SOCIALIZATION OF THE IMPLEMENTATION OF GOOD VILLAGE GOVERNANCE AND SUSTAINABILITY VILLAGE CREDIT INSTITUTIONS: COMMUNITY SERVICE IN PEJENG VILLAGE, TAMPAKSIRING DISTRICT, GIANYAR REGENCY, BALI

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ABSTRACT

This discussion relates to the problems experienced by villages in Bali, namely the problem of the duality of village government, namely the official village and the traditional village. The official village and the traditional village have their respective functions and should go hand in hand and synergize. This condition has an impact on governance in the official village. Because of the history before the establishment of village regulations, there was a polemic between the official and customary villages in Bali. In this community service, the Faculty of Economics, Warmadewa University, and its personnel take the role of disseminating the method of good governance, which is often referred to as good village governance, which adopts the concepts contained in good governance. This concept is considered ideal with village conditions in Bali. But not only that, this service provides solutions to the problems faced by traditional villages in managing their microfinance institutions, namely the Village Credit Institution. Village credit agency is experiencing a crisis of trust because of the actions of its management or negative issues that develop in the community, the solution that can be given is to explore the root cause of the problem and the history of the development of the village credit agency and formulate a strategy for its development and sustainability.

Keywords: good village governance, sustainability, community service, village credit institutions, socialization

PRELIMINARY

With the enactment of Law Number 6 of 2014 concerning Villages, it is hoped that all interests and needs of the village community can be better accommodated. Providing greater opportunities for villages to manage their own governance and equitable development implementation is expected to improve the welfare and quality of life of rural communities so that problems such as regional disparities, poverty, and other socio-cultural problems can be minimized (Efferin & Hopper, 2007). The provision of large funds through village funds invites negative assumptions from many practitioners, academics, and politicians (Hardy et al., 2020; Harrison & Sayogo, 2014). This view directs the argument that certain villages, which have not yet formed good village governance, will experience disorientation in the implementation of government if the maturity of human resources and institutional institutions is not prepared. Corruption and abuse of authority are major issues in village governance (Antlöv et al., 2016). Therefore, the village government must be able to apply the principle of accountability in village financial management, where all village government administration activities must be accountable to the village community by the provisions so that good village governance is realized (Sujana et al., 2020; Tagivakatini et al., 2016). This indicates that good village governance must contain transparent, accountable, and participatory principles as stated in the Village Law (Salim et al., 2017).

In terms of realizing good village governance to indicate that the management of village funds adheres to transparent, accountable, and participatory elements, it is recommended that all villages are obliged to run their government based on good village governance (Ekayuliana et al., 2018; Rustiarini, 2016). Good village governance can create quality government financial reports and emphasize the village government's financial management process as well as the involvement of stakeholders in the social, economic, and political fields as well as the empowerment of existing human or financial resources carried out according to needs. Each. So that the holding of village financial management is intended so that the management of community finances held by the village government is carried out transparently from the preparation process to accountability so that accountability will be created in its management. Effective and efficient financial management is a form of good governance (Saputra, Anggiriawan, et al., 2019; Sara, Saputra, & Laras diputra, 2021).

Village financial management should not be used as an arena to grow "small corruptors" in the village (Saputra & Anggiriawan, 2021). Therefore, to protect village financial management from acts of fraud, it is necessary to have a good internal control system as well, so that all acts of fraud can be prevented. Sujana et al. (2020) states that the internal control system has a direct influence on Good Governance so that it has implications for the quality of reporting within the organization. Wang (2006) even states that it is very important to implement local village governance which is translated as good village governance in governance management at the smallest organizational level such as villages to achieve balance and justice in the distribution of funds collected from the community or subsidies from the central government. Meanwhile, Milanés Batista et al., (2020) stated that in the implementation of village governance it is necessary to take all parties seriously and provide the widest possible space for the internal control system to touch all lines in the organization. Atmadja et al. (2018) stated that the implementation of village-level governance based on good village governance will produce good reports and have accountability and transparency. Based on some of the results of these studies, it is interested to raise the service with the title “implementation of good village governance in Pejeng Village, Tampaksiring District, Gianyar Regency”.

THEORETICAL BASIS

Good Village Governance

As a principle, governance is a system of rules, processes, and behaviors that influence how power is exercised at different levels of government, especially about openness, participation, accountability, effectiveness, and coherence (Sujana et al., 2020). Good governance contributes to various development goals due to internal changes in the way of managing power from conventional control and command by the state to a new way that is more networked and balanced with various stakeholders (Yuhertiana et al., 2016). Based on this statement, every organization needs to implement good governance and does not rule out the possibility at the village government level (Ekayani et al., 2020). The importance of implementing village governance that leads to good village governance will also lead to efforts to improve and improve government management processes so that performance will be better. To encourage the realization of good village governance, it is important to build good governance which is transformed into good village governance (Siregar & Muslihah, 2019).

Government Internal Control System

According to Sujana et al. (2020) “The internal control system includes an organizational structure, coordinated methods and measures to maintain organizational wealth, check the accuracy and reliability of accounting data, encourage efficiency and encourage management policies. In Government Regulation Number 60 of 2008 concerning the Government Internal Control System, it is explained that the Elements of the Government Internal Control System include:

a. Control Environment
b. Risk Assessment
c. Control Activities
d. Information and Communication
e. Monitoring

Public welfare

In the paradigm of economic development, changes in people's welfare are an inseparable part. This is because economic development is said to be successful if the level of community welfare is getting better. The success of economic development without including an increase in people's welfare will result in inequality in people's lives. Community welfare is a condition that shows the state of people's lives which can be seen from the standard of living of the community (Sara, Saputra, & Utama, 2021).

Community welfare shows a measure of community development outcomes in achieving a better life which includes: first, capacity building and equitable distribution of basic needs such as food, housing, health, and protection; secondly, improvement of the standard of living, level of income, better education, and increased attention to culture and human values; and third, expanding economies of scale and the availability of social choices for individuals and nations (Dewi, 2014; Kartika, 2017). Community welfare is the condition of meeting basic needs as reflected in a decent house, adequate food and clothing needs, cheap and quality education, and health costs or conditions in which each individual can maximize his or her utility at a certain level of budget limits and conditions where physical and spiritual needs are fulfilled (Sutawa, 2012).

Village Economic Development

Integrated rural development is a master plan of the new order which is supported by international institutions such as the World Bank. This model is pursued through a scheme for improving the village's spatial physical infrastructure (transportation, economy, social, and marketing), increasing agricultural production through the green revolution, as well as sectoral development (oriented towards economic growth and social services such as education and health) (Saputra, Anggiriawan, et al., 2019; Xu et al., 2018). The development of the village's spatial physical infrastructure (transportation, economy, social, and marketing) is the main icon of village development (Sara et al., 2019).

There are three main characteristics of village community development, namely: first, the existence of organized efforts to improve the living conditions of the community; second, there is an increase in cooperation and cooperation in carrying out development; third, rural community development requires technical assistance from the government and voluntary organizations (Alfaji et al., 2018). There are four elements of village community development, namely: a) a planned program with a focus on the total needs of the village community; b) technical assistance; c) integrating various specialties for the help of the community; and d) a major emphasis upon self-help and participation by the residents of the community. The four elements above emphasize that rural community development is a planned program, focusing on community needs, requiring technical assistance from experts from various fields, and prioritizing cooperation activities to foster active community participation in development. The development of rural communities is important at this time because Indonesia is an agrarian country, the majority of the population lives in villages, where their social and economic life depends on traditional farming. Agricultural modernization needs to be prioritized to increase agricultural production and the quality of life of rural communities (Saputra, Sara, et al., 2019).
METHOD

The implementation method in this community service is the steps to reach a solution, namely:

1. Steps in implementing solutions to partner problems:
   a. The field of counseling is to provide explanations regarding good governance and village finances according to the concept of good village governance.
   b. Distribution of village-owned enterprises results and marketing. Field implementers held discussions with related parties, namely the Village Head, local government, and local village credit agency to conduct focus group discussions, to get an agreement to form a forum that functions as a communication forum between academics and village economic actors.
   c. The field of communication and information is committed to jointly sharing important information in terms of village management, both in the financial sector and village government.

2. The steps were taken by the general public are jointly monitoring and supporting the village government both official and customary for the sake of a safe, comfortable and economically prosperous, and independent village in terms of village income towards a prosperous and prosperous village.

3. The approach used in this community service is:
   a. The aspect of personal approach, which means that the implementer takes a personal approach to the community to find out what problems are faced in the community so that they need solutions and bright spots. All disputes in society arise due to a lack of trust in the government or the institutions under it. This personal approach is necessary to find out the problem points of the village community so that the service is right on target.
   b. The aspect of education and knowledge is one of the most difficult forms faced by the people in this village. This is evidenced by the lack of knowledge about governance and finance in the village.

4. Work procedures in this community service To overcome existing problems, various problem solving can be carried out as follows:
   a. Provide exposure to knowledge related to understanding good village governance
   b. Provide a legal basis for managing village funds
   c. Provide socialization of local taxes on community welfare and development
   d. Provide community understanding regarding village financial management sourced from village funds
   e. Provide a presentation about fraud/cheating as a form of concern for implementing corruption education in the village by the government's call.
   f. Explain with the discussion method related to the relationship between village credit agency as a Customary institution and its community and its financial management.

5. Evaluation of this Community Service activity, namely:
   a. Evaluation of the readiness of the parties involved and evaluation of the model through meetings or discussions.
   b. Evaluation of the performance of the implementers based on community understanding and increasing public trust in village government and customary institutions in this case the village credit agency.

RESULTS AND DISCUSSION

Results of the Socialization of Village Fund Management in the Framework of Good Village Governance

With the enactment of Law Number 6 of 2014 concerning Villages, it is hoped that all interests and needs of the village community can be better accommodated. Providing greater opportunities for villages to manage their own governance and equitable development implementation is expected to improve the welfare and quality of life of rural communities so that problems such as regional disparities, poverty, and other socio-cultural problems can be minimized (Saputra, Subroto, et al., 2020). The provision of large funds through village funds invites negative assumptions from many practitioners, academics, and politicians. This view directs the argument that certain villages, which have not yet formed good village governance, will experience disorientation in the implementation of government if the maturity of human resources and institutional institutions is not prepared (Atmadja et al., 2018). Corruption and abuse of authority are major issues in village governance. Therefore, the village government must be able to apply the principle of accountability in village financial management, where all village government administration activities must be accountable to the village community by the provisions so that good village governance is realized (Ekayani et al., 2020; Saputra, Dewi, et al., 2020). This indicates that good village governance must contain transparent, accountable, and participatory principles as stated in the Village Law (Saputra, Jayawarsa, et al., 2019).

In terms of realizing good village governance to indicate that the management of village funds adheres to transparent, accountable, and participatory elements, it is recommended that all villages are obliged to run their government based on good village governance. Good village governance can create quality government financial reports and emphasize the village government's financial management process as well as the involvement of stakeholders in the social, economic, and political fields as well as the empowerment of existing, human or financial resources carried out according to needs (Saputra et al., 2018). Each. So that the holding of village financial management is intended so that the management of community finances held by the village government is carried out transparently from the preparation process to accountability so that accountability will be created in its management. Effective and efficient financial management is a form of good governance (Atmadja & Saputra, 2018).

Village financial management should not be used as an arena to grow “small corruptors” in the village. Therefore, to protect village financial management from acts of fraud, it is necessary to have a good internal control system as well, so that all acts of fraud can be prevented. Sujana et al. (2020) states that the internal control system has a direct influence on Good Governance so that it has implications for the quality of reporting within the organization. Saputra, Subroto, et al. (2020) even states that it is very important to implement local village governance which is translated as good village governance in governance management.
at the smallest organizational level such as villages to achieve balance and justice in the distribution of funds collected from the community or subsidies from the central government. Meanwhile, Atmadja et al. (2018) stated that in the implementation of village governance it is necessary to take all parties seriously and provide the widest possible space for the internal control system to touch all lines in the organization. Ekyani et al. (2020) stated that the implementation of village-level governance based on good village governance will produce good reports and have accountability and transparency.

As a principle, governance is a system of rules, processes, and behaviors that influence how power is exercised at different levels of government, especially about openness, participation, accountability, effectiveness, and coherence. Good governance contributes to various development goals due to internal changes in the way of managing power from conventional control and command by the state to a new way that is more networked and balanced with various stakeholders (Saputra et al., 2021). Based on this statement, every organization needs to implement good governance and does not rule out the possibility at the village government level. The importance of implementing village governance that leads to good village governance will also lead to efforts to improve and improve government management processes so that performance will be better. To encourage the realization of good village governance, it is important to build good governance which is transformed into good village governance (Paellorisky & Solink, 2019).

Sustainability and Management of Village Credit Institutions

The human meaning of goods and or services consumed determines the quality of human dependence on the market. By referring to the social definition paradigm, namely the symbolic interactionalism theory or the phenomenological paradigm that human behavior is largely determined by their meaning of an object if humans consume something not solely because of its use-value, but also related to its symbolic meaning. Under these conditions, humans are said to have turned into homo-consumers, which in turn creates a consumptive society. This is what often encourages people to force themselves to buy something and or do an activity, such as religious rituals so that their self-image feels like it has changed towards an increase. Thus, borrowing the idea of Triani & Satyawana (2016) Balinese people are trapped in what is called "image or appearances".

Concerning N. B. Atmadja (2014) such conditions are currently hitting Balinese people. This means that the Balinese people who initially relied more on a subsistence economic system based on social capital, have shifted towards a market economy system based on a market ideology which has led to the emergence of a consumptive society. This condition can be seen in the daily life of Balinese people which is full of material dynamics. Even market ideology has also penetrated religious life, for example, it can be seen when the required ritual equipment, namely offerings, is obtained by buying, not working together. Under these conditions, the Balinese also experience a chronic financial crisis which on the one hand can encourage the Balinese to work hard, but on the other hand, can also give birth to behavior to meet their needs in debt. This idea is associated with a marker of trust from creditors and the distribution of desires instantly without starting with the difficulty of saving (Anantasari 2013 Tungga Atmadja et al., 2016; Hutausiska; Wau, 2017; Kurniawan, 2016).

In addition to meeting needs and desires, funds are also needed to develop business activities, by human nature as homo Faber. About the high need for funds in Pakraman Village, the Provincial Government of Bali issued a Decree of the Governor of the first level region of Bali number 972 of 1984 concerning the establishment of a Village Credit Institution in the Province of Bali’s Level I Region (Kurniawan, 2016). This Governor Decree was later strengthened by Regional Regulation No. 2 of 1988 which was renewed through Perda No. 8 of 2002 and Regional Regulation No. 3 of 2007 concerning Village Credit Institutions. In this regional regulation, it is underlined that village credit agency is a Savings and Loan Business Entity owned by Pakraman Village (Juniarini & Saputra, 2020). The purpose of establishing the village credit agency is to encourage the economic development of rural communities through savings and equity participation, eradicating debt bondage and illegal pawning, creating equity and business opportunities for villagers as well as increasing purchasing power, and facilitating payments and money circulation in the village (Suardikha, 2013). To achieve this goal, the village credit agency carries out various efforts, such as accepting deposits from community members, providing loans for productive activities, other activities involving the mobilization of village funds, equity participation, and receiving loans from financial institutions (Saputra, Trisnadewi, et al., 2019).

To accelerate the development of the village credit agency, the government linked it with the Pakraman village competition activities. The village competition activity is not only intended to organize Pakraman villages as a representation of the Tri Hita Karana idea but is also associated with the economic empowerment of Pakraman villages. In its journey, the village credit agency proved to be successful in achieving its goals spectacularly (Effirin, 2015). This symptom can be seen from various studies on village credit agencies and Pakraman villages in general, which state that village credit agencies have a very important role in improving the economy and welfare of Pakraman village manners (Putra & Latrini, 2018). With the existence of the village credit agency, the krama of the Pakraman village no longer have difficulty in obtaining funds for their consumptive and productive activities. In fact, what is no less amazing are the various village credit agency contributions to Pakraman village in the form of providing ritual funds, development funds, scholarships for poor people, and other philanthropic activities. In general, the village credit agency can be said to have been amazingly successful and has been praised by various parties (Jayawarsa et al., 2021). The role of village credit agency in improving the economy of Pakraman village has even invited appreciation from the President of the Republic of Indonesia (Saputra, Trisnadewi, et al., 2019).

The lack of attention to problematic village credit agencies cannot be separated from the fact that village credit agencies are an inseparable part of Pakraman Village. Along with strengthening the position of Pakraman Village after the reform era, everything related to Pakraman Village has received a positive perception in the eyes of the Balinese people (Aryawibawa et al., 2018). In other words, everything related to Pakraman Village is definitely good, right, successful, and so on. Because the village credit agency is a financial institution belonging to the Pakraman village and is run with customary norms or social capital, it is automatically impossible for the village credit agency to be flawed, let alone fail (Munoz-Leiva et al., 2017; Rodríguez Bolivar et al., 2015). Starting from this fact, the study of village credit agencies that are sick or even bankrupt is very important and urgent (Saputra, Jayawarsa, et al., 2019). This is not only because studies on this issue are still rare and there is a tendency to be covered up, but it can also be related to the Rwa Bhineda philosophy or binary opposition that applies to Balinese society (Triani & Satyawana, 2016). The philosophy of Rwa Bhineda has the idea that good will side with evil as well as success always sides by side.
with failure. The meaning of one cannot be separated from the other (Atmadja et al., 2016). Thus, it is natural that there are successful village credit agencies, and conversely, at the same time, there must be failed village credit agencies (Saputra, 2020). This fact does not need to be denied, because according to the philosophy of Rwa Bhineda both have a mandatory existence in the context of meaning. In this regard, the study of sick or bankrupt village credit agencies does not need to be considered as an attempt to disgrace, but rather focuses on efforts to deconstruct reality, namely village credit agencies that fail to complete the description of successful village credit agencies so that the philosophy of Rwa Bhineda as one of the cores of Balinese culture is realized. In a more meaningful way (Saputra & Anggiriawan, 2021).

Regarding this statement, to keep the village credit agency from repeating the same mistake twice and being able to maintain its existence in the midst of the Pakraman village community as a traditional financial institution that is expected to help and serve the community financially and withstand shocks, it is necessary to apply the principles of good corporate governance and enforce strict sanctions referring to awig-awig (Sara, Saputra, & Larasiputra, 2021). The goal is that village credit agency is more trusted as a microfinance institution based on custom and has the strength of a good internal control system as indicated by the application of good corporate governance principles, and is subject to the rules or awig-awig which is the legal basis for village credit agencies to regain public trust. In the implementation of good corporate governance to achieve good performance, the concept of local wisdom is needed, especially in Bali which is thick with the menyama braya culture (Sara et al., 2020).

The participation of Pakraman Village in the organizational structure of the village credit agency, namely acting as a board of commissioners, as outlined in the text of Regional Regulation Number 8 of 2002, has implications, first, Pakraman villages can incorporate their social capital into the normative principles that apply to the village credit agency. Second, Pakraman village can participate in carrying out internal control. Third, the Pakraman village can impose sanctions on violations committed by both village credit agency management and village credit agency customers. The forms of sanctions applied are gossip, ridicule, reprimand, fined, suspended, prohibited from using village facilities, or expelled. As well as village credit agency customers can play a role according to their status so that the existence of the village credit agency is maintained (Anggiriawan et al., 2018; Atmadja & Saputra, 2014; Ekyani et al., 2020).

CONCLUSIONS AND SUGGESTIONS

Based on the Regulation of the Minister of Villages, Development of Disadvantaged Regions, and Transmigration of the Republic of Indonesia Number 21 of 2015 concerning Priority Determination of the Use of Village Funds in 2016, Village Funds are funds sourced from the State Revenue and Expenditure Budget designated for Villages transferred through the Regional Revenue and Expenditure Budget regency/municipality and is used to fund governance, implementation of development, community development, and community empowerment. The government plans to disburse village funds from the central government to the provincial and district/city levels with a total of Rp 20.76 trillion.

In terms of realizing good village governance to indicate that the management of village funds adheres to transparent, accountable, and efficient financial management is a form of good governance. Financial management in the village cannot be separated from the preparation process to accountability so that accountability will be created in its management. Effective and efficient financial management is a form of good governance. Financial management in the village cannot be separated from the village institutions in it, including traditional institutions, especially in Bali, the customary institution in question is the Village Credit Institution.

The Village Credit Institution has several objectives, namely as follows. First, to encourage the economic development of rural communities through targeted savings and effective distribution of capital. Second, eradicating the bondage system, dark pawnshops, and other equivalents in rural areas. Third, create equity and job opportunities for rural residents. Fourth, create purchasing power and streamline payment and exchange traffic. One of the obstacles that can be faced by the Village Credit Institution is the possibility of non-performing loan repayments. The low level of lending by institutions similar to the Village Credit Institution has several objectives, namely as follows. First, to encourage the economic development of rural communities through targeted savings and effective distribution of capital.
Credit Institution is caused by several things, namely: non-current billing, human resources, and bad loans, all of which are caused by external and internal factors such as economic conditions, character, and inadequate credit analysis. The low quality of the debt portfolio, low collateral value, and the lack of provision for possible loan losses are also factors that cause this institution's low ability to channel financing to the public. Furthermore, also stated that there are two reasons why credit disbursement is low, namely: the absence of supervision over the loans disbursed and the high-interest rates on loans compared to financial institutions such as commercial banks. In practice, for "coercive" borrowers who do not fulfill their obligations to the village credit agency to make payments, customary sanctions are applied. In customary law, there is no distinction between criminal and civil contexts. Often, the application of customary sanctions is indeed effective in enforcing village credit agency management rules. However, many people think that the implementation of this sanction is only a bitter pill, which is suspected to have further impacts besides being often considered inhumane and not in line with the objectives of the formation of the village credit agency.

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