

STRENGTHENING THE ECONOMY OF DESA ADAT BASED ON LOCAL RESOURCES: STRATEGY AND REGULATION CONTEXT

Anak Agung Istri Atu Dewi, Faculty of Law Universitas Udayana
Cokorda Dalem Dahana, Faculty of Law Universitas Udayana
I Gede Agus Kurniawan, Faculty of Law Universitas Pendidikan Nasional
Putri Triari Dwijayanthi, RAH the House of Legal Experts
Dewa Gede Sudika Mangku, Universitas Pendidikan Ganesha

ABSTRACT

This study aims to see the economic growth of traditional villages in Bali with the potential local resources owned by traditional villages. The problem of economic growth in Bali during the Covid-19 pandemic slowed down which had an impact on slowing down economic growth in traditional village, which led to the decline in the welfare of traditional village manner. Therefore, it is necessary to study the regulatory and growth aspects of economic growth strategies in customary villages based on local resources. This is a socio-legal research with a regulatory approach and data, which is the result of observation or social data. This study shows that the regulatory aspect of accelerating economic growth in traditional village Law 10 of 2009 on Tourism, Law 23 of 2014 on Regional Government, Bali Provincial Regulation 4 of 2019 concerning Implementing Regulations for Regional Regulation 4 of 2019 about Traditional Villages in Bali and also the strategy can be used by traditional villages in accelerating economic growth is the strategy with the Penta Helix model, which is a model for developing a synergy of 5 (five) elements, namely the Government, traditional village, academics, entrepreneurs, and the media.

Keywords: Desa Adat, Traditional Village, Economic Strengthening, Local Resources.

INTRODUCTION

Bali has been known as one of the best tourist destinations. The natural beauty of Bali, Balinese culture and the friendliness of the people are the main attractions for tourist to visit. This is having been acknowledging by the statement of the Trips Advisor, a travel reference site which states that Bali has been named as the world's fifth best tourist destination back in 2019. The beauty of Bali's natural resources makes it as one of the most favorite tourist destinations in the world, which bring in foreign exchange for the country if managed properly.

Good management of Bali's natural resources is a shared obligation, both local governments, communities, including "Desa Adat" (hereinafter traditional villages) in Bali. The management of Bali's natural resources is carried out with the aim of preserving, protecting natural resources and for the welfare of the Balinese people, including in improving the economy of the Balinese people.

The management of Bali's natural resources is a shared obligation, both local government and communities, including traditional villages in Bali.

The management of Bali's natural resources is carried out and aims to preserve and protect the natural resource for the welfare of the Balinese people, including in improving the economy of the Balinese people. The right and existence of traditional communities is recognized and acknowledged by the most significant law, namely the 1945 Constitution of the Republic of Indonesia (hereinafter the 1945 Constitution of Indonesia) (Devi et al., 2017).

It is interesting to look at the vision and mission of the Governor of Bali, who wants to make Bali economically independent, with the implementation of a planned, directed, and integrated Balinese development in a single area to realize the welfare of the Balinese people in an abstract manner without leaving Balinese customs, culture, and characteristics. It means that the development of the Balinese economy is based on local resources by developing small and medium industries based on local resources. In the vision and mission of the Governor of Bali, there are several priority program agendas that will be realized for the future development of Bali, namely: Legislation; Food; Clothing; Board/House; Education; Health; Social Security; Employment; Custom; Religion; Culture; Tourism; Infrastructure; Electrical Energy; Clean Water; Economy; Transportation; Security; and Special.

With regard to the priority program agenda in the vision and mission, one of the things that supports the economy of Bali is the development of a tourism-based economic area by further developing creative industries based on local wisdom, which is by encouraging the revival of traditional village, namely providing capital to support the creative economy in customary villages by developing modern governance. In this context, it certainly strengthens economic institutions, the economy of traditional villages and the Balinese handicraft industry.

According to the vision and mission, it can be understood that the direction of development in Bali is strengthening the Balinese economy, including strengthening the economy of traditional village with the aim of welfare of traditional village. In strengthening the economy of traditional villages with, it cannot be separated from the direction of the Bali Province Policy.

The direction of the Bali Provincial Policy seems to be contained in the Bali Provincial Regulation Number 2 of 2019 concerning the Bali Provincial Long-term Regional Development Plan 2005-2025 (hereinafter Perda 2/2019 concerning RPJPD) and Bali Provincial Regulation Number 3 of 2019 concerning Bali Province Mid-term Regional Development Plan 2018-2023 (hereinafter Perda 3/2019 concerning RPJMD).

The direction of the Bali Province policy, gives direction to the development of local resources as one of the supporters of the economic development of Bali, including the development of the economy of traditional villages. The development and empowerment of local resources in traditional villages are the targets, efforts, and strategies of the Bali Provincial government as a form of strengthening the economy of traditional villages so that the independence of traditional villages in Bali can be realized. However, the economic growth of Bali Province experienced a slowdown and decrease, it can be seen that in the quarter of 2019, the economic growth was recorded at 3.23%, which was not as good as economic growth in the third quarter of 2018 which reached 6.15%.

Based on these data, the decrease in economic growth in Bali in 2019 was caused by many factors, one of them was the impact of the Corona Virus Disease 2019 (hereinafter Covid-19) pandemic, which caused the economic growth rate in Bali to drop dramatically. As is the fact

that happened in Bali, that there has been the spread of Covid-19. This Covid-19 is considered as a global pandemic that must be tackled by World Health Organization (hereinafter WHO). Based on sociological data, the spread of Covid-19 has spread to 216 countries with confirmed cases of 40,425,663 people and the number of deaths 1,118,635 people (global).

In Indonesia, it was confirmed that there were 368,842 people tested positive, 293,653 people recovered, and 12,734 people died. Meanwhile, data on Covid-19 in Bali shows there were 10,955 positive cases, 9,788 cases recovered and 351 people died.

The Covid-19 pandemic case has a huge impact on the Balinese economy; it affects the welfare of the Balinese people, including the traditional village. The decrease in the purchasing power of Balinese goods has added to the deterioration of Bali. Tourism activities, which are the prim Donna of Bali for tourists who bring in Original Regional Revenue, now appear to be less growing. Besides, there is a lack of seriousness in working on economic growth, especially those that come from Bali's local resources. With regard to this phenomenon, this research is important to be conduct in terms of the regulatory aspects and strengthening strategies that can be carried out as an effort to accelerate the economic growth of traditional villages based on local resources.

RESEARCH METHOD

This is a socio-legal research which examines both text and context. In this case, the study of the text is in the form of a legal text, namely in the form of a statutory regulation text combined with a study of the context, namely seeing the law in society. In this regard, Sulistyowati Irianto emphasized that socio-legal research uses a combination of doctrinal and non-doctrinal (empirical) research (Irianto, 2009). Soetandyo Wignjosoebroto also emphasized that research that uses a current approach between doctrine and non-doctrinaire is mutually supportive in legal research (Irianto, 2009). Thus, in conducting this socio-legal research, the source of legal materials comes from primary and secondary legal materials. The technique of collecting legal materials is done by collecting, making an inventory of legal materials and making detailed records related to the subject matter discussed. Furthermore, the technical analysis of primary and secondary legal material uses legal hermeneutics, which is an interpretation of the legal text that is linked to the context (finding the meaning of the legal text and looking for ideas behind the legal text). Based on the understanding abovementioned, a sociolegal research is also defined as a hybrid research of legal science with qualitative social science, which is very useful in answering legal problems related to strengthening the community's economy, which comes from local resources, hence the independence of traditional village in Bali can be realized.

RESULTS AND DISCUSSION

Regulation of Balinese Economic Growth Based on Local Resources

In 2019, the economic growth of Bali Province was recorded to grow 5.63%, which is the structure of Bali's economic growth developing in the business of providing food and beverage accommodation with contribution of 23.26%. Observing the economic development in Bali in 2019, the growth slow down ranging from 5.90% to 6.30%. Furthermore, economic growth in

2020 experienced a decrease drastically, especially in the second quarter of the April-June 2020. The growth reached 10.98% due to the Covid-19 pandemic outbreak, which bring negative impact on Bali's economic growth.

During the last three decades, Tourism has been acknowledged as the main pillar the economy of Bali (Santosa & Saraswati, 2020). Bali as a tourism destination relies on the tourism sector to support the economic growth has become immobile and stagnant due to Covid-19 pandemic. According to the data from the Bali Province Statistics (hereinafter BPS Bali), the growth of business fields in accommodation, restaurant, food and beverages sellers struggles and shows negative growth.

In addition, Bali's economic growth has also drastically decreased due to government restrictions, such as stopping commercial flights, tightening sea transportation traffic protocols, including crossing passengers during Eid al-Fitr, or in travelling activities and restricting community activities in Bali. In accordance to this condition, Richard Posner argued that the law and economics movement has influenced reform in a number of important areas including the regulation and common carriers (Deweese & Posner, 1974; Posner, 2014). It is also stated in Supasti Dharmawan that the theory of Posner is relevant observing the regulation and the economic growth in Bali (Dharmawan et al., 2019). Hence, the Posner theory shows the relation between law and the economic movement.

On the other side, the efforts of both the government and the Provincial Government of Bali are also designing policies that support economic growth in Bali during the Covid-19 pandemic by issuing policies to support the growth of the Micro, Small and Medium Enterprises (*hereinafter* MSME) in the regions as regulated in the Regulation of the Minister of Cooperatives, Small and Medium Enterprises Number 6 of 2020 concerning General Guidelines for Distribution of Government Assistance for Micro Business Actors to support national economic recovery and save the national economy during the Covid-19 pandemic.

This Ministerial Regulation is based on Law Number 2 of 2020 concerning the Stipulation of Government Regulations in Lieu of Law Number 1 of 2020 concerning State Financial Policy and Financial System Stability for Handling Covid 19, Government Regulation Number 23 of 2020 as amended by Government Regulation Number 43 of 2020 concerning Amendments Government Regulation Number 23 of 2020 concerning Implementation of the National Economic Recovery Program in Support of State Financial Policy for Handling the Covid-19 Pandemic and/or in facing threats that endanger the National Economy and/or financial system stability as well as save the national economy. Basically, this policy is the government's effort to assist and maintain the sustainability of MSME in carrying out their businesses amidst the pressure of the crisis from the impact of the Covid-19 pandemic.

The decreased in economic growth in the tourism area is very pronounced, it has been proven by the regional government revenue which is supported by tourism visits decreasing drastically. However, there are various regulations and policies issued by the Central and Regional Government with regard to efforts to increase economic growth in their respective regions, including Bali. There are various policies taken by the central government with regard to increasing economic growth, such as the government formed the Committee for Handling Covid-19 and Recovery of the national economy.

This policy is very important in the conditions of the Covid-19 pandemic, especially in increasing economic growth, however before the Covid-19 outbreak, there were several regulations issued by the central government in an effort to improve the Indonesian economy.

The Law 24 of 2019 concerning Creative Economy has clearly stipulates that Indonesia has a wealth of cultural heritage that needs to be utilized into products that create added value through the development of the creative economy to advance general welfare as mandated in the 1945 Constitution of Indonesia. Therefore, there is an obligation for the Government and/or Regional Governments to be responsible for creating and developing a creative economy ecosystem in order to achieve the goals of sustainable development.

In this context, the concept of the Creative Economy is the embodiment of added value from intellectual property that comes from human creativity based on cultural heritage, science, and/or technology. With the issuance of the Creative Economy Law, there are goals to be achieved in the context of increasing and growing the economy in the regions. Another rule as the basis for efforts to improve the economy, especially for the rise of tourism in Bali, is Law Number 10 of 2009 concerning Tourism, according to Article 1 paragraph (4) of the Indonesian Tourism Act specifically details the importance of positive interaction between tourists, the community and the role of National and local Government (Dwijayanthi et al., 2017). It aims for tourism in principle to increase economic growth and improve community welfare based on culture and local wisdom values. Therefore, empowerment of local resources is important as a reference in improving and strengthening the economy in Bali.

Based on the results of the research, there are 1493 traditional villages in Bali, which have different characteristics and values of local wisdom and have different local resources that can be developed to improve the economy of traditional villages including traditional village people. Like several traditional villages in Bali that are able to develop and explore the potential of their traditional villages and are able to fulfill life related to the harmonious relations of traditional villages in the fields of the relationship of a person with God (Parahyangan), their surrounding (Palemahan), and humanity (Pawongan) known as the concept of Tri Hita Karana. In terms of the formulation of legal policy, the values of local wisdom such as the concept of Tri Hita Karana has been crystallized in Pancasila and the basic principles attributed to the 1945 Constitutions of Indonesia must always serve as a guide in law making process, law administration process and law enforcement process (Budiyanto, 2016). As the results of the research, that there are several traditional villages that have been able to meet the needs related to this concept, such as the Kutuh Traditional Village located in South Kuta, Badung Regency, pinned as an independent village that has successfully developed its village as a world tourism destination and also developing the village by having 9 (nine) units which are growing rapidly.

According to Article 12 point (3) Law Number 23 of 2014 concerning Local Government (hereinafter Local Government Law) stipulates that one of the mandatory affairs that is not a basic service is tourism affairs. Local tourism affairs are mandatory affairs that must be carried out by regions, including the Province of Bali. In Bali, the rules governing efforts to accelerate economic growth based on local resources are Regional Regulation Number 4 of 2019 concerning Traditional Villages in Bali. On the basis of consideration, it is clearly stated that the Traditional Village as a customary law community unit is based on the Tri Hita Karana philosophy, which is rooted in Sad Kerthi local wisdom that live in Bali. It is in accordance to von Savigny's idea named Volksgeist theory that stated a legal system is part of the culture of society, thus law is not born from an arbitrary act of a legislator, but is built and can be found in the spirit of the society (Ardiani, 2015).

It shows that Local Regulation Number 4 of 2019 regulates economic independent space in Bali, including in traditional villages. In being economically independent in customary

villages, efforts are made to develop customary villages economies based on local resources. Furthermore, Article 3 of the Regional Regulation Number 4 of 2019 also stipulates that one of the objectives of regulating customary villages is to create a strong and independent customary economic system as part of an effort to strengthen the national economic system. In developing the economy in traditional villages, the economic institutions in traditional villages cannot be neglected. The engagement between local people and the government creates a certain level of democracy that can be beneficial in determining policy innovation and mapping out factors involved in the implementation in order to develop the economy in traditional villages (Wiyantari & Kusumasari, 2020).

The same thing is also regulated in Governor Regulation Number 4 of 2020 concerning Implementing Regulation of Regional Regulation Number 4 of 2019 concerning Traditional Villages in Bali. The Article 48 stipulates that the customary village develops a populist economy based on Balinese customary values. In the implementation of economic development in customary villages, this can be done in the form of the traditional village financial sector. In developing the economy in customary villages, we must use and empower local resources that can be done optimally to provide maximum benefits to the customary village. There are many things that can be done by traditional villages in developing efforts to increase the economy of traditional villages, such as the development of traditional MSMEs such as the development of traditional culinary, woven cloth industries, etc.

Strategies and Efforts to Strengthen the Economic Growth of the Balinese Community Based on Local Resources

According to Article 12 of Local Government Law, it stipulates that one of the mandatory affairs that is not a basic service in Law Number 23 of 2014 is tourism affairs. Regional tourism affairs are mandatory affairs that must be carried out by regions, including the Province of Bali. In increasing and accelerating the economic growth of Balinese people, tourism development must be a priority considering the direction and objectives of tourism development in Bali are cultural tourism, namely tourism development based on local resources.

In an effort to accelerate growth in Bali during the Covid-19 pandemic abovementioned, there are 5 (five) stages that have been carried out by the central government in an effort increase the economy in the regions, namely (1) making large expenditures; (2) establishing a Covid-19 Management Committee and national economic recovery; (3) Providing low-interest credit assistance; (4) placing fund in banks to help the economic wheels; (5) borrowing working capital loan. These actions have certainly had an impact on the revival of national economic growth, including Bali. With regard to the accelerated of economic growth of the Balinese people, it cannot be separated from the existence of traditional villages in Bali.

The traditional village in Bali is customary law community unit in Bali, which has territory, position, original composition, traditional rights, their own assets, traditions, social manners for the life of the community from generation to generation in a sacred place, duties and authorities as well as the right to regulate and manage their own household. Strengthening the economy of traditional villages can be seen in the Provisions of Article 3 letter h of the Bali Provincial Regulation Number 4 of 2019 concerning Traditional Village in Bali. This regulation stipulates that traditional villages play a role in realizing a strong and independent customary

economic system as part of efforts to strengthen the national economic system. Traditional villages can also organize traditional village economic institutions.

The strategy and efforts that customary villages can take to accelerate economic growth in traditional villages in the Penta Helix model. Penta helix is a reference model in developing synergies between related agencies in optimally supporting them in order to achieve goals (Soemaryani, 2016). This model gives more rooms for wider stakeholders to participate in developing community project by emphasizing cooperation between parties (Dharmawan et al., 2020). Penta helix is a theory in economic development, which in this context is borrowed to assist strategic efforts in the elaboration of customary law and national law for the success of local governance. The Penta Helix model is more popularly known as the ABCGM model namely: academician, entrepreneur, community, government and media (Ikasar, 2018).

The Penta Helix model is one of the models in managing the complexities of life in traditional villages as its main objective is to strengthen and develop the economy in customary villages based on local resources. As a model for accelerating economic growth in customary village, there must be cooperation from various parties. An understanding of the Penta Helix model in strengthening economic growth in customary villages can be done by a partnership between 5 (five) elements. These elements are the basic for the success of strengthening the acceleration of economic growth in traditional villages, namely:

Academician

Academics are one of the elements to support the success of regional governance. Based on Cambridge Dictionary, Academician is understood as a part of an academy. Academics in tertiary institutions are a source of relevant and needed knowledge, especially studies, research related to the strengthening and development of the traditional village economy, which later can be used as a recommendation by the local government in realizing justice and community welfare, thus in this context the role of academics is very important.

Business/Entrepreneur

In the successful implementation of local government, entrepreneurs are very much needed in implementing local government, especially being able to innovate local products and local resources so that they have business values that bring economic benefits to the Balinese people. In this context, people of traditional village have become entrepreneurs; hence traditional villages can play an active role in increasing the regional economy which supports the success of local government administration, including the economy in customary villages through local entrepreneurs.

Community

The concept of society by David C. Korten stipulates that *“the term community popularly implies a group of people with common interests”* (Korten, 1998). Soerjono Soekanto stipulated that *“society means a network of relationship between entities (a community that is interdependent or mutually dependent on one another).”* (Yunus, 2013) Jimly Asshiddiqie understands that society is a collection of individuals who live in a social environment together

as a community (Asshiddiqie, 2005). Furthermore, the concept of society is contained in Government Regulation Number 68 of 2010 concerning Forms and Procedures for the Role of Communities in Spatial Planning (hereinafter PP 68/2010), Article 1 Point 8 states that *“society is an individual, a group of people including the legal community, customs, corporations and/or other non-governmental stakeholders in spatial planning.”* By understanding the concept of society, it can be concluded that community in this research refer to the customary law community or customary village (Rahman et al., 2016).

Government

According to Article 1 Point 6 of Local Government Law it stipulated that *“Regional Autonomy is the right, authority, and duties of the autonomous regions to set up and manage their own affairs and interests of local communities in the system of the Republic of Indonesia.”* Understanding the concept of autonomy above mention, it shows that the Unitary State of the Republic of Indonesia adopts decentralization. The goal of decentralization is that in principle to open access to participation of all groups, including the participation of traditional villages. The understanding of autonomy means that regions have the authority to organize local governments to provide services, increase participation, initiative, and community empowerment aimed at improving community welfare (Atmaja, 2016).

Media

Media is known as the form of information technology, namely a technology used to process data, including processing, obtaining, compiling, storing data in various ways to produce quality information, namely information that is relevant, accurate and timely, which is used for personal purposes, business, and government and is strategic information for decision making (Wawan, 2003). Thus, the role of information technology application is important in term of spreading, giving and getting various information needed to achieve the goals of the community.

According to the 5 (five) elements of Penta Helix above mentioned, it is clear that the right strategy and effort in developing and strengthening the economy of indigenous village based on local resources is the Penta Helix itself. This model is a proper model to be implemented in traditional villages because all components including academics, entrepreneurs, government, community and the media are actively participating in manifesting the success of accelerating economic growth of traditional villages based on local resources.

CONCLUSION

Based on the explanation abovementioned, it can be concluded that the regulation of strengthening the economy of traditional villages based on local resources in tourism areas is legally regulated in statutory regulation starting from Law Number 10 of 2009 concerning Tourism Law, Law Number 23 of 2014 concerning Regional Government, Regional Regulation Number 4 of 2019 concerning Traditional Villages in Bali, Governor Regulation Number 4 of 2020 concerning Implementing Regulation of Local Regulation Number 4 of 2019 concerning Traditional Villages in Bali. In accordance with the implementation of those regulations, the strategies and efforts to strengthen the Acceleration of Economic Growth of Traditional Villages

Based on Local Resources can be done by recognizing the potential of the area and local resources that can be developed in the area of each customary village, then in an effort to develop these local resources, the Penta Helix model is used as a model for developing a synergy of 5 (five) elements, namely the government, traditional villages as the community, academics, entrepreneurs, and the media.

REFERENCES

- Ardiani, W.H. (2015). The living constitution the living constitution and the recognition of the constitutional rights of the 400 indigenous law communities in Indonesia. *Legal Reform Journal*, 2(3), 400-411.
- Asshiddiqie, J. (2005). *Legal procedure legal testing*. Yasif Watampone.
- Atmaja, G. (2016). *The politics of legal pluralism in the recognition of the unity of indigenous law communities with regional regulations*.
- Budiyanto, B. (2016). *Model of functionalization of local wisdom values (local genius) in regional legal policy in central java province*. Doctoral dissertation.
- Devi, S.M.S.P., Isles, D., & Wairocana, I.G.N. (2017). Regulating indigenous culture as a tourism economic resource. *Udayana Journal of Law and Culture*, 1(2), 121-129.
- Deweese, D.N., & Posner, R.A. (1974). Economic analysis of law. *The University of Toronto Law Journal*, 24(3), 320-329.
- Dharmawan, N.K.S., Kasih, D.P.D., Dewi, A.A.A.A., Kurniawan, I.G.A., Pranajaya, M.D., Resen, G. M.S.K., & Sutrisni, N.K.E. (2019). Protecting Balinese culinary innovation through patent law. *International Journal of Innovation, Creativity and Change*, 9(10), 116-126.
- Dharmawan, N.K.S., Kasih, D.P.D., Dewi, A.A.I.A.A., Kurniawan, I.G.A., & Pranajaya, M.D. (2020). Trademark protection for small-medium enterprises in Bali: Strengthening Community-based tourism in the era of fourth industrial revolution. *Journal of Legal, Ethical and Regulatory Issues*, 23(SI), 1-18.
- Dwijayanthi, P.T., Jones, K., & Satyawati, N.G.A.D. (2017). Indigenous people, economic development and sustainable tourism: A comparative analysis between Bali, Indonesia and Australia. *Udayana Journal of Law and Culture*, 1(1), 16-27.
- Ikasari, A.C. (2018). *Overview of regional cooperation models in Bekasi district*.
- Irianto, S. (2009). *Constellation and reflection law research methods*. Yayasan Obor Indonesia.
- Korten, D.C. (1998). Introduction community-based resource management. In *Community-Based Natural Resource Management Program Initiative*.
- Posner, R.A. (2014). *Economic analysis of law*.
- Rahman, I.N., Triningsih, A., & Kurniawan, N. (2016). *Basic judicial consideration of the legal position (legal standing) of the unity of the indigenous law society in the process of legal examination in the constitutional journal court*.
- Santosa, A., & Saraswati, L.A.N. (2020). Time paper tourism: Alternative ideas for Bali tourism development policy. *Udayana Master Law Journal*, 21(1), 723-738.
- Soemaryani, I. (2016). Penta helix model to increase tourist visit to Bandung and its surrounding areas through human resource development. *Academy of Strategic Management Journal*, 15(S3), 249-259.
- Wawan, W. (2003). *Development of information technology in Indonesia*. Ekuitas.
- Wiyantari, S., & Kusumasari, B. (2020). Indigenous collaborative governance: An understanding of decision-making process at Desa Adat in Bali, Indonesia. *Udayana Journal of Law and Culture*, 4(2), 119-129.
- Yunus, N.R. (2013). Creating a Legal Culture of Indonesian Society in a Progressive Legal Dimension. In M. Mahfud (Eds.), *Deconstruction and Progressive Legal Thought Movement*.