹ George Ritzer and Jeffrey Stepnisky, *Modern Sociological Theory* (New York: SAGE Publications, 2021).

¹² Brian Cowan, 'Intellectual, Social and Cultural History: Ideas in Context', in *Palgrave Advances in Intellectual History*, ed. Richard Whatmore and Brian Young (London: Palgrave Macmillan UK, 2006), 171–88, https://doi.org/10.1057/9780230204300_10.

¹³ Sandra Minott, 'Validation of Parsons' Structural Functionalism Theory Within a Multicultural Human' (Dissertation Doctor of Philosophy, Walden University, 2016).

aim to maintain the system working within its context. According to Parsons, any civilization or system evolves, yet to exist, it must adapt to these changes to preserve equilibrium.¹⁴

Structural functionalism differs greatly from prior ideas. The early 20th century social positivist movement studied social interaction empirically. This philosophy, often known as logical positivism or empiricism, focused on quantitative data and facts. Theorists should also concentrate on motivation and aims, Parsons felt, as human interaction is not always as clear-cut as the "inductive model of scientific knowledge that positivism presented."

Thus, Parsons advocated an analytical rather than a tangible approach to understanding social system roles. Parsons stated that every action humans perform is within the social framework of their socialization system. Every action is performed to get along, not to promote the individual's advantage in the system. Parsons constantly works toward a "end" to preserve system order and balance. The system must adjust but not deviate. While the law is designed to restrict deviation, socializing maintains order:

In the late 1960s, structural functionalism was criticized for failing to explain social development, disagreement with social and political aims, and rich influence. Although Parsonianism explained male privilege, feminists criticized it for ignoring women's historical contributions. In the 1970s, structural functionalism lost credibility due to these arguments. Some researchers returned to the thesis because it supported social order with a consensual explanation. Its quantitative data collecting made it an effective descriptive model.

Despite criticism, Talcott Parsons and his students helped build structural-functionalism in sociology in the 1950s and 1960s, making it the dominant sociological paradigm. Parsons endorsed most early sociologists and may have argued that structural-functionalism was a great sociological theory that could explain any system.¹⁵

Part/whole interactions may be analyzed using basic functionalism. Whole social system demands, requirements, survival requirements, equilibrium requirements, or other requirements will usually be described in terms of its "state" (such as equilibrium or integration). The total is made up of internally connected subsystems that help the social

¹⁴ Howard I. Kushner and Claire E. Sterk, 'The Limits of Social Capital: Durkheim, Suicide, and Social Cohesion', *American Journal of Public Health* 95, no. 7 (July 2005): 1139–43, <https://doi.org/10.2105/AJPH.2004.053314>.

¹⁵ Ruth Potts et al., 'Exploring the Usefulness of Structural-Functional Approaches to Analyzing Governance of Planning Systems', *Planning Theory* 15, no. 2 (1 May 2016): 162–89, <https://doi.org/10.1177/1473095214553519>.

system (or society) survive.¹⁶

If a portion (like an educational institution) fails, the entire system will falter or die. The consensus approach of functionalism holds that internal components maintain social balance to guarantee society's existence.

He developed his general theory of action from his theory of social action (Holmwood, 2005). Parsons' scheme of adaptation (A), goal attainment (G), integration (I), and latent pattern maintenance (L) (AGIL) summarizes four functional requirements or imperatives of any action system.¹⁷ For structural functional theory, the adaptation (A), goal attainment (G), integration (I), and latent pattern maintenance (L) schemas outline how a living system maintains order in its external environment and internal organization.¹⁸

Social systems with institutions that can adapt (A), achieve (G), integrate (I), and maintain latent patterns (L) have an evolutionary advantage. Parson details the polarization of adaptation (A), goal achievement (G), integration (I), and latent pattern maintenance (L) into four subsystems: The economic subsystem focuses on adaptation, whereas the political subsystem focuses on goal attainment, the social community subsystems on integration, and the cultural subsystems on pattern maintenance or delay.

Additionally, adaptation (A), goal attainment (G), integration (I), and latent pattern maintenance (L) schemes and pattern variables are linked. Universality, performance, specificity, and neutrality describe the economy, which requires adaptation. However, a subsystem like the social society, where integration is necessary, is particularistic, quality, diffuse, and effective. Baert illustrates how Parsons' theory links these:

First, social systems undergo a process of 'differentiation' where subsystems serve different tasks throughout time. Second, differentiation brings 'adaptive enhancement'. Differentiated subsystems are more adaptable than their undifferentiated predecessors. Third, contemporary civilizations use novel integration methods. Differentiated processes need more specialized abilities. This can only be done by switching from 'ascription' to 'achievement' status. This implies 'inclusion' of excluded groups. Fourth, differentiated societies require a value system that organizes subsystems. This is achieved via "value

¹⁶ Yvonne Rydin, 'Using Actor–Network Theory to Understand Planning Practice: Exploring Relationships between Actants in Regulating Low-Carbon Commercial Development', *Planning Theory* 12, no. 1 (2013): 23–45, <https://doi.org/10.1177/1473095212455494>.

¹⁷ Susanne Holmström, 'Niklas Luhmann: Contingency, Risk, Trust and Reflection', *Public Relations Review*, Special Issue on Social Theory, 33, no. 3 (1 September 2007): 255–62, <https://doi.org/10.1016/j.pubrev.2007.05.003>.

¹⁸ Solomon Kofi Amoah and Anthony Ayim, 'The Theoretical Approaches of Durkheim, Parsons and Luhmann: Intra-Traditional Differences, Interdependencies and Contradictions', *Journal of Advocacy, Research and Education* 5, no. 3 (2018).

generalization."

Baert illustrates how all Parsons' theory functions are related. First, social system subsystems perform diverse roles across time. In this sense, differentiation means specialization and subdividing social system functions. Second, differentiation introduces adaptive enhancement. Differentiated subsystems are more adaptable than their undifferentiated predecessors. In this instance, each subsystem must adapt to the environment and tasks.

Third, contemporary civilizations use novel integration methods. The demand for specialist skills is greater when process differentiation is considered. This can only be done by switching from 'ascription' to 'achievement' status. So-called 'inclusion' of previously excluded groups. Thus, the social system must tolerate variety. Value systems that integrate and organize subsystems are needed in differentiated societies. This is feasible with 'value generalization'. So that subsystems may operate together, their values must be integrated into a larger value system.

According to Parsons' theory, all social system functions are interdependent. Differentiation, adaptive enhancement, integration, and value generalization are interrelated social system components.

The subsystems of adaptation (A), goal attainment (G), integration (I), and latent pattern maintenance (L) are analytically distinct and irreducible, but they are interrelated and interdependent in many ways. The four subsystems are analytical tools that don't deal with reality; Parson's method is a tool for understanding systems. Consensus, order, and social integration are functionalism's core beliefs because they allow societies to thrive by establishing shared norms and values, which means everyone has common goals and wants to conform, reducing conflict.

Development patterns may be defined by adaptation (A), goal achievement (G), integration (I), and latent pattern maintenance (L):

1. Adaptation (A)

Parsons defines adaptation as turning system resources into products. Society reflects this via economic activity. The examination of documents or statements and the theoretical background above shows social capital as a feature of adaptability in sustainable development. Social capital in development fosters commitment, connection, and trust, enabling law and regulation. In other words, greater social capital in the development environment means more individuals have a place and will participate more effectively in decision-making.

In addition, the creation of social capital leads to the acceptance of hierarchy, compliance with social rules, promotion of cooperation, the formation of trust,

and increased participation,¹⁹all of which reflect the adaptation component to development (A) in Parsons' theory. Alan Kay argues that "social capital, like other forms of capital that are economically profitable and considers it as a kind of source of funds or stock.²⁰ The more social capital is consumed and utilized, the more it is generated, unlike economic capital. This would ensure society's everyday requirements, mainly food.

2. Goal Attainment (G)

Parsons points to a technique to define Goal Attainment targets in this function. The managerial and political structures that implement rules and regulations are integral to this development system. The aforementioned theoretical underpinning bases development objectives on equality. Development initiatives must promote equity and minimize inequality.

3. Integration (I)

Jane Jacobs proposed that social integrity makes a place habitable and transforms individualism into a participative community that uses all resources. Almond Collins describes social integrity as an agreement between views, feelings, and acts that unite a community or society.²¹ Thus, social integration unites the system. When a society is socially cohesive, internal components coordinate, improving system performance. Socially cohesive communities agree on problems and views and run more efficiently. It saves time and makes people feel more secure while working on development planning objectives.

4. Latent Pattern Maintenance (L)

In development, latent pattern preservation motivates system members to maintain culture and history. In this situation, Parson underlines that regional development cannot ignore a society's culture and history. Remember that geographical development reflects a society's ideals, conventions, and human connections.²² According to Abdolmonem and Selim, ancient structures and historical sites provide a system identity and traditional values.²³ Regional development must reflect the best identity of an area to drive community protection and preservation. developing cannot damage historical and cultural

¹⁹ Arezoo Izadi et al., 'Structural Functionalism, Social Sustainability and the Historic Environment: A Role for Theory in Urban Regeneration', *The Historic Environment: Policy & Practice* 11, no. 2–3 (2 July 2020): 158–80, <https://doi.org/10.1080/17567505.2020.1723248>.

²⁰ Alan Kay, 'Social Capital, the Social Economy and Community Development', *Community Development Journal* 41, no. 2 (2006): 160–73, <https://doi.org/10.1093/cdj/bsi045>.

²¹ Karin Peters, Birgit Elands, and Arjen Buijs, 'Social Interactions in Urban Parks: Stimulating Social Cohesion?', *Urban Forestry & Urban Greening*, Special section on 'Forest recreation and nature tourism', 9, no. 2 (1 January 2010): 93–100, <https://doi.org/10.1016/j.ufug.2009.11.003>.

²² Peters, Elands, and Buijs.

²³ Mohamed Gamal Abdelmonem and Gehan Selim, 'Architecture, Memory and Historical Continuity in Old Cairo: The Journal of Architecture: Vol 17, No 2' 17, no. 2 (2012), <https://doi.org/10.1080/13602365.2012.678634>.

assets in a developing region. Like ancient structures, customary land, and all societies' cultures.

Parson's Social System (Structural Functionalists) approach to rural area development in Indonesia includes adaptation, goal accomplishment, integration, and latent pattern maintenance. To adapt (A), rural area development must use existing resources to create community-beneficial goods. It follows the economic approach that stresses economic activity and natural resource use. Community engagement in decision-making requires consideration of sustainability and social capital.

Indonesia's rural development goal attainment (G) function must address equity and inequality reduction. This attempts to make rural development objectives more equal and to design and evaluate development initiatives.

Social integrity—agreement between beliefs, feelings, and actions—is the integration function (I) in rural development in Indonesia. Rural development requires internal cooperation and agreement to function smoothly and profitably. Finally, latent pattern maintenance (L) in rural area development in Indonesia must incorporate historical structures, sites, and cultures that lived and evolved in rural communities. Development must respect historical and cultural values and inspire community preservation.

Rural area development in Indonesia must balance economic, social, and cultural factors, community engagement, and long-term sustainability, according to Parson's Social System (Structural Functionalists).

Parson's social system approach pattern (Structural Functionalists) in supporting the Village-Owned Enterprise (BUMDes) system

Rural development is a strategic problem that must be addressed to improve rural residents' wellbeing. Many initiatives have been undertaken in Indonesia to achieve sustainable rural development. According to Parson's Social System (Structural Functionalists), essential functions including adaptability, goal accomplishment, integration, and latent pattern maintenance are important. A harmonic and sustainable rural development system requires these functions.

A key tool in rural development in Indonesia is the Village-Owned Enterprise (BUMDes), which improves village communities' economic and social well-being. The BUMDes role may be optimized using Parson's Social System method. Several laws support BUMDes' function.

First, Article 256 paragraph (2) of Law No. 23 of 2014 on Regional Government requires regional governments to develop rural regions sustainably and equitably, including via community empowerment and local economic growth. This supports BUMDes' goal of supporting the village economy via community-based productive

ventures.

Second, Article 98 paragraph (1) of Law No. 11 of 2020 on Job Creation requires the government to develop rural infrastructure for connection and accessibility. BUMDes may help build village infrastructure-supporting companies. Article 98 paragraph (2) also encourages rural agriculture and fisheries production, which BUMDes manages and develops via coordinated community efforts.

Third, Article 15 of Law No. 19 of 2013 on Environmental Protection and Management governs rural environmental management, including natural resource management, water and air quality monitoring, and pollution control. BUMDes involved in agriculture and ecotourism must protect the environment and local ecology.

Fourth, Article 52 of Law No. 11 of 2019 on the National Science and Technology System controls agricultural technology, processing, and agribusiness for rural development. BUMDes must use technology to boost village enterprises like agriculture processing and renewable energy.

Finally, Article 1 paragraph (9) of Law No. 6 of 2014 on Villages defines rural regions as village areas with potential natural, human, and cultural resources for village development. Article 87 governs BUMDes as village businesses that manage economic potential and resources. By allowing local communities to manage resources autonomously, BUMDes helps villages prosper economically. Article 90 states that BUMDes can be established based on the village's needs and potential, with transparent and accountable management for the community's benefit, reflecting Parson's Social System's development goals and integration principle.

Village-Owned Enterprises (BUMDes) are supposed to drive inclusive and sustainable village development and maximize local potential with this legal base. The rules above follow Parson's Social System concept, which stresses core functions in sustainable and successful development. However, its execution must address various legal difficulties, including:

1. Problems of supervision and coordination between institutions²⁴
Implementing Parson's Social System requires strong cooperation between national and regional agencies. However, inter-institutional coordination issues might limit rural area development strategies and initiatives.

²⁴One example of a case related to the problem of inter-agency coordination in rural area development occurred in Banyuwangi Regency, East Java. In the implementation of the rural area development program, there are similar programs but managed by different institutions, such as the Food, Food Security, and Fisheries Service; the Cooperatives and UMKM Service; and the Agriculture Service. This causes overlapping and unclear implementation of the program, thus hampering the achievement of sustainable and effective rural area development goals. See, Detik News, "Village Development Needs Collaboration from Various Parties", August 14, 2018)

2. Funding and budget issues²⁵

Implementing rural development policies and initiatives is expensive. However, financial allocation issues and off-target budgets might undermine sustainable and successful rural development objectives.

3. Problems of fulfilling community rights²⁶

Community rights in rural development are crucial to Parson's Social System implementation. Problems with land and natural resource rights might hamper community engagement in rural development.²⁷

4. Policies and initiatives for rural area development need clear and synchronized rules. Unsynchronized policies and laws, such as development and environmental protection measures, persist.

According to Parson's Social System, Village-Owned Enterprises (BUMDes) might be hampered in their rural area development efforts by some of these issues. Village-owned enterprises (BUMDes) encounter these issues:

1. **Problems of supervision and coordination between institutions**

To stabilize and improve the social system, including village development, Parson's Social System method promotes integration across social institutions. Village-Owned Enterprises (BUMDes) struggle with government cooperation at the central and regional levels. For instance, municipal and village governments' development planning inconsistencies can lead to overlapping programs or policies that don't meet village requirements. Village-Owned Enterprises (BUMDes), which should

²⁵One example of a case related to funding and budget issues in rural development is related to an irrigation project that is not functioning properly in Subulussalam Village, Aceh. Although the project has received quite a large amount of funding, in its implementation there were errors in the allocation of funds and the selection of contractors, so that the project did not run effectively and did not have an impact on increasing agricultural productivity. This is due to the lack of supervision and coordination between institutions in managing the project. See, Liputan6.com. "Suspected of Corruption, North Aceh PUPR Service Employees Arrested by the KPK." (accessed on February 26, 2023)

²⁶An example of a case related to the problem of fulfilling community rights in rural area development can be found in South Central Timor Regency, East Nusa Tenggara. In the construction of the PLTU, there was a problem of fulfilling land and natural resource rights by the local indigenous community. The indigenous community felt that their rights were violated by the development project and felt that they were not involved in the planning process. This caused conflict and community dissatisfaction. See, Yulisman, L. (2019, April 25). PLTU project conflict in NTT: Community rights and company interests. BBC News Indonesia. <https://www.bbc.com/indonesia/indonesia-48043619>)

²⁷One example of a case related to the problem of unsynchronized policies and regulations in rural area development occurred in Bantul Regency, Yogyakarta. In rural area development, there is a program to open new agricultural land regulated in Regional Regulation No. 10 of 2012 concerning the Bantul Regency Spatial Planning Plan for 2011-2031. However, the program is not in sync with Regional Regulation No. 6 of 2009 concerning Waste Management in Bantul Regency which stipulates a ban on opening new land as a waste disposal site. This causes a conflict between the development program and the environmental protection program in the rural areas of Bantul Regency., See, Sudarno, 'Spatial Planning in Supporting Rural Agricultural Development', Journal of Geography Research 33, no. 1 (2018).

drive the economy and communal development, sometimes lack license, oversight, and advice from other authorities.

2. Funding and budget issue

Village-Owned Enterprises (BUMDes) need village financial allocations and additional revenue to accomplish sustainable development objectives. Fund management issues and off-target budgets persist. Village-Owned Enterprises (BUMDes) are frequently underfunded or not focused on economic development areas. Visibility and accountability in Village-Owned Enterprises (BUMDes) financial management may sometimes contribute to mismanagement or inefficient budgeting. According to Parsons, flexibility to the economic environment is crucial, and this finance issue prevents Village-Owned Enterprises (BUMDes) from adjusting to local potential.

3. Problems of fulfilling community rights

Village-Owned Enterprises (BUMDes) were founded to empower village communities, therefore community engagement is crucial to their success. There are still numerous issues with community rights, notably land and natural resource rights. Land disputes sometimes hinder Village-Owned Enterprises (BUMDes), particularly those that manage natural resources or customary land. Lack of community rights to Village-Owned Enterprises (BUMDes) natural resources might lead to program discontent or rejection. Parsons' model stresses social integration and community standards, and ignoring community rights might destabilize the village's social and economic stability.

4. The problem of unsynchronized policies and regulations

Village-Owned Enterprises (BUMDes) should thrive under regulatory oversight. Not synchronizing economic growth with environmental protection policies and laws is a concern. Economic policies that promote natural resource development may collide with environmental laws. Village-Owned Enterprises (BUMDes) in agriculture, fisheries, and eco-tourism are frequently stuck between these unsynchronized regulations. Village-Owned Enterprises (BUMDes) confront regulatory restraints that hamper their operations, such as environmental rules that conflict with municipal investment plans. Parsons stresses culture and the environment (latency), and unsynchronized policies might undermine village social system environmental sustainability.

Several nations have used Parson's Social System with varied programs and rules to achieve rural development policies and initiatives:

1. South Korea's Rural Development Plan The South Korean Rural Development Plan Program develops agricultural and non-agricultural industries to strengthen rural areas. This initiative emphasizes community involvement in rural development planning and implementation. This initiative involves government, business, and community involvement.²⁸

²⁸Ministry of Foreign Affairs, Republic of Korea, "Rural Development Plan," p.2

2. Philippine Rural Enterprise Development Program The Philippines' Rural Enterprise Development Program develops rural MSMEs to enhance rural communities' wellbeing. This initiative gives communities skills and funding to create enterprises. The community helps develop and administer this program.²⁹
3. Rural Livelihood Development Program in Bangladesh
Bangladesh's Rural Livelihood Development Program develops agricultural and non-agricultural sectors to increase rural populations' wellbeing. Rural communities get training, finance, and market network growth from this initiative.³⁰
4. Rural Development Program in China
The Chinese Rural Development Program develops agricultural, industrial, and service sectors to strengthen rural areas. Community members design and execute rural development under this initiative.³¹

Parson's Social System method may be used extensively to rural development strategies via Village-Owned Enterprises (BUMDes) in Indonesia, as has been done in other countries with an emphasis on community involvement in planning and executing development programs Rural development programs in South Korea, the Philippines, Bangladesh, and China have improved community welfare by developing agricultural and non-agricultural sectors and strengthening community rights through active participation in development.

Parson's Social System stresses adaptability, objective attainment, integration, and cultural pattern preservation, and Village-Owned Enterprises (BUMDes) in Indonesia are one example. Village-Owned Enterprises (BUMDes) must adapt to the village's social, economic, and geographical surroundings. Each hamlet may enhance its agricultural, tourist, or artistic potential. Village-Owned Enterprises (BUMDes) play an important role in adapting economic strategies to village characteristics, similar to the Rural Development program in China, which has developed the agricultural, industrial, and service sectors and increased community income by developing local businesses that respond to village conditions.

Parson's Social System aims depend on how Village-Owned Enterprises (BUMDes) boost rural communities' economies. In the Philippines' Rural Enterprise Development program, which encourages micro, small, and medium enterprises (MSMEs) through training and capital, Village-Owned Enterprises (BUMDes) can help develop productive businesses in villages that boost community income. Careful planning is needed to improve community welfare via metrics including income, employment, and resident participation in economic activities.

Integration, a fundamental component in Parsons' strategy, is also a major problem

²⁹Asian Development Bank, "Rural Enterprise Development," p. 1

³⁰International Fund for Agricultural Development, "Rural Livelihood Development Project

³¹Chinese Academy of Agricultural Sciences, "Rural Development in China: Policy and Practice

for Village-Owned Enterprises. Village-Owned Enterprises (BUMDes) must work with village governments, traditional institutions, and religious institutions to ensure that planned programs run well and have social and cultural legitimacy. South Korea's Rural Development Plan acknowledged government, business sector, and community collaboration as essential to rural development. In this scenario, Village-Owned Enterprises (BUMDes) require cooperation from several partners to build the village economy inclusively and sustainably.

Village-Owned Enterprises must also address cultural delay. Village-Owned Enterprises (BUMDes) economic growth must continue to respect local values and village culture. Rural development typically struggles with modernity and tradition. Community engagement and rights protection are key to preserving the village's cultural identity throughout economic growth, as in Bangladesh's Rural Livelihood growth program. Village-Owned Enterprises (BUMDes) must combine economic innovation with local culture, such as community-based tourism that respects local traditions.

As with rural development projects in other countries, Village-Owned Enterprises (BUMDes) have several problems in their implementation. Supervisory and coordination issues amongst institutions still hinder Village-Owned Enterprises (BUMDes) operations. Program success depends on community engagement and institutional integration, as in Bangladesh and the Philippines. Village-Owned Enterprises (BUMDes) cannot achieve equitable and sustainable development without strong cooperation between the village administration, community, and private sector.

Funding concerns can impact Village-Owned Enterprises (BUMDes) performance. Many village finances supplied to Village-Owned Enterprises (BUMDes) are inadequate or not on goal, preventing them from developing effectively. Thus, capital assistance from different sources, such as the Philippine Rural Enterprise Development program, may help Village-Owned Enterprises (BUMDes) survive.

The author suggests using Parson's Social System (Structural Functionalists) to help Indonesian Village-Owned Enterprises (BUMDes) succeed. Village-Owned Enterprises (BUMDes) may foster sustainable village development by focusing on adaptability, goal attainment, integration, and cultural patterns. This technique may help local-Owned Enterprises (BUMDes) promote community-based local economic development.

1. **Adaptation (A)**

Village-Owned Enterprises (BUMDes) must adapt to the village's social and economic circumstances and help the community make better choices. Indonesia must boost social capital in village development by teaching and funding rural people to start agricultural and non-agricultural companies. Through financial assistance and training, organizations like Rural Enterprise Development in the Philippines may empower communities. For Village-Owned Enterprises (BUMDes), the government must guarantee that current rules enable their

functioning and promote community confidence in this institution. Village-Owned Enterprises (BUMDes) may better use the village's economic potential by adapting to local dynamics and community demands.

2. Goal Attainment (G)

Village-Owned Enterprises (BUMDes) aim to develop rural communities via sustainable economic activity. The government should stress rural social and economic equality in development objectives. Improve rural communities' access to infrastructure, education, and health services, and educate Village-Owned Enterprises (BUMDes) to boost skills and production. In Rural Livelihood Development in Bangladesh, communities get training, finance, and market network development to promote productive companies. By managing village resources and establishing economic possibilities based on local potential, Village-Owned Enterprises (BUMDes) may help communities accomplish their development objectives.

3. Integration (I)

Strong cooperation between village communities, government, and the business sector helps Village-Owned Enterprises (BUMDes) succeed. Village-Owned Enterprises (BUMDes) must build strong partnerships to develop the village's social system. The government should promote local, traditional, and private sector engagement on rural area development planning and implementation. South Korea's Rural Development Plan emphasizes institution-level cooperation to ensure rural development program success. This integration is crucial for Village-Owned Enterprises (BUMDes) to support each other in village development, with B acting as a liaison institution to coordinate economic and social initiatives.

4. Latent Pattern Maintenance (L)

Village-Owned Enterprises (BUMDes) strengthen the village economy and must respect local culture and customs. The government must guarantee that local-Owned Enterprises (BUMDes) development respects and preserves local culture. Every village development program must prioritize customary land, historical structures, and traditions. In China's Rural Development Program, agricultural, industrial, and cultural development work hand in hand to balance modernity and cultural preservation. Village-Owned Enterprises (BUMDes) must preserve the village's tradition while promoting modern innovation, such as ecotourism or creative industries based on local culture.

Comparing with other nations, it's important to note what's improved rural communities' wellbeing. In Indonesia, community engagement in development, training and capital, infrastructural access and equality, and cultural and historical preservation may be used. Planning and implementing rural development projects requires government, business sector, and community involvement.

4. Conclusion

Parson's Social System (Structural Functionalists) framework supports Village-

Owned Enterprises (BUMDes) in rural development in Indonesia. Village-Owned Enterprises (BUMDes) may create sustainable and inclusive development by concentrating on adaptability, goal attainment, integration, and cultural patterns. In managing Village-Owned Enterprises (BUMDes), proper adaptation to the village's social and economic environment, achievement of community welfare goals, strong community, government, and private sector integration, and maintenance of local cultural norms are crucial. This method stresses active community engagement, effective institution coordination, and optimum use of local potential to improve village community welfare.

Future research might examine the Parson's Social System approach to village development in Indonesia. Further research can be focused on how Village-Owned Enterprises (BUMDes) can optimize adaptation to global and local economic changes, as well as exploring collaboration models between Village-Owned Enterprises (BUMDes), the government, and the private sector in increasing the effectiveness of village development. Future study might also examine how Village-Owned Enterprises (BUMDes) reconcile modernity and local culture, particularly in the face of fast societal change. Thus, future research is planned to improve Village-Owned Enterprises (BUMDes) as agents of inclusive and sustainable development via practical and theoretical contributions. Coffee by registering Geographical Indications with the Directorate General of Intellectual Property Rights.

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