

FACTORS CAUSING GOVERNMENT HEGEMONY IN LPD MANAGEMENT OF BADUNG REGENCY

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ABSTRACT

Purpose: to test the factors causing government hegemony in LPD management in Badung Regency

Design: This research is a culture study designed to determine the government hegemony in LPD management in Badung regency. This is a form of agreement from the ruling group to the custom village in Badung regency by selecting LPD classified as healthy and LPD classified as unhealthy. The research design uses a qualitative approach. Badung regency as the location of the researcher consisting of six sub-districts namely Petang Sub-District, Abiansemal Sub-District, Mengwi Sub-District, Kuta Utara Sub-District, Kuta Sub-District, and Kuta Selatan Sub-District.

Findings: The causal factor of government hegemony in LPD management in Bali is the New Order era of the central government that had declared Five-year Development Plan (PELITA) as a work program. LPD activities have been able to strengthen their social capital in custom villages. Symbolic capital is reflected by the knowledge possessed by the government in managing the economy in the custom village. Ida Bagus Mantra's educational background and experience are the symbolic capital that directed Bali forward in the face of modernization. Thus, education becomes very important in LPD management. The efforts to improve the quality of human resources are expected to anticipate the development of the era and challenges of the business world. Various business activities are reflected by the involvement of the government in providing initial capital for the establishment of LPD called Bourdieu as economic capital. The involvement of the initial capital of the government of Bali and the Badung regency became the spirit for the custom village in developing the economy in their custom village. It is run in Badung regency so that LPD of Kuta and Kerobokan Custom Village are able to increase their assets and profit, and the contribution of both LPDs have been benefited by their custom village.

Originality: The originality of this research appears in the use of various paradigms, methods, and techniques developed therein into a way of establishing government hegemony in LPD management in Badung regency. For example, the government's paradigm of maintaining custom village from globalization by strengthening local potential through economic activities.

Keywords: Microfinance institution, Government Hegemony, LPD.

INTRODUCTION

Microfinance institution as a tool for economic development has grown in late 1990 with the aim of providing benefits for the low-income community (Arsyad, 2008:1). A microfinance institution is abbreviated as LKM, it is generally a unit of governance made in accordance with the social environment and local economy. A community that has not exposed with general/commercial bank due to its remote area expects to be served through the financial institution with fewer rules, simplified saving mechanism and credit loan, one of them is Village Credit Institutions (LPD) in Bali, Indonesia. According to Geriya (2008:71), sekeha concept is the bond of unity of groups that have the special interest, realized as the organization to be combined with the existing institutional aspects of the custom village.

Then, the village credit institution was established. Village Credit Institutions (LPD) is expected to give a contribution to the traditional village. The advantages of LPD are planned to help the religious life of the Hindu community in Bali. For example, performing physical repairmen of the holy places so that the community does need to pay a mandatory contribution. As the pilot project, LPD was established in each regency in a custom village such as Lukluk (Badung) Custom Village, Selumbang (Karangasem), Ekasari (Jembrana), Jullah (Buleleng), Kubu (Bangli), Manukaya (Gianyar), Buahon (Tabanan), and Penasan (Klungkung). In this case, the legal basis is the Decree of the Governor of the First Level Region dated 1 November 1984 No.972. Furthermore, the official LPD operated on March 1, 1985 (Giriarta, 2009: 6).

LPD established in each of the regency of Bali has shown significant progress. Three years later the existence of LPD was confirmed by Local Regulation (Perda) Level I Number 2 of 1988 on LPD. Then there was a change on the previous regulation, which was replaced with the law of Bali Province No. 3 of 2007 on LPD. The existence of LPD has two functions where the first function as a container of custom village wealth in the form of money or other securities with the aim of improving the living standard of krama (inhabitant) of the village and able to support the development of the village. Secondly, to encourage development and maintain the economic strength of krama of the custom village through targeted saving and credit distribution to create an opportunity for business for the krama. Hence, the purchasing power of krama can increase and the circulation of money in rural areas can also increase.

The development of LPD since its first establishment in 1985 until the end of 2016, eight LPDs in every regency showed a significant growth where it turned into 1.379 spread across eight regencies and cities of Denpasar (PT Bank Pembangunan Daerah Bali, 2017). Although the number of LPD has increased significantly, the Bali Government's efforts to promote LPD quality health growth and the number of customers as LPD product users continue to be improved. This is pursued through various regulations and even appoint PT Bank Pembangunan Daerah Bali through the Decree of Governor Bali No.95/01-C/HK/2003 on Delegation of Authority of LPD Supervision to PT Bank Pembangunan Daerah Bali (hereinafter referred to as PT BPD Bali).

In this case, LPD as a service institution in finance since its establishment keeps growing especially in addressing the changes of the people of Bali. The development of people who have not been affected by globalization and still have the traditional culture in an effort to fulfill their life needs have characteristics of economic condition where the community works in the agrarian sector, distribution activity still uses the animal as a tool like a buffalo. Furthermore, the flow of modernization brings changes in socio-cultural society. It can mean that as an effort to transform and change the previous generation's behavior and thinking pattern into new behavior pattern in line with the current social, cultural and technological circumstances (Putra 2003:390). In addition, the culture of the society is changing toward a modern society with the characteristics of changes in the way production of goods that use technology, means of transportation to distribute goods and the variety of technological advances that make it easier for people to access information.

Changes in the culture of modern society have been addressed by commercial banks by improving services based on informatics technology. Technology as a medium to facilitate banking transactions provide convenience and speed to customers, either deposit or withdraw funds through Automatic Teller Machine (ATM). In addition, banks facilitate the customers such as transaction without leaving home or workplace via phone banking. In addition, commercial bank technology provides convenience to its customers in shopping by using a debit or credit card to protect the customers from any crime. Commercial banks have breached market share in previously untouched rural areas. Placement of ATM machines in strategic places in the rural society in every regency and city in Bali has been done. The

limitation of LPD in the effort to expand the marketing area is regulated in Local regulation of Bali Province No. 8 of 2002 Chapter III Article 3 Paragraph 1 concerning the Establishment of LPDs where it says that LPDs can be established in villages within the regency/city territory and Paragraph 2 provides that only one LPD can be established in each village, while Chapter IV Article 7 Paragraph 1 on LPD Field Business includes: receiving/collecting funds from village krama in the form of savings and deposits; lending money only to the village krama; receive loans from the financial institutions of a maximum of 100% of total capital including reserves and retained earnings, except for other restrictions on loan amounts or support/financial assistance; as well as, saving its excess liquidity on BPD in exchange for competitive interest and adequate services.

The rules of the above regulations have been limiting the users of LPD products such as loan is only for the village krama and the excess of liquidity only stores in PT BPD Bali. The limited LPD marketing area which is only in the concerned village has marginalized the internal LPD. Externally, tight competition and the entry of the commercial bank with services supported by technology, in addition to providing comfort and convenience. This is an option for village krama to utilize the commercial bank products.

Although the current LPD development is very significant, the ability to improve the welfare of village krama still faces some difficulties, especially relating to the LPD mission to support economic growth and improve the welfare of custom village krama in Bali (Bureau of Economics and Development of Regional Secretariat of Bali). This is supported by the opinion of Hedrayana (in Bali Post, dated 13 July 2010), who states that the economic cake of Bali created in rural areas tend to shrink, while the number of rural farmers' incomes tends to be uneven, fueling inequality among the poor in rural areas. In addition, price movement in the rural society exceeds the urban area. Inflation in the urban area for March 2010 (year on year) reached 3.64 percent, while in rural areas reached 3.85 percent. This is influenced by rural price differentials compared to urban prices. The higher price in the rural area is due to freight rates. Hence, the price in the rural area is higher than in the urban area. This has also led to an increase in the rural poverty line larger than in urban area. Thus, the role of LPDs in the future is expected to improve the welfare of krama custom village.

The LPD ability to provide services to its customers based on technological progress is inseparable from LPD capital capability. The capital component of LPD consists of initial capital and profit derived from the results of business activity that has been regulated in the provision of Governor of Bali Number 13 of 1999 on the Deposit and Use of LPD Net Profit. The net profit of LPD in accordance with the provision of Governor Decree can be used for the development of LPD paid to the account of Supervisor Team of Village Credit Institutions Level I Bali by the end of the year through PT BPD Bali.

Badung regency is one of the regencies in Bali with 119 LPDs and assets as of 31st of December 2016 amounted to 1,689,616,639,000.00 (one trillion six hundred eighty-nine billion six hundred six sixteen million six hundred three nine thousand rupiahs). It is the district with the greatest wealth compared to other regencies and cities in Bali. Bali LPD wealth or assets amounted to Rp 4,228,704,350,000.00 (four trillion two hundred twenty-eight billion seven hundred four million three hundred fifty thousand rupiahs), Badung regency asset amounted to 40 percent of the assets of LPD Bali (PT Bank Pembangunan Bali Area, 2010).

Other than being the wealthiest regency in Bali, Badung has the uniqueness which is non-compliance of Governor of Bali No. 13 of 1999 to deposit the funds of LPD development to the account of Supervisor Team of Village Credit Institutions Bali through PT BPD Bali. Badung regency has carried out contra hegemony by issuing the Local Regulation of Badung Regency Number 19 of 2001 on Village Credit Institutions (LPD). In the Local Regulation of Badung Regency, it is stipulated that the fund of LPD development

annually deposited to Cooperative Agency LPD (BKS-LPD) of Badung Regency, and it can only be utilized after the approval of the regent. Non-compliance of Badung Regency to the Decree of Governor of Bali No. 13 of 1999 is a discourse of individual resistance as the form of counter-hegemony against the hegemony of Bali Provincial Government in the management of LPD in Badung regency.

The power of the Provincial Government of Bali with its financial capital since the beginning of the establishment of LPD until 2016 which showed significant improvement. However, the quality has not been fully implemented according to LPD mission to improve the welfare of krama custom village. While the Badung Regency as the implementer of Local Regulation of Bali Province regulating the operational of LPD in its area has a counter-hegemony to the Decree of Governor of Bali No. 13 of 1999 to deposit the profit of LPD to the account of Supervisor Team of Village Credit Institutions in PT BPD Bali. Badung Regency issued Local Regulation No. 19 of 2011 concerning the Deposit of Profit of LPD in Badung Regency deposited to the Cooperative Agency of LPD. The inclusion of a commercial bank as LPD competitor in the rural area has resulted marginalized LPD externally and internally.

LPD as the microfinance institution is not only regulated through Local Regulation of Bali Province but also the central government. Minister of Home Affairs of the Republic of Indonesia through letter No. 412.2/3883/SJ dated November 4, 2016, the Development Strategy of Microfinance Institution, in point two states that in accordance with the condition of each region, presumably to Head of Empowerment and Village, The Department of Cooperatives and SMEs, as well as the Head of Bureau/Economic Section in provinces and regency/city assigned to socialize, data collection, fostering, education and facilitation of LKM not yet incorporated to switch to BPR. Cooperative or Village-owned Enterprises (Bumdes) in 2010 with the cost of APBD of each region. The basis of the letter issued comes from the Joint Decree of the Minister of Finance, the Minister of Home Affairs, the Minister of Cooperatives and Small, Medium Enterprises and the Governor of Bank Indonesia dated September 7, 2009, on the Development Strategy of Microfinance Institutions. The effort to organize LPDs to become a business entity gets a response from the provinces, regencies, LPD Managers, as well as community leaders.

Based on the above problems, the author is interested to test the factors causing government hegemony in LPD management in Badung Regency. The originality of this research appears in the use of various paradigms, methods, and techniques developed therein into a way of establishing government hegemony in LPD management in Badung regency. For example, the government's paradigm of maintaining custom village from globalization by strengthening local potential through economic activities.

LITERATURE REVIEW

Hegemony. According to Perry Anderson (in Simon, 2004:20), the idea of hegemony was first introduced in 1885 by Russian Marxists, notably Plekhanov in 1883-1984. The idea was developed as part of the strategy to overthrow Tsarism. The term showed that hegemony leadership must be established by the proletariat and its political representatives, in an alliance with other groups, including some bourgeois, farmers, and intellectual critics who try to end Tsarist state police. Thus, the intended hegemony concept is the ability of the dominant party in term of central government to the Government of Bali Province and Badung Regency through the strategy of LKM development. The hegemony of the Government of Bali Province to the traditional leaders of regional/city government, krama custom village in order to establish LPD as the institution that will encourage the economic growth in the village custom. Furthermore, the consensus is made for each custom village in

Bali in order to establish an LPD.

In the Gramsci’s hegemonic politics, it is explained that the superstructure is divided into two classes namely the ruling/government class and the subordinate class which is custom community/civil society. The government carries out the consensus with the custom community in Bali to establish LPD as the effort to encourage the economy in the village. The agreed consensus was made by the custom village board and the government to convey their ideology through compromise with krama custom village. This theory will dissect the government hegemony problem, factors causing the government to do hegemony, and the impact of government hegemony in LPD management in Figure 1.

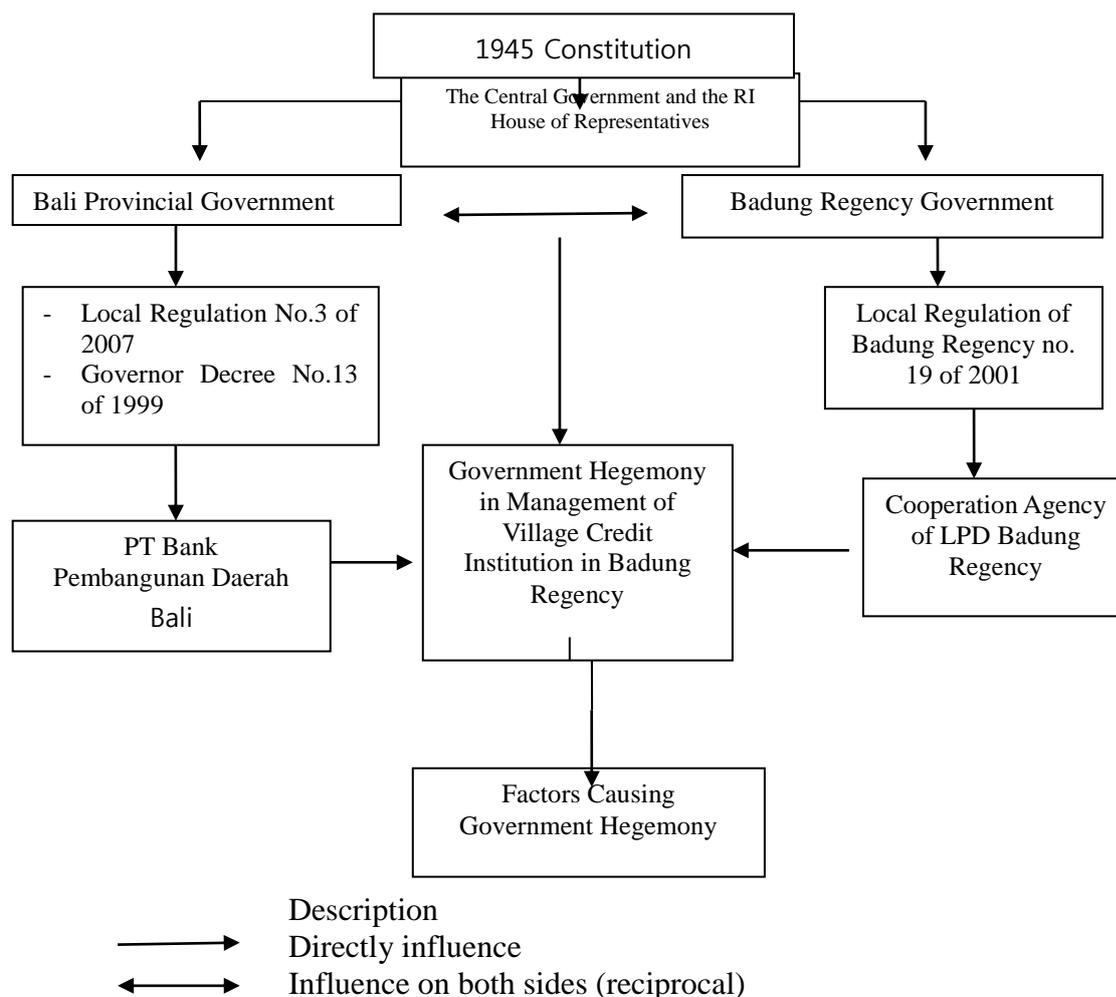


Figure 1
RESEARCH MODEL

Conceptual Research. The 1945 Constitution, in article 33 paragraph (1) which states that the economy is prepared as a joint effort based on the principle of kinship. It is stated in article 33 that it regulates the Indonesian economic system based on the principle of negotiation/settlement. Although this chapter 33 is inseparable from the initiative of Hatta who is one of the Proclaimers of the Indonesian Nation (Suleman, 2010: 174). Furthermore, Sulaeman, (2010: 170) mentions that Hatta’s thought specifically refers to the tradition of life with the village community based on the spirit of togetherness or mutual cooperation. Collective democracy in the villages of Indonesia is carried out in terms of living together and village needs, discussed in village meetings and decided by consensus. Hatta said that the deliberation/consensus and mutual cooperation are the core of Indonesia’s original

democracy.

The change of government from Old Order to New Order government in 1966 making the model of economic development implemented by the New Order government fully adopted the individualistic and anti-collective capitalist economy (Sulaeman, 2010: 176). Indonesia entered into Reformation Period after the end of New Order regime in 1999. Hence, the formulation of Article 33 of the 1945 Constitution was considered irrelevant. 1945 Constitution was amended through the meeting of the People Consultative Assembly. The fourth amendment result of the 1945 Constitution finally succeeded in changing the formulation of article 33 into five paragraphs. Supplement to the fifth paragraph, which mandated the implementation of the article 33 through the law made by the Government and the House of Representatives (Sulaeman, 2010: 176). The RI House of Representatives through Commission VI undertook an initiative to regulate the Indonesian economy by drafting LKM legislation. At the time, there was no provision that regulates LKM which had grown well in Indonesia. According to Windia (Warta Bali, 2017), LKMs that have been developing in Indonesia are regulated through regional regulations derived from the 1945 Constitution Article 18 b paragraph (2). In order to regulate the growing LKM, the RI House of Representatives draft from Commission VI was submitted to the government. Then, the government made a Joint Decree of Three Ministers of the Republic of Indonesia and Bank Indonesia regarding the development strategy of Micro Finance Institutions (LKM).

Another change in the Reformation era was the providing of space for the local government to implement regional autonomy with the issuance of Law No. 22 of 1999 concerning Local Government. This law provided the local government with the flexibility to arrange and manage its own households. In this case, the government was expected to further optimize the service and welfare of the community. Regional autonomy provided an opportunity for the regional/city government to have no hierarchy relationship with the provincial government (Syafii, 2008:146; Kuncoro, 2004:24).

One of the potentials of local cultures of Bali Island is the custom village. The custom village of Bali is still in accordance with Hatta's idea, carrying out community work in implementing joint activities in the village, and every important decision is taken through paruman, and the decision is taken with most votes through negotiation/settlement. Local culture is still acknowledged in accordance with article 18, paragraph (2). Thus, the Government of Bali Province can initiate an institution capable of mobilizing the economic sector in the traditional village. This institution is called Village Credit Institutions (LPD). Various regional regulations were made by the provincial government of Bali to regulate and develop the LPD. The latest legislation is Local Regulation No.3 of 2007 on Village Credit Institution as the amendment to Bali Provincial Regulation No.8 of 2002 concerning Village Credit Institutions (LPD). The law is a continuously upgraded as the legal umbrella for LPD operation in Bali.

In addition to the local regulation, there is also Local Regulation No. 19 of 1999 on the Distribution and Use of Net Profit of Village Credit Institutions in Bali. Profit arrangement is used not only to strengthen the LPD capital but also as the social fund for the custom village. In this case, the profit is also deposited to PT BPD Bali which will be used as a development fund.

The Governor of Bali has appointed PT BPD Bali to conduct LPD operational guidance. The existence of a safe and reliable LPD operation is needed to maintain the trust of krama. The element of trust in managing saving of krama is very important. Maintaining the discipline of krama to fulfill the credit obligation is also indispensable for the smoothness of LPD business. Furthermore, PT BPD Bali coordinates with Bureau of Economy of Bali Provincial Government to conduct guidance, training, and supervision to LPD management or also relating to the LPD operation.

The relationship between PT BPD Bali and LPD is not only related to the development, training, and supervision but also the placement of LPD fund in the bank. Through the unit fund placement, LPD will obtain saving interest. The Decree of Governor of Bali No. 13 of 1999 regulates the profit of LPD to be deposited to PT BPD Bali. This fund will be used for development, training, and supervision of LPD.

Provincial Regulation of Bali appointed regent and mayor as the Supervisor of LPD. Due to this matter, the Government of Badung Regency to counter the hegemony of the Decree of the Governor of Bali No. 13 of 1999 by issuing Local Regulation of Badung regency No. 19 of 2001 regulating the deposit of profit of LPD to LPD Badung Cooperation Agency. The fund will be used for development and training of LPD management. In this case, what has been done by the Badung Regency violates the Local Regulation of the Governor of Bali. This research appoints the main issue: What factors causing government hegemony in LPD management in Badung regency, with the indicator (1) cultural capital, (2) social capital, (3) symbolic capital, and (4) economic capital.

RESEARCH METHODS

This research is a culture study designed to determine the government hegemony in LPD management in Badung regency. This is a form of agreement from the ruling group to the custom village in Badung regency by selecting LPD classified as healthy and LPD classified as unhealthy. The research design uses a qualitative approach. Badung regency as the location of the researcher consisting of six sub-districts namely Petang Sub-District, Abiansemal Sub-District, Mengwi Sub-District, Kuta Utara Sub-District, Kuta Sub-District, and Kuta Selatan Sub-District. The researcher chooses LPD Kuta in the Kuta Sub-District and LPD Kerobokan in Kuta Utara Sub-District. The data source is obtained from the Economic Administration Section of Badung Regency on the Profile of LPD of Badung regency in 2016 stating the asset of LPD Kuta amounted to 184,925,503,000,00 (one hundred eighty-four billion nine hundred twenty-five million five hundred three thousand rupiahs) which is categorized as “*healthy*”. The asset of LPD Kerobokan amounted to Rp 71,358,752,000.00 (seventy-one billion three hundred fifty-eight million seven hundred fifty-two thousand rupiahs) which is categorized as “*less healthy*”.

The data type collected in this research is qualitative data while quantitative data is used as data support. Furthermore, there are two types of data sources in this research. They are primary data and secondary data (Sugiyono, 2007:62). The source of primary data is people, hereinafter referred to an informant. Meanwhile, the source of secondary data is taken from literature, document, or record related to the studied issue. For example, the amount of asset, saving, and credit. All of the data is taken from the local LPD. It is also supported by the data from PT BPD Bali, the Government of Bali Province, and the Government of Badung regency. The data act only as supporting data.

The data analysis is carried out since the data collection until the final stage of the research report preparation. In this case, the data analysis is carried out in descriptive and interpretative. In the data analysis, the organizing and sorting the data are processed into pattern and category. In this relationship, Moleong (2002:103) states that the data analysis is intended to organize data in the first place. The collected data from the in-depth interview, observation, and literature study on LPD are widely available in the field. For example, comment, picture, document, article, and so on.

RESEARCH RESULTS AND DISCUSSION

The development in Bali in the era of President Soeharto's administration focused on the cultural tourism, improving the visible development by building five stars hotel in South Bali area along with other supporting facilities. There were many tourist entrances such as Ngurah Rai international airport, Gilimanuk as the entrance in the west area, and Padangbai as the entrance in the east area. the progress of development led to a modernization had attracted the interest of Ida Bagus Mantra as the Governor of Bali at that time. He predicted the excess of the development would create various vulnerabilities in Balinese society, especially Hinduism. This concern was responded by the efforts to strengthen the various capital owned by the Bali island. These modalities were associated with Bourdieu's Social Practice Theory which can be summarized into cultural capital, social capital, symbolic capital and economic capital. Various capital owned by Bali Island is presented in the following description.

Cultural Capital

According to Bourdieu's explanation (in Mutahir, 2011: 69), cultural capital is the total of the intellectual quality produced formally as well as the family heritage. Included in the sense of cultural capital are diploma, acquired knowledge, cultural codes, speech style, writing skills, mannerism, and etiquette or manner, and how to socialize. Furthermore, Bourdieu (in Mutahir, 2011: 68) also states that capital is a social energy that only exists and produces the result in the realm of struggle. The characteristics of the capital can be accumulated in the form of investment and can be given to other people through inheritance. It can provide benefits in accordance with the chance owned by the owner.

Bourdieu sees the arena as a structured space with self-functioning rules and powers. A concept is dynamic in the arena, the changes in the agent positions in this research are the government and actors of LPD as the interested target in the arena of LPD. The agent decides its position by producing policy in the regulation to regulate how the ideology of saving and loan institution can be realized in Bali.

The ideology of saving and loan to improve the economics of rural community became the inspiration of Ida Bagus Mantra as the current governor of Bali. According to Wiana (interview, dated March 18, 2017), this idea appeared around 1984 and Ida Bagus Mantra wanted to build Bali with personality. The personality in question is that Bali has a culture in the form of art which is based on Hinduism. Hindu relation with art cannot be separated because the teachings of religion will be able to cultivate a very deep sense of art in the society (Mantra, 1996: 5). The art is not art in the narrow sense, but art in the aesthetic sense. According to Mantra, (1996: 6-7), aesthetic is the beauty that encourages human life to be creative and dynamic in its attitude to achieve inner satisfaction and sharpen intuition. Dynamic in the attitude of cultivating creativity, subsequently delivered by Mantra that humans can progress and be respected when showing high creativity.

The creativity presented by I.B Mantra in connection with modernization is justified by Wianawho revealed in the following explanation. Based on the results of the interview dated March 13, 2017, Wiana's opinion reflects the I.B Mantra's thought on the concern of modernization that could damage the life order and the void of Balinese spirit. I.B Mantra's view is consistent with Berger's thought (1994:12) who states that modernization causes disorientation and a sense of meaninglessness in life, and human loses their canopy or shelter.

The idea of LPD existence by Ida Bagus Mantra is expected to maintain the culture of community work that has long been owned by the custom village. At the religious ceremony, Hindus are systematically organized by bendesa adat to jointly carry out the preparation of

religious ceremony. Banjar adat under its coordination is arranged its duty and responsibility, as well as the distribution of work to each Banjar adat. Banjar adat will divide the krama into groups. All activities are voluntary and sincere as a devotion to Ista Dewata berstana in each temple Kahyangan Tiga. The concept of sincere and bhakti through community work is wished to be maintained by Ida Bagus Mantra as a strong personality attitude of Balinese people.

The explanation gives an idea of how community work as a tradition based on the concept of ngayah which means energy and mind given to the success of the activity based on sincerity without expecting results. It seems clear with the regulation of activity; each person is able to manage the time to work in the office or run the business. Hence, community work in the custom village will not disturb the daily activity of those who work.

According to the Head of LPD Kerobokan Custom Village (interview, dated February 10, 2017) that LPD donation to custom villages cannot be separated from custom village obligation in implementing Tri Hita Karana concept. Furthermore, LPD care is the form of strengthening of Hindu religion. Bhakti is expected to create harmony and happiness. According to the interview, the bhakti attitude of Hindus in Kerobokan Village is realized in the form of community work to complete the tasks submitted by the group leader in the Banjar. Then, LPD of Kerobokan Custom Village will help to alleviate the cost of upakara piodalan in Pura Kahyangan Village. In addition, the form of strengthening Hindu religion to krama is done by financing the training of tukang banten to the krama who are interested to pursue this field as one of the efforts to keep the Hindu religion and Balinese culture. Furthermore, the training of kepemangkuan to the pemangku in Keratokan Custom Village.

If the cost of construction/renovation at Pura Kahyangan Village or piodalan cost is still not covered by the existing funding source, according to Bendesa Adat Kerobokan, it is usually assisted by Hindu people in each traditional Banjar in Kerobokan Traditional Village (interview, dated March 13, 2017). The attitude of krama in maintaining the culture and strengthening the sense of diversity is also mentioned by Geetz and Geertz (in Arsyad, 2008: 209). Geertz and Geertz statement show that the religious frequency of Hindus in Bali is carried out regularly which creates an impression of high frequency. Furthermore, the collective attitude of the krama custom village can be seen from their togetherness in carrying out ceremonial activities at Pura Kahyangan Village. The ideology of LPD establishment related to maintaining Hindu religion and Balinese culture from the onslaught of modernization seems to run in accordance with the direction and ideals of LPD. This tradition is still strongly maintained by the krama custom village.

In addition to paying attention to the ceremony at Pura Kahyangan Village, the attention is also obtained from LPD of Kuta Custom Village. The attention is intended to support the program of Kuta Custom Village to carry out Ngaben and mass nyekah every five years. Ngaben as one of the forms of human devotion to his deceased ancestors and Ngaben ceremony includes Pitra Yadnya ceremony, as a form of bhakti to fulfill the obligation to the ancestors (Bangli, 2005: 117). Furthermore, according to Bangli, (2005: 106), it is mentioned that there are two ways of Ngaben namely individual Ngaben carried out individually by keeping tied to dewasa (good time to perform ngaben ceremony). This is carried out in addition to the economic capacity as well as the social status of a person in the society. Then, the second is mass ngaben involving many citizens as participants. Mass Ngaben ceremony is usually more directed to the cost efficiency, the exertion and ceremonial procedures regulated by the custom village. On the other hand, nyekah ceremony is a ceremony after Ngaben. Nyekah is Pitra Yandnya ceremony as one of the Hindu ceremonies to re-process elements of Panca Maha Bhuta into Panca Tan Matra as a higher level.

According to the Head of LPD of Kuta Custom Village, Budha Artha, (2010: 76) states that LPD of Kuta Custom Village is obliged to support and succeed the program of

Kuta Custom Village, and the form of assistance given in the implementation of the Pitra Yadnya ceremony is the donation of Rp 175.000 \$ 0.00 (one hundred seventy-five million rupiahs).

The existence of LPD to strengthen Hinduism and Balinese culture has been in line with the expectation of Ida Bagus Mantra as the Governor of Bali who initiated the importance of the saving and loan institutions in custom villages as the pelaba of the custom village. The arena of Hindu to carry out prayers is well preserved. This is inseparable from the involvement of LPD in the form of LPD development fund contribution, Kahyangan Village as a binder of village krama against Hinduism and Balinese culture has been believed to be hereditary by custom village krama carried out by their ancestors to always devote to Ida Sanghyang Widhi Wasa with all manifestations.

The hereditary behavior of this krama custom village according to Bourdieu may be referred to as an agent's habitus namely all actions, values, or acts of the agent are influenced by his objective cultural condition and all of them are attached to the agent in living his life. Then, the habitus is born from the condition of a particular social or habitus has become a structure that has been shaped by certain social conditions. Furthermore, the behavior of krama custom village is a habitat reproduced by agents. The performance of krama custom village in various activities is carried out collectively, indicating that custom village has social, religious, and communal characteristics.

Social Capital

According to Field, (2010: 1), social capital is an attitude to build relationships with others and to keep the relationship last forever. People are able to work together to accomplish things they cannot do on their own or they will find it very difficult to achieve it on their own. They connect through a series of networks and they tend to share the same values with other members of the network. As long as the network has potential, this relationship can be referred to as capital. The social network in question is the relationship created between a group and other groups. Bourdieu (in Field, 2010: 44) describes the notion of social capital as the attitude of the individual in a privileged position, maintaining their position by using their connection with those who have a special position.

The understanding of the social capital of both figures emphasizing more on the importance of maintaining a cooperative attitude through social networking that has been formed and nurtured in a sustainable manner. Fukuyama (in Hasbullah, 2006: 42) mentions that the social capitals that grow in society are kindness and cooperative attitude. Based on shared norms, it will be very helpful in strengthening the social entity. This kind of situation is what Fukuyama says will be a key recipe for successful development in all areas of life, especially the stability of economic development and democracy. In a society that is traditionally familiar with community work and working with large groups or organizations will tend to feel the progress and able to efficiently and effectively make an important contribution to the progress of the country and society.

The ideology of Ida Bagus Mantra to strengthen the social network of Balinese society is expected to be implemented in Custom Village. This is affirmed in the following phrase. The community recognizes that the discipline as a result of the fostering of the traditional institutions, diligent, laborious, hard work, sense of community work, solidarity, and sense of togetherness is well maintained. The discipline that grows in the traditional living environment should be developed in national life to support the development of the nation (Mantra, 1996: 45).

The statement leads to discipline as a result of the fostering of traditional institutions such as custom villages to its krama, and the guidance of custom village to krama in relation to LPDs is to direct the manners to store their funds in LPDs and to provide direction for business activities or personal interests of krama that require capital to utilize LPD loan products. This effort is also

carried out by the Head of LPD of Kuta Custom Village, Budha Artha. The same thing is also conveyed by one of the krama in Kuta Custom Village, I Made Darsana, about the socialization of the existence of LPD (interview, dated April 21, 2017). Based on the interview of both informants, it appears that LPD of Kuta Custom Village has made efforts to strengthen social capital in the custom village. Bendesa adat as internal supervisors in LPD is embraced as a form of social connections amongst LPD administrators, and the efforts of the Head of LPD of Kuta Custom Village to strengthen the owned social capital by fostering the trust of krama towards LPD.

The social capital made by LPD of Kuta Custom Village to the customers is by giving rewards to the lucky customer. This will create the feeling to always increase the amount of saving so they have a greater chance of winning the prize. In addition, LPD of Kuta Custom Village also provides a scholarship to the students who cannot afford education but have good achievements at school. Hence, the student is able to complete the education up to elementary, junior high and high school levels. The five percent of LPD net profit is used for a social fund to strengthen the social capital of LPD of Kuta Custom Village. The social fund is managed by LPD of Kuta Custom Village to establish a social network with the direction of the Tri Hita Kerana concept. The action taken according to Budha Artha, as Head of LPD of Kuta Custom Village (interview, dated April 13, 2017) states that parahyangan as a form of relationship with Ida Sanghyang Widhi Wasa through the assistance of social activities in Banten ceremony, providing financial assistance to do tirtayatra or other support needed by Custom Village. Pawongan as a form of LPD relationship with krama of Kuta custom village in the form of human resource development, as well as palemahan as a form of awareness of LPD of Kuta Custom Village to the environment such as the provision of the trash can, donation for cleaning dirty public places.

The social capital conducted by LPD of Kerobokan Custom Village as a form of strengthening the inter-rhythmic network with LPD is carried out by providing training in cooking skills, making traditional Balinese snacks with the aim of opening the opportunity to the krama to open a business. The social capital between the LPD and the custom board is done by giving assistance if the ceremony in Tri Kahyangan still suffers from lack of funds. Then, the LPD issues social funds to strengthen the LPD management network with the custom village prajuru.

The social capital that occurs as an interaction between the LPD of Kuta Custom Village and Kerobokan with krama makes this traditional institution very close to its environment. It goes according to the ideology of Ida Bagus Mantra behind the desire to establish a saving and loan institutions belonging to the custom village. Hence, the effort to keep the Balinese culture and the sense of kinship is still very thick in the era of globalization. This opinion is also supported by Hasbullah (2006: 85) who states that the habits, ideas, and values developed in society are shaped from a long cultural experience that has become the habitus of a community group.

Symbolic Capital

The symbolic capital in Bourdieu's sense (in Mutahir, 2011: 69) is inseparable from symbolic power. It is the power that makes it possible to obtain the equivalent of what is acquired through physical and economic power. This capital can be a house in an expensive residential area, an office in a trading center, or a car with a driver. In the sense of symbolic power, Bourdieu (in Harker, 2009: 120) mentions that power to dominate disadvantaged groups and symbolic power is the power to form accepted facts as true. Hence, their practice is called symbolic violence. When associated with the symbolic power held by the Provincial Government of Bali, in the effort to establish a saving and loan institution in the custom village, it appears that the government made a program where LPD can be used as a traditional institution belonging to the custom village in every village. This effort has been carried out through village competition activities. Furthermore, the start of the LPD as a pilot project is in eight districts. It is symbolic power carried out by the government to custom villages. The adherence of custom villages as autonomous institutions facilitates the

government programs is implemented as a form of trust of krama custom village to the knowledge owned by the government in the effort of eradicating poverty in rural area, prevent the krama village to get involved with creditor, as well as improving the living standard of krama custom villages. The poverty reduction program by improving the welfare of krama is carried out through the saving and loan institution belonging to the custom village namely LPD.

The existence of LPD in Kuta Custom Village, when associated with the symbolic capital that is sacrificed in the custom village arena, has been able to encourage outstanding students to obtain the scholarship from elementary school students. Hence, the students will be able to increase their education level up to junior high school, as well as to obtain an education at the level of general or equivalent senior high school. In addition to the village krama, LPD of Kuta Custom Village realizes the importance of adequate education in order to achieve optimal performance. Improvement of education for employees of LPD of Kuta Custom Village is also carried out where the employees who only have a high school diploma or equivalent are assisted with the cost of education. Thus, the employees will be able to obtain the level of undergraduate education. The undergraduate program is pursued at the Hindu University of Indonesia in Denpasar.

The condition of improving the quality of human resources in LPD of Kerobokan Custom Village is quite different compared to what been done in LPD of Kuta Custom Village. LPD of Kerobokan Custom Village got the predicate of "less healthy" since 2016 from PLPDK team of Badung regency. The board is now busy improving and enhancing as to unable to improve the quality of its credit portfolio. What they have done is approaching borrower customers in order to pay off their debts in accordance with the schedule that has been determined. The symbolic capital exploitation through the prestige that has been constructed is delivered by I Gustu Ketut Suwitra, as Head of LPD of Kerobokan Custom Village (Interview, dated March 23, 2017). The assistance of training of *kepemangkuan* and the training of making *banten* to the interested krama have been carried out.

Economic Capital

Bourdieu's, (in Marah, 2011: 68) understanding of economic capital relates to the received income, the amount of money owned by someone or the increase in wealth such as machinery, land, and labor and resources. In order to increase people's income and alleviate poverty, the effort to improve the welfare of krama custom villages is a concern of Ida Bagus Mantra. Bali's cultural capital has implications for the attention of the world community interested in visiting Bali as tourists, while the province of Bali is a small province that has no natural resources as other provinces in Indonesia.

Since the colonial era until now, Bali has become one of the world-famous tourist destinations. In the era of President Soeharto, tourism policy was the priority after the state revenue from the oil sector. Bali relies more on its cultural resources as a tourism attraction placing tourism as a locomotive for Bali's economic development, and Balinese development adjusts to Suharto's five-year governmental development program. The Soeharto Government's tenure of the Development Trilogy program became a development agenda with a priority scale tailored to the situation and condition. The security scale occupies the top priority if the political and security conditions are disrupted. Then, economic growth and equity of development, or if the situation can be controlled then the priority scale is focused on the economic growth, equity of development and security.

An economics from United States named W.W. Rostow, (in Fakhri, 2009: 56) mentions that human factor becomes the main focus on the theory of economic growth and social changes in society which is through five stages of economic development. The first phase is the traditional society evolves into a take-off precondition, a take-off society, a society of growth maturation, and ultimately becomes an aspiring modern society.

The flow of modernization in Bali as a tourist destination in the era of President Soeharto has received attention from Ida Bagus Mantra who serves as the Governor at that time. Modernization keeps the local culture as a Balinese identity becomes a thought to encourage saving and loan institutions in custom villages. The need for development funding as well as the social change of Balinese society as the impact of modernization and tourism become the basic idea of saving and loan institutions expected to grow in every custom village.

According to Ida Bagus Mantra, traditional institutions such as custom village play a role in orderliness and enforcement of discipline. The agent of modernization is also very important (Mantra, 1996: 32). This is reinforced by the opinion of I Made Titib and Wayan Wiana in the interview (dated February 20, 2016) who mention that there is a thought to answer the unease of I.B Mantra in thinking of the source of funds for custom villages as a source of income. Hence, the custom villages can fight the rapid modernization. A financial institution called Bank Pedungan Village at that time belonging to the custom village was thought to be proposed as an example.

Economic growth in Bali relies on tourism. Hence, as governor of Bali at that time, Ida Bagus Mantra had to think a strategy. The phenomenon of poverty was assumed as one of the development products due to the unequal distribution of development. Poverty occurs because in general society or people do not have enough assets, both physically and non-physically (Fakih, 2000: 22). Ida Bagus Mantra was aware of this condition. The Balinese concept of *taksu* and *jengah* as a local cultural attitude is mentioned as follows. *Taksu* and *jengah* are two paradigms in Balinese culture which need to be appreciated and developed. *Taksu* is the inner power that gives intelligence, beauty, and miracles. In relation to various Balinese cultural activities, *taksu* has the same meaning as genuine creativity, a pure cultural creativity that gives spiritual power to a person to reveal himself greater than everyday life. In the context of Balinese culture, the word *jengah* has the connotation as competitive pride that is the spirit to compete, as cultural creativity, and as the process that becomes the base of all changes in people's life (Mantra, 1996: 27-28).

The statement indicates that the confidence that comes from the Balinese community because it has a skill namely *taksu* that emanates from within itself. If *taksu* is directed to the art field, then one has the ability to create a masterpiece capable of drawing public attention. Meanwhile, the *taksu* in the economic field includes management capability in the management of saving and loan institutions. Hence, the institution can encourage economic growth in the custom village.

Work Planning of LPD of Kuta Custom Village and LPD of Kerobokan Custom Village

Vision plays an important role in confirming the understanding that the organization has an external environment which will determine the direction of the organization in achieving its objectives. The external environment consists of elements outside the organization that most cannot be controlled and can affect the organization (Handoko, 2009: 62).

The above vision is translated into a mission and achievement strategy, and before carrying out the work steps an organization needs to make a plan. Planning is carried out by LPD of Kuta Custom Village in accordance with the management process firstly carried out by making the vision and mission of LPD of Kuta Custom Village. The vision is translated with the motto "Main Partner to Build Village". The explanation of the meaning of the motto to grow awareness among krama of Kuta Custom Village that the support given to LPD through LPD service utilization is actually an effort to build Kuta Custom Village. The vision is then continued to the mission of LPD of Kuta Custom Village. The LPD of Kuta Custom Village is managed by the board based on, firstly, the importance of the principles of good, right and healthy financial institution management. This management is strengthened by commitment and awareness to *ngayah* (dedication) to build krama and custom village. Second, to encourage the economic development of the people in order to empower the rural economy sector. Third, making the work system to accelerate the service that

is easy, cheap, directional and affordable by not neglecting the LPD system and working system. Fourth, to encourage the development of community initiatives in preserving custom village assets in the context of tourism development based on customs and culture. Fifth, participate in developing various potentials such as trading business, village market, small industry, household handicrafts, agriculture, livestock, and service. Sixth, the utilization of the efforts to improve the living standard of the krama village and help the krama of Kuta Custom Village to maintain economic resilience to participate in competing in a global free market.

The work plan as an annual program that will guide an organization toward the desired goals and work plan is made for the target to be achieved as well as the strategy to achieve it. The annual work plan of LPD is regulated in the Local Regulation of Bali No.3 of 2007 Article 15 paragraph (1) Every year the board shall prepare the RK and RAPB budget plan, (2) the RK and RAPB shall be submitted to the internal supervisor for acknowledgment. It is then submitted to the prajuru of custom village to obtain legalization at least 3 (three) months before the end of the fiscal year, (3) If until the end of the fiscal year the concerned RK and RAPB have not been approved and legalized as referred to in paragraph 2, last year RK and RAPB is applied (4) Any change of RK and RAPB in the current fiscal year must be approved by the village counselor and submitted to the internal supervisor for approval by no later than 1 (one) month after the proposed change is submitted, (5) If the RK and RAPB changes are not approved and legalized as referred to in paragraph 4, RK and RAPB for the current year shall be used, (6) RK and RAPB as intended in paragraph 1 shall be submitted to the governor, regent/mayor and BPD for the purpose of supervision.

The explanation of the strong relationship between the LPD management and the custom village is affirmed by Arsyad (2009: 186) who states that the management as a management in carrying out operational activities of LPD is responsible to the custom village represented by bendesa adat. Bendesa adat is also the Chairman of the Internal Supervisor. According to Arsyad, the work plan must be approved by bendesa adat, besides LPD management make annual financial report submitted to bendesa adat as the report accountability. This reveals a strong relationship between LPD and custom village community.

The preparedness of the work plan and the budget plan of income and expenditure in both LPDs have been in accordance with the provincial regulation. However, the readiness in making the vision and mission seems to be more advanced in the LPD management creativity. In comparison with the LPD of Kerobokan Custom Village has not been designed vision and mission. According to (Heene, 2010: 134), the vision of the organization is the basis of a sufficient basis for the organization and the organization will certainly benefit that cannot be underestimated. The reason is that the vision inside organizations can be an inspiration and motivation in achieving organizational goals. Based on the above statement, the vision and mission of the organization are very important. Meanwhile, the LPD as an organization, especially the LPD Kerobokan does not have vision and mission as an inspiration in making work plan and budget plan of income and expenditure. Unlike LPD of Kuta Custom Village which is ready to compete in the Kuta area as a tourism center and competition among financial institutions that make the Kuta area as a source and users of bank funds.

Governance of LPD of Kuta and Kerobokan Custom Village

Governance of LPD of Kuta Custom Village

Planning that has been made becomes the guide in carrying out duties by LPD management. This opinion was submitted by Budha Artha, Head of LPD of Kuta Custom Village (interview, dated March 31, 2017). The indicator of improvement of work performance of LPD of Kuta Custom Village is seen from the growth of the number of funds collected in the saving in 2015

amounted Rp 63,569,409,641.00 to Rp 80,722,784,358.00 or an increase of 26.98 percent, as well as the number of depositor of 17,376 people to 18,992 people or an increase of 9.3 percent, while from deposits in 2015 amounted to Rp 62,015,500,000.00 and in 2016 amounted to Rp 78,917,384,358.00 or an increase of 27.25 percent. For deposit customers in 2015 as many as 1,060 people to 1175 people in 2016 or an increase of 10.84 percent. Budha Artha (interview, dated March 31, 2017) explains that the increase of deposit and deposit funds and the increase of the number of customers cannot be separated from the fact that Kuta as a tourist area has economic activities in the field of small industry and sectors related to tourism, as well as great ownership from krama custom village against LPD of Kuta Custom Village.

The growth of savings and deposit funds in turn affects the loan to deposit ratio (LDR) of the amount of credit given in 2015 amounting to Rp 91,227,039,855.00 while savings amounted to Rp 125,584,909,641.00, resulting in the growth of LDR 2015 by 72.64 percent, while in 2016 the amount of credit amounting to Rp 131,864,220,430.00 and the number of deposits amounted to Rp 159.640.168,00, resulting in the growth of LDR 2016 by 82.60 percent.

The regulation on the maximum crediting limit refers to Bank Indonesia's provisions which are LKM in Indonesia including LPDs must maintain a loan-to-deposit ratio (LDR) of around 95 percent and a capital adequacy ratio (CAR) of at least 10 percent to ensure security public funds placed in LPD (Arsyad, 2008: 159).

Growth on the saving, deposit and credit sector is pointed to the level of beliefs of krama custom village to the existence of LPD of Kuta Custom Village. The indicator of trust given by krama to the LPD of Kuta Custom Village consisting of first, able to fulfill the obligation of payment of interest and principal savings on time. Secondly, the various growth of operational support facilities such as good building, computer equipment, and friendly services which give satisfaction to krama village. Third, the open attitude of the board in paruman in describing the operational activities of LPD of Kuta Custom Village.

The loans given to the community by LPD of Kuta Custom Village determine the level of health of the LPD. One of the indicators of the requirement of an LPD able to live on a sustainable basis is from the repayment of the loan because the repayment of the loan will be reused to other parties who need it as well as the interest on the loan used to pay interest deposit and other operational costs. According to Arsyad (2008: 155), that large profit cannot be used as one indicator of the sustainability of an MFI because large profits can be obtained only in a short time. Achieving high rates of loan repayment is a major requirement for LKM to be sustainable in the long term. Loan granted to the public can incur the loss which will have implication for bankruptcy.

LPD loss due to unpaid credit will disrupt the health of the LPD. The health level of LPD is similar to the provision of commercial bank and BPRs which refer to the provision of Bank Indonesia (Leon & Ericson, 2007: 94). This provision is better known as credit collectability. In LPD, the health levels are first, a current loan is a loan that does not experience delay in returning the main loan or interest. Secondly, the credit in special attention is credit that has delayed payment of the main loan or interest for one to two months from the time promised. Third, the non-performing loan is a loan where the principal and interest payment has been postponed for three months from the agreed time. Fourth, the doubtful credit is the loan payment of principal and interest has been delayed for six months from the promised schedule. Fifth, the non-performing loan is the loan where the payment of the main loan and interest has been delayed by more than one year from the due date according to the promised schedule.

The health level of LPD of Kuta Custom Village in connection with the above explanation is that the credit given is mostly categorized as healthy (interview, dated March 31, 2017) and various things beneficial to the LPD of Kuta Custom Village according to Budha Arta is first, the ratio of community-saving in LPD of Kuta Custom Village compared to the credit given relatively high ratio with the tendency to keep increasing every year. This is caused by a very high trust of krama village to the board and economy in Kuta area supported by the tourism sector. Hence, the

credit absorption in the sector small industry and trade become leading sector of LPD of Kuta Custom Village. Second, the location of LPD of Kuta Custom Village is very close to the krama environment. It is in accordance with the marketing mix theory which mentions that the marketing mix is the tools that can be controlled by the company and directed to obtain the desired response from the target market (Simamora, 2001: 22).

Marketing mix includes product, price, place, and promotion. LPD business activity which is close to krama as customers, as well as credit users, gives their own advantages in spurring the increase of LPD assets. Third, the ease of procedure in giving credit makes krama feel more appreciated and trusted by LPD management. If it is associated with marketing mix theory, it can be used as the promotion tool. Hence, the advantage can be distributed to other krama who has not used the LPD products. Fourth, the money holder who deposits their funds in LPD has a unique advantage because their saving is not taxed like when they are saving in commercial bank and BPR. Thus, two are the competitor of LPD. Tax exemption policy on public saving in LPD is due to the fact that LPD is not yet incorporated or LPD is the financial institution owned by the custom village.

Another LPD health indicator is LPD leverage calculated using the debt-to-equity ratio. According to Ledgerwood (in Arsyad, 2008: 158), any LPD should maintain an appropriate balance between debt and equity (capital) to ensure that the equity or feasibility of the institution is in good health. The equity link to LPD revenues is that if LPD has high equity compared to debt (public savings) then the potential of the LPD to generate income is limited. The reason is that it does not maximally utilize external sources of funds for lending. The utilization of LPD profits by providing saving rates ranges from 0.5 percent per month for saving and 0.7 percent per month for deposit and loan the money to krama who needs it through credit with a loan interest rate of one and a half percent per month.

The leverage of LPD of Kuta Custom Village in 2015 as a form of comparison between deposit to capital can be presented in saving which includes saving and deposit amounted to Rp 125,584,909,641.00 divided by capital of Rp 16,726,906,488.00 or 750.84 percent. Meanwhile, in the year 2016 deposit amounted to Rp 159,640,168,716.00 divided by capital of Rp 20,303,123,048.00 or 786.29 percent or an increase compared to the year 2015 which amounted to 35.45 percent. This is due to the increase of public trust to place the funds in LPD of Kuta Custom Village while the increase in capital is caused by the increase of general reserves prepared by the board in distributing the profit.

Governance of LPD of Kerobokan Custom Village

The work plan and the Revenue and Expense Budget Plan that have been made and approved by the village of Kerobokan custom village and endorsed by the Regent of Badung are then carried out by the management along with all the LPD staff of Kerobokan Custom Village. According to I Gusti Made Suwitra, Head of LPD of Kerobokan Custom Village (interview, dated February 12, 2016) says that at the end of 2016 LPD of Kerobokan Custom Village began to lead, in connection with the head of the old LPD that has a new task in the House of Representatives.

According to Suwitra, financial data at the time of handover shows that the achievement of saving fund in 2015 amounted to Rp 32,146,777.99,00 had increased to Rp 36,067,707,904.00 in 2016. The increase occurred by 12.20 percent compared to 2015. According to the Head of LPD of Kerobokan Custom Village, this is caused by the spirit of socializing the existence of LPD of Kerobokan Custom Village on local krama. Similarly, the number of depositors had increased by 7.93 percent from 12,481 customers to 13,471 customers. The sources of funds from deposit in 2015 of Rp 21,636,929,000.00 to Rp 27,755,129,000.00 in 2016 or an increase of 28.28 percent. For depositor in 2015, as many as 5,647 customers had increased to 6,325 customers in 2016 or an increase of 12 percent. According to I Gusti Made Suwitra in an interview, dated March 29, 2017, explains that the increase in the amount of saving and deposit funds is a work program that has been

proclaimed in the work plan of LPD of Kerobokan Custom Village.

The growth of saving and deposit fund sources, in turn, affects the Loan to Deposit Ratio (LDR) of total loans granted in 2015 amounted to Rp 36,093,379,150.00 while the saving amounted to Rp 53,783,706,992.00, resulting in the increase by 67.11 percent of LDR 2015, while in 2016 the total loan amounted to Rp 48,157,705,350.00 and total deposit amounted to Rp 63,822,836,904.00 with LDR level of 75.46 percent.

Although LDR LPD of Kerobokan Custom Village is still at a safe level due to its less than 90 percent level in accordance with the provision of credit banking, the quality of credit distributed to the community according to data from PT. BPD Bali classified as less healthy. This category indicates that most of the credits have difficulty in billing or the presence of large credits that have not been able to be billed.

LDR which had increased in 2016 compared to 2015 cannot be separated from the source of fund that can be obtained by the LPD of Kerobokan Custom Village. The ability to increase the source of funds certainly provide greater opportunities to distribute in the credit sector. The direction of LPD credit in Kerobokan Custom Village mostly leads to trade and also the small industry which grows as the impact of Bali tourism. LDR condition below 90 percent indicates that LPD of Kerobokan Custom Village is still cautious in disbursing credit.

The leverage of LPD of Kerobokan Custom Village in 2015 as a form of calculation in the comparison between deposit to capital can be presented as the saving which includes saving and deposit amounted to Rp 53,783,706,992.00 divided by capital of Rp Rp 59,477,716,00 or 90.426 percent. Meanwhile, in 2016 the deposit of Rp 63,822,836,904.00 divided by capital amounted to Rp 71,116,869,00 or 89.743 percent or a decrease leveraged in 2016 compared to 2015 amounted to 6.831 percent. This is due to the increased capital of the LPD of Kerobokan Custom Village and the increasing reserve and profit that have been obtained.

Based on the above description between LPD of Kuta Custom Village and LPD of Kerobokan Custom Village, it appears that the operational management with guidance provided by LPP LPD experience difference in practice. Differences of LPD of Kuta Custom Village and Kerobokan Custom Village can be presented in the Table 1 below.

No	Description	LPD of Kuta Custom Village	LPD of Kerobokan Custom Village
	Fund Growth		
	Saving	26.98	12.20
	Deposit	27.25	28.28
	Customer Growth		
	Saving	9.3	7.93
	Deposit	10.84	12
	Loan to Depositi Ratio (LDR)	10	8.35
	Leverage	25.45	- 0.69

Source: Data processed by researcher

Table 1 shows that economic capital growth revealed by Bourdieu is represented by LPD of Kuta Custom Village through higher fund growth than LPD of Kerobokan Custom Village. The innovative products along with product benefits for krama custom village have been created as the stimulant of interest to save. Saving product with different benefits according to the interests of krama custom village are socialized to krama of Kuta custom village. The approach taken is to provide understanding and benefit received by the customer on LPD products. An understanding is given to the events held in the custom village. This condition is in line with the Theory of communicative action.

The growth of deposit looked different in LPD of Kuta Custom Village compared to LPD of Kerobokan Custom Village because of the growing trust of krama on the head of LPD of Kerobokan Custom Village. The attempt to approach with communicative action as a former discharge of service can provide a close space to the community. Thereby, generating customer growth and deposit funds. The degree of the prudence of LPD heads in channeling public funds to those in need in the form of credit is evident in both heads of LPD. Credit growth in LPD of Kuta Custom Village appears higher than LPD of Kerobokan Custom Village with a growth rate of 10 percent. The LPD of Kerobokan Custom Village only has the growth rate of 8.35 percent. This difference is more influenced by the nominal of loan given to the borrower at LPD of Kuta Custom Village which is higher due to the center of tourism in Kuta compared to LPD of Kerobokan Custom Village. In terms of liquidity, it seems that both of LPD still give credit below 90 percent compared to the third-party fund that has been collected. This indicates that public funds are still maintained within the liquidity as the ability of a bank in fulfilling short-term obligation such as unexpected withdrawal of funds by the customer (Slamat, 2005: 296).

The leverage as a measuring tool to determine the source of funds in the LPD compared with the capital shows public confidence to the institution. The greater the percentage of this comparison the greater the confidence of the community. Considering that the LPD as a trusted agency is expressed in the financial statements. Leverage at LPD of Kerobokan Custom Village appears minus due to the decrease in debt growth compared to the capital of LPD of Kuta Custom Village. This is due to the strengthening of capital collected in 2016. In the LPD of Kuta Custom Village, the economic capital in the form of asset control is greater than LPD of Kerobokan Custom Village. Furthermore, the LPD of Kuta Custom Village has high confidence as well as high risk.

CONCLUSION AND RECOMMENDATION

The conclusions of this study are: The causal factor of government hegemony in LPD management in Bali is the New Order era of the central government that had declared Five-year Development Plan (PELITA) as a work program. Bali emphasized the development led to tourism support facilities, such as jasmine-star hotel to five-star hotel, structuring of tourist attractions and other tourism support facilities. Development as one of the elements of modernization predicted by the Governor of Bali at that time, Ida Bagus Mantra will change the attitude and behavior of the people of Bali. Overcoming the excesses of modernization according to Ida Bagus Mantra can be done by involving custom villages, as one of the traditional institutions that still survive to maintain the Hindu Religion and Balinese culture. According to Ida Bagus Mantra, in order to empower custom villages requiring funding source which can be obtained from the formation of LPD. The principle of forming LPD by imitating one of Bali's traditional institutions is sekeha. Bali's potential is a capital in keeping the Hindu and Balinese Religion. These modalities in accordance with Bourdieu's opinion which include cultural capital represented in the form of ngayah in carrying out duties in LPD until LPD is able to give proper salary to the board. Ngayah is applied to support the ceremony at Kahyangan Village by doing mutual assistance activity. Other capital is mentioned as social capital which is owned as the attitude that possesses menyame braye that has been often practiced in the life of the people of Bali. Menyame braye can establish the relationship with the government who often visit the custom village to strengthen social network and government hegemony, LPD manager. Furthermore, LPD activities have been able to strengthen their social capital in custom villages. Symbolic capital is reflected by the knowledge possessed by the government in managing the economy in the custom village. Ida Bagus Mantra's educational background and experience are the symbolic capital that directed Bali forward in the face of modernization. Thus, education becomes very important in LPD management. The efforts to improve the quality of human resources are expected to anticipate the development of the era and challenges of the business world. Various business activities are reflected by the involvement of the

government in providing initial capital for the establishment of LPD called Bourdieu as economic capital. The involvement of the initial capital of the government of Bali and the Badung regency became the spirit for the custom village in developing the economy in their custom village. It is run in Badung regency so that LPD of Kuta and Kerobokan Custom Village are able to increase their assets and profit, and the contribution of both LPDs have been benefited by their custom village.

The research recommendations are as follows: The need for regulation that responds to the present challenge of LPD management. Hence, the revision of local regulation on LPD should think about the institutions that manage transaction between LPDs due to excess liquidity, have a role in improving the quality of the LPD, and supervise LPD so that hegemony in the operational practice from the government is gradually reduced and the LPD is able to be self-sufficient under the agency's responsibility. The narrowness of custom villages is unable to absorb the excess of LPD funds. Hence, the regulation can be made that allow LPD to give credit to other krama custom village with the recommendation of bendesa adat. If PT BPD Bali is facing obstacles in serving the interests of the LPD, there may be rules that allow LPDs to place their funds in the national bank for realistic security and profit objectives.

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