THE ROLE OF VILLAGE OWN ENTERPRISES TO RURAL DEVELOPMENT

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ABSTRACT

The establishment of Village Own Enterprises is a manifestation of the concern of the government and society to improve the welfare of rural communities. Village Own Enterprises are expected to be able to play a large role in rural development through optimal management of village potential, meeting the needs of rural communities without turning off existing businesses in previously established villages. The objectives of this research were analyze: 1) the development of Village Own Enterprises in Bali Province; 2) the manifestation of the role of Village Own Enterprises in the economic sector; 3) the manifestation of the role of Village Own Enterprises in the non-economic sector; 4) factors that support Village Own Enterprises in realizing their role in rural development; 5) factors that do not support Village Own Enterprises from realizing their role in rural development. This research is descriptive research that uses primary and secondary data. Data collection techniques used: observation, documentation, interviews, in-depth interviews. The research population all of Village Own Enterprises in Bali Province. The sample is determined by a practical convinient method. the sample is Village Own Enterprises in Manggis District, Karangasem Regency, as many as 6 Village Own Enterprises. The results show 1) the development of Village Own Enterprises in Bali Province has increased since 2015 to 2016, almost all villages in Bali have Village Own Enterprises; 2) the role of Village Own Enterprises in the economic sector help provide capital for home industries in rural areas; 3) the role in the non-economic sector reduces the movement of the population from village to city; 4) the factors that support the realization of its role in rural development are village financial assistance and 5) factors that do not support Village Own Enterprises from realizing their role in rural development are the low human resource capacity of Village Own Enterprises and the low level of cooperation between the Government and Universities to provide training in Village Own Enterprises management. Recommendations submitted by taking into account the development and role of Village Own Enterprises in Bali Province, were: 1). The government should collaborate with Universities to provide training in managing Village Own Enterprises so that the performance of Village Own Enterprises can increase development in rural areas 2). The management of Village Own Enterprises and the village government should improve their ability to recognize village potential to increase business diversification.

Key words: Village, Own, Enterprises

INTRODUCTION

Law Number 6 of 2014 emphasizes that Village-Owned Enterprises are formed by the village government to utilize all economic potential, as well as the potential of natural resources and human resources in order to improve the welfare of rural communities. Article 1 number 6 Law No. 6/2014 states that Village Own Enterprises are business entities whose entire or part of their capital is owned by the village through direct participation originating from separated village assets to manage assets, services and other businesses for the greatest welfare of the village community. The mandate that lies in the understanding of Village Own Enterprises is that the greatness of the Village Own Enterprises does not lie in its ability to make large profits, but the greatness of Village Own Enterprises lies in its ability to provide social benefits to the lives of villagers (Yoltuwu, 2017).

The establishment of Village Own Enterprises is a manifestation of the concern of the government and the community to jointly improve the welfare of rural communities. Village Own Enterprises are expected to be able to play a large role in rural development through optimal management of village potential, meeting the needs of rural communities without turning off existing businesses in previously established villages. The role of Village Own Enterprises in village development can be done by managing available funds in the form of savings and loans, the establishment of stores that provide basic needs of the village community and rental of village community work equipment. The presence of Village Own Enterprises in the village is expected to be able to sustain economic development in the village, considering that the village currently receives a relatively large amount of funds from the government and one way that the village manages the funds is by establishing Village Own Enterprises, so it is interesting to examine whether Village Own Enterprises play a role rural development.

The Research Question Are:
1) How is the development of Village Own Enterprises in Bali Province?
2) What are the manifestation of the role of Village Own Enterprises in the economic sector?
3) What are the manifestation of the role of Village Own Enterprises in non-economic sector?
4) What are the factors that support Village Own Enterprises in realizing their role in rural development?
5) What are the factors do not support Village Own Enterprises in realizing their role in rural development?

LITERATURE REVIEW

Scope of Village Own Enterprises
A business entity is an economic juridical entity that establishes a business to seek profits. The economic juridical unit consists of one or a group of people who organize (cooperate) in the economic sector to seek profits by establishing companies that
produce goods and or services effectively and efficiently. The characteristics of a business entity include: a. Looking for profit, b. Using capital and labor, the company's operational activities under the leadership of a businessman, Widodo (2016).

Fathoni, 2006 stated that there were three opportunities that could be achieved related to Village Own Enterprises, firstly the regional government was obliged and wanted to create a strong village government where the populist economy played an important role. The role of the people's economy as the spearhead of village power in the future is supported by Village Own Enterprises by strengthening small businesses in the countryside. The second is the development of donor programs that facilitate the development of Village Own Enterprises through reliable assistance. Third and the most important is the number of Village Own Enterprises business units that are strategic and have advantages and potential to develop and succeed, thus Village Own Enterprises can improve people's welfare, mobilize women's potential and preserve the environment. Business units developed by Village Own Enterprises must be based on local potential and strengthen the efforts that have been carried out by residents or groups of citizens. The Village Own Enterprises management then manages the business of the residents or community groups to fight for more equitable and equitable growth for the villagers.

Village Own Enterprises as a village business has a very big role in suppressing the flow of urbanization in Indonesia. The various roles played are: first the Village Own Enterprises will be able to reduce the rate of population growth in urban areas, this is due to the existence of jobs that can be provided by Village Own Enterprises so that the mobility of workers to the city can be reduced. Both Village Own Enterprises can provide protection to the community in the form of lending with lighter interest rates so that they do not need to be trapped by loan sharks. The three Village Own Enterprises can encourage the growth and development of economic activities in rural communities so that other social impacts emerge. The four Village Own Enterprises can be a source of Village Original Income so that the development budget in the countryside can be increased. This is caused by the input of funds from the profits of Village Own Enterprises. The five Village Own Enterprises can suppress the centralization of capital to the city (Widodo, 2016).

Institutions such as Village Own Enterprises have been developed in several countries such as Japan, Thailand, the Philippines and China. Japan introduced the concept of OVOP (One Village One Product) concept was discovered in a city called Oita around 2001 a concept of economic and social development for rural communities (Diefenbach, 2016). OVOP means that a sub-district produces at least one superior product. This concept was later adopted by China as OBOP (One Barangay One Product), in Malaysia under the name One Village One Product Moment and in Thailand named OTOP (One Tambon One Product) (Haryadi and Rosmeli, 2018). The research findings on the role of Village Own Enterprises for community welfare state that the existence of Village Own Enterprises brings significant changes in the economic and social sectors, a shift in social values and changes in patterns of interaction among citizens (Anggraeni, 2016).

Village Development Goals
The purpose of village development, as outlined in the Village Law, is to improve human welfare and reduce poverty through the provision of basic needs, development of village facilities and infrastructure, development of local economic potential and sustainable use of natural and environmental resources. Village development is carried out by promoting the spirit of togetherness, kinship, and mutual cooperation to realize the mainstreaming of peace and social justice.

The involvement of all communities in development is a manifestation of mainstreaming peace and social justice. However, in reality, until now there are still many community members who have not been able to reach or access village development at various stages. These people are vulnerable and marginalized groups, among them are children, women, elderly people, and of course residents with special needs (disabilities), so that the impact of village development is not felt at all by these community groups (Shuida, 2016).

Poverty Reduction and Rural Development
Development is a system of social change that is interrelated with each other. Development is a process that results from a combination of various elements of objectives based on existing value systems, resources (natural and human), available technology, and various forms of social and political organization, so that if one element changes then the whole system will change also (Syafuddin, 2018). Rural development is basically a process of modernizing the people, nation and country of Indonesia towards a better life and livelihood in the future. In general there are three main elements that need to be considered for the success of rural development, namely: (1) community participation in carrying out development, (2) the emergence of new ideas in the community regarding life in the future, (3) the existence of appropriate and labor intensive technology (Fadillah, 2003).

Some important issues regarding rural development are: Rural development is part of overall socio-economic development. Community access to resources is influenced by existing economic, social and political systems, so that problems cannot be resolved partially only by using the framework of the rural situation. For example, the cause of rural poverty in the beginning was often caused by problems outside of rural areas, namely because there was no integration of rural areas with the overall economic, social and political system in a country (Arsyad et al., 2010).

Rural Development and Institutional Financial Sector
Boeke (1983) states in a development perspective, the economy in Indonesia is divided into two sectors, namely traditional and modern which are not interconnected. Boeke stated that the traditional sector needs to be stimulated by the presence of economic
incentives and improved production technology. Scott (1976), the problem that applies to rural communities is social rationality that is more concerned with togetherness than competition.

The problem of the rural development process that has taken place so far is the absence of economic sector institutions as an instrument to overcome capital scarcity in rural areas (Suarnanayasa, 2017). The role of institutions in rural development is the entrance so that an institution can stand and be accepted, especially in economic aspects. Revitalization of economic institutions is considered important, so that this institution is able to return legitimized in every individual in it, able to foster a sense of belonging, if this sense of belonging has arisen, each individual will participate and this institution will develop so that the potential for prosperity community because in it there is already a division of roles and responsibilities in meeting their economic needs (Syahyati, 2004).

Ellis and Biggs (2001) state that the development phases of rural development that have occurred over several decades indicate that there has been a commercialization process in rural areas, so that efforts are needed so that rural populations can be separated from this commercialization, namely by strengthening traditional production and processing systems so that rural communities are not in a subordinate position. This problem can be solved by the existence of capital that revolves in the production and processing system. Limited capital is the most complicated problem in rural areas. Limited capital causes economic activities not to run, causing the community to be in a subordinate position, so that it is necessary to formulate a development development policy that combines financial sector institutions with government policies in order to be able to drive economic activities in rural areas, especially micro-enterprises.

METHOD
This research is a descriptive study that describes the development of Village Own Enterprises in the Province of Bali and the role of Village Own Enterprises in the economic and non-economic sectors, as well as spreading factors that encourage or inhibit Village Own Enterprises in realizing their role in developing villages. Data collection techniques used in this study are: observation, documentation, interviews, in-depth interviews. The research population of all Village Own Enterprises in Bali Province. The sample is determined by the convinience method, the sample is Village Own Enterprises in Manggis District, Karangasem Regency as many as 6 Village Own Enterprises.

The analysis technique used is a descriptive qualitative level, namely describing qualitative data in the form of development of Village Own Enterprises, a manifestation of the role of Village Own Enterprises in the economic and non-economic sectors as well as factors that encourage and inhibit Village Own Enterprises from realizing their role in rural development.

RESULT AND DISCUSSION
Development of Village Own Enterprises in Bali Province
Village Own Enterprises is something new in Indonesia. Some villages in Bali Province have had business units for a long time, such as car wash, savings and loan units, basic food stores, and electricity and water payment services. In 1980-2001 village economic enterprises under the management of the Village Community Resilience Institute were called Village Economic Enterprises (VEE). The development of the VEE by setting aside a few percent of village development funds provided by the government to the village. Based on data obtained from the Village Community Empowerment Agency of Bali Province (2017) from 2015 to 2016 the number of Village Own Enterprises in Bali Province increased from 260 units to 350 units. This increase occurred in 7 districts, except in Jembrana Regency and Denpasar City, which are presented in Table 1.

<table>
<thead>
<tr>
<th>Number</th>
<th>Regency</th>
<th>The Number Of Village</th>
<th>The Number Of Village Own Enterprises</th>
<th>2015</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Buleleng</td>
<td>148</td>
<td>80</td>
<td>85</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Jembrana</td>
<td>51</td>
<td>40</td>
<td>40</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Tabanan</td>
<td>133</td>
<td>15</td>
<td>72</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Badung</td>
<td>62</td>
<td>9</td>
<td>13</td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>Denpasar</td>
<td>43</td>
<td>6</td>
<td>6</td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>Gianyar</td>
<td>70</td>
<td>12</td>
<td>14</td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>Bangli</td>
<td>72</td>
<td>21</td>
<td>29</td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>Klungkung</td>
<td>59</td>
<td>24</td>
<td>28</td>
<td></td>
</tr>
<tr>
<td>9</td>
<td>Karangasem</td>
<td>78</td>
<td>58</td>
<td>63</td>
<td></td>
</tr>
<tr>
<td>Sum</td>
<td></td>
<td>716</td>
<td>260</td>
<td>350</td>
<td></td>
</tr>
</tbody>
</table>

Source: Bali Village Community Empowerment Agency (2017)

The type of business carried out by Village Own Enterprises is generally in accordance with the potential of each village, and in terms of government. Most of the Village Own Enterprises in Bali Province have savings and loan business activities, and shops or kiosks (Utama, 2017). In some villages there is also a market, waste management, equipment rental, and clean water as presented in Table 2.
District Karangasem Regency consists of 12 villages, namely Antiga Kelod Village, Antiga Village, Padang Bai Village, Manggis Subdistrict in Karangasem Regency. Manggis Subdistrict has several efforts to realize their role in village development. Manggis Subdistrict has several efforts to realize their role in village development. Manggis Subdistrict has several efforts to realize their role in village development. Manggis Subdistrict has several efforts to realize their role in village development. Manggis Subdistrict has several efforts to realize their role in village development. Manggis Subdistrict has several efforts to realize their role in village development.

The establishment of Village Own Enterprises was initiated from village funds, through village meetings the village government determined what would be done in relation to Village Own Enterprises in order to achieve the desired goals. Village Own Enterprises managers report the performance of Village Own Enterprises to the community through the village head. This pattern is the implementation of economic democratization in economic business entities as suggested by Sri Edi Swasono through the Triple-Co concept, namely co-ownership, namely joint ownership, co-determination, namely joint determination, and co-responsibility, namely shared responsibility (Swasono, 2001). Collaboration is a form of mutualism, which is a desire to prioritize the spirit of cooperation in mutual cooperation, by prioritizing togetherness, not individually. Shared responsibility to guarantee mutual interests, mutual progress and shared prosperity, prioritizing harmony and solidarity.

Village Own Enterprises operate the welfare of the villagers. This business also aims to reduce the capitalist system in the countryside which can result in disruption of the values of people’s lives.

Table 2

<table>
<thead>
<tr>
<th>No</th>
<th>Regency/Cities</th>
<th>Type of business</th>
<th>Waste management</th>
<th>Rental</th>
<th>Clear water</th>
<th>Savings and Loan</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Jembrana</td>
<td>Market</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>2</td>
<td>Tabanan</td>
<td>Shops</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>3</td>
<td>Badung</td>
<td>Waste management</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>4</td>
<td>Gianyar</td>
<td>Rental</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>5</td>
<td>Klungkung</td>
<td>Clear water</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>6</td>
<td>Bangli</td>
<td>Savings and Loan</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>7</td>
<td>Karangasem</td>
<td>Na</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>8</td>
<td>Buleleng</td>
<td>Na</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>9</td>
<td>Denpasar</td>
<td>Na</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>Jumlah</td>
<td></td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

Source: Bali Village Community Empowerment Agency (2017)
Description: Na = unpublished data

In terms of capital, as presented in Table 3, villages from relatively advanced districts, such as Badung, Tabanan, and Gianyar, have less capital per village compared to villages in other districts. It means that villages in relatively developed regions are less enthusiastic about building Village Own Enterprises. The average capital of Village Own Enterprises each Village in Bali Province is presented in Table 3.

Table 3

<table>
<thead>
<tr>
<th>Number</th>
<th>Regency/Cities</th>
<th>Capital(million)</th>
<th>The Number Of Villages</th>
<th>Average Capital(million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Jembrana</td>
<td>11,361.1</td>
<td>51</td>
<td>222.77</td>
</tr>
<tr>
<td>2</td>
<td>Tabanan</td>
<td>21,611.6</td>
<td>133</td>
<td>162.49</td>
</tr>
<tr>
<td>3</td>
<td>Badung</td>
<td>3,486.3</td>
<td>62</td>
<td>56.23</td>
</tr>
<tr>
<td>4</td>
<td>Gianyar</td>
<td>14,986.4</td>
<td>70</td>
<td>214.09</td>
</tr>
<tr>
<td>5</td>
<td>Klungkung</td>
<td>21,988.1</td>
<td>59</td>
<td>372.68</td>
</tr>
<tr>
<td>6</td>
<td>Bangli</td>
<td>20,395.7</td>
<td>72</td>
<td>283.27</td>
</tr>
<tr>
<td>7</td>
<td>Karangasem</td>
<td>54,787.6</td>
<td>78</td>
<td>702.41</td>
</tr>
<tr>
<td>8</td>
<td>Buleleng</td>
<td>91,972.2</td>
<td>148</td>
<td>621.43</td>
</tr>
<tr>
<td>9</td>
<td>Denpasar</td>
<td>Na</td>
<td>43</td>
<td>0.00</td>
</tr>
<tr>
<td></td>
<td>Sum</td>
<td>240,589.0</td>
<td>716</td>
<td>336.02</td>
</tr>
</tbody>
</table>

Source: Bali Village Community Empowerment Agency (2017)
Description: Na = unpublished data

Village Own Enterprises as one of the economic institutions operating in rural Bali Province has differences with economic institutions in general. Village Own Enterprises are organized by the community together in a village forum so that their existence and performance contribute significantly to improving the welfare of the villagers. This business also aims to reduce the capitalist system in the countryside which can result in disruption of the values of people’s lives.

The establishment of Village Own Enterprises was initiated from village funds, through village meetings the village government determined what would be done in relation to Village Own Enterprises in order to achieve the desired goals. Village Own Enterprises managers report the performance of Village Own Enterprises to the community through the village head. This pattern is the implementation of economic democratization in economic business entities as suggested by Sri Edi Swasono through the Triple-Co concept, namely co-ownership, namely joint ownership, co-determination, namely joint determination, and co-responsibility, namely shared responsibility (Swasono, 2001). Collaboration is a form of mutualism, which is a desire to prioritize the spirit of cooperation in mutual cooperation, by prioritizing togetherness, not individually. Shared responsibility to guarantee mutual interests, mutual progress and shared prosperity, prioritizing harmony and solidarity.

The position of Village Own Enterprises in Manggis Subdistrict, if associated with other microfinance institutions in the village such as cooperatives and Village Credit Institutions (LPD), has not been established until now. Each of these microfinance institutions is still running on its own, but not mutually harmful and also not mutually beneficial. Village Own Enterprises, Cooperatives and LPDs in villages in Manggis Subdistrict that do not work together are caused by lack of understanding of the management of the benefits of synergy between microfinance institutions in the village.

Forms of the Role of the Village Own Enterprises in the Economy

Village Own Enterprises was established with the aim of improving the economy of rural communities and increasing village original income by optimizing the management of village potential, in order to realize this goal Village Own Enterprises in Manggis Sub-District Karangasem Regency have made several efforts to realize their role in village development. Manggis District Karangasem Regency consists of 12 villages, namely Antiga Kelod Village, Antiga Village, Padang Bai Village,
Gegelang Village, Ulakan Village, Manggis Village, Selumbung Village, Ngis Village, Nyuh Tebel Village, Sengkidu Village, Sedahan Village.

Villages in Manggis Subdistrict that do not yet have Village Own Enterprises are Tenganan Village, Sengkidu Village and Padang Bai Village which are caused by lack of knowledge about the procedures for establishing and managing Village Own Enterprises. Village Own Enterprises in Gegelang and Manggis Villages have just been established and have not yet operated. There are differences in the way people fulfill capital needs between villages that have villages and do not have Village Own Enterprises, in villages that do not have Village Own Enterprises business capital needs are met by making loans to financial institutions such as Village Credit Institutions, Cooperatives, Rural Credit Banks and Commercial Banks which are of course with higher interest rates and more requirements.

Village Own Enterprises which are the samples of this study determined by the convenience sampling method are presented in Table 4.

Table 4 Village Own Enterprises Research Samples

<table>
<thead>
<tr>
<th>No</th>
<th>Year Established</th>
<th>Name Of Enterprises</th>
<th>Village Own</th>
<th>Name Of Village</th>
<th>Business Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>2014</td>
<td>Artha Krama Mandiri</td>
<td>Antiga Kelod</td>
<td>Antiga Kelod</td>
<td>Saving and Loans</td>
</tr>
<tr>
<td>2</td>
<td>2017</td>
<td>Sedana Yoga</td>
<td>Antiga</td>
<td>Antiga</td>
<td>Water and electricity payment</td>
</tr>
<tr>
<td>3</td>
<td>2017</td>
<td>Tresna Ash</td>
<td>Ulakan</td>
<td>Ulakan</td>
<td>Giving Loans</td>
</tr>
<tr>
<td>4</td>
<td>2014</td>
<td>Aneka Karya</td>
<td>Nyuh Tebel</td>
<td>Nyuh Tebel</td>
<td>Saving and Loans, Rental</td>
</tr>
<tr>
<td>5</td>
<td>2015</td>
<td>Lumbung Sejahtera</td>
<td>Selumbung</td>
<td>Selumbung</td>
<td>Saving and Loans, FBI, Facilities Service, Rental</td>
</tr>
<tr>
<td>6</td>
<td>2014</td>
<td>Wabang Sari</td>
<td>Ngis</td>
<td>Ngis</td>
<td>Saving and Loans</td>
</tr>
</tbody>
</table>

Source: Manggis Subdistrict Community Empowerment, 2018

Interviews with several Village Own Enterprises managers and village communities in several villages in Manggis Subdistrict stated that Village Own Enterprises played a role for development in the village, this role can be seen in Village Own Enterprises business in providing services in the form of low interest loans and easy conditions for home industries in village.

For example, the Village Own Enterprises Artha Krama Mandiri in the village of Antiga Kelod provided capital assistance to the trading business owned by Ms. Luh Budi in Banjar Pangitbel and a Bali cake making business owned by Ms. Ni Wayan Murni in Banjar Bengkel. The excerpts from the interview on Sunday, May 20, 2018 with Ms. Luh Budiasih as a community member of the Antiga Kelod village who obtained credit services from Village Own Enterprises Artha Krama Mandiri are presented below.

"With the existence of a low interest loan and an easy method, the Village Own Enterprises provided my business capital is now increasing, so I can buy more merchandise. It also happened that the merchandise always sold, so I can say the loan assistance from Village Own Enterprises increased my profits."

The excerpt of the interview with Mrs. Wayan Murni, the owner of the Bali baking industry in Banjar Bengkel on Sunday May 20, 2018, is presented below.

"My cake production has increased since I received an unsecured capital loan from Village Own Enterprises, I added to the number of workers when there was a religious ceremony."

Additional capital received by households in the village of Antiga Kelod originating from the soft loan of Village Own Enterprises Artha Krama Mandiri made the business able to increase its business volume so that it absorbed laborers or employed more housewives. The role of Village Own Enterprises in supporting the home industry business in the villages is in line with the statement of Fathoni (2006) which states that Village Own Enterprises plays a role in upholding people's economy.

Other economic roles that are realized by Village Own Enterprises in Manggis Subdistrict are business sales of office stationery (ATK), electricity and water payment services, provision of WIFI, seat rental and equipment rental for building construction, so that the Village Own Enterprises business can help villagers fulfill needs that were previously met from other villages. This increases the flow of money circulation in the village is increasing.

The Realization of the Role of Village Own Enterprises in the Non-Economic Sector

Yoltuwu (2017) stated that the presence of Village Own Enterprises should provide social benefits to the lives of people in the village, the greatness of Village Own Enterprises does not lie in how much profit can be generated, but how much benefits can be felt by the village community. Village Own Enterprises in Manggis Subdistrict, Karangasem Regency, besides having a role in the economic sector, also play a role in the non-economic sector. The presence of the Village Own Enterprises Artha Krama Mandiri in Antiga Kelod Village, Village Own Enterprises Tresna Asih in Ulakan Village has canceled the intention of Kadek Seri and Komang Yuda to go looking for work in the city of Denpasar. The presence of Village Own Enterprises Artha Krama Mandiri and Tresna Asih in the village of Antiga Kelod and in the Village of Ulakan were able to prevent the movement of people from village to city. This is in line with Widodo's statement (2016) which states that Village Own Enterprises plays a role in reducing population growth in urban areas. Patty and Kuncoro (2016) found that urbanization in Indonesia had increased from 15 percent in 1960 to 53 percent in 2014. The role of Village Own Enterprises in the social sector that canceled the migration of
people from villages to cities had prevented increasing urbanization in Indonesia. The excerpt from the interview with Komang Yuda, employee of the Tresna Asih Village Own Enterprises in Ulakan Village on Saturday June 16 2018 is presented below.

“I plan to find a job in Denpasar, but now that I have worked on Village Own Enterprises, I only work in the village, so there is no need to rent a house in Denpasar”.

Another proof of the role of Village Own Enterprises in the social sector is the presence of Village Own Enterprises in providing low-interest loans and easy conditions, reducing the dependence of the Antiga Kelod village community from the moneylenders, this is in line with Widodo's statement (2016). Excerpts of the results of interviews with Mr. Ketut Kari wood craftsmen making sanggah on Saturday June 16 2018 are presented below

"I have borrowed money from renters with an interest of 10 percent, because I want to get a fast loan without collateral, but now there are Village Own Enterprises that provide light interest loans, quickly get the money, without collateral, I borrow on village own enterprises if there is a lack of business capital."

Supporting Factors Of Village Own Enterprises in Realizing Their Role in Rural Development

Village Own Enterprises in Manggis District have shown their role in the economic and non-economic sectors. The ability of the Village Own Enterprises to realize its role for development in the village is driven by the factors in the Village Own Enterprises itself, namely the availability of funds and commitment from the Village Own Enterprises management to work wholeheartedly, serving the advancement of Village Own Enterprises and the progress of the village in general. Factors supporting the ability of Village Own Enterprises to play a role in village development originating from outside Village Own Enterprises are community participation to transact to Village Own Enterprises such as borrowing funds and meeting their needs such as the need for stationery, renting chairs, equipment and using other services provided by Village Own Enterprises.

Inhibiting Factors Of Village Own Enterprises in Realizing Their Roles in Village Development

The lack of role of Village Own Enterprises for village development is due to the low capacity of the Village Own Enterprises' human resources (HR) in managing the business and recognizing the potential of the village, besides the absence of synergy between the microfinance institutions in the village is another inhibiting factor. In addition to Village Own Enterprises, in several villages in the Manggis District also have microfinance institutions such as cooperatives and LPDs. The Village Own Enterprises administrators did not coordinate and cooperate with cooperative and LPD administrators. The absence of synergies between Village Own Enterprises and microfinance institutions has hampered the increase in the performance of Village Own Enterprises. Other factors that prevent Village Own Enterprises from realizing their role for village development are the low attention from the government and related agencies and the lack of attention from universities in providing training and assistance in managing Village Own Enterprises.

CONCLUSION AND RECOMENDATION

Village-Owned Enterprises are a business owned, managed and funded by the village government. The presence of Village Own Enterprises is expected to be able to support development in the village and improve the welfare of the village community. Some things that can be concluded and recommended from the results of the research are:

1) Development of Village Own Enterprises in Bali Province, are: (a). Village Own Enterprises in Bali Province experienced an increase in numbers from 2015 to 2016, except for Jembrana Regency and Denpasar City District (b). Almost all villages in Bali have Village Own Enterprises. The 2016 data shows a comparison of the number of Village Own Enterprises with the largest number of villages in Karangasem Regency, with 65 Village Own Enterprises from 78 villages, or a ratio of 83%. The lowest Perbadingan is in the Denpasar City District, which is 14% or as many as 6 Village Own Enterprises units from 43 villages. (c). Most of the Village Own Enterprises business sectors are in the economic sector such as savings and loans, sales of basic need products and renal. Non-economic sectors such as waste management in Tabanan Regency and Buleleng Regency. (d). The highest average Village Own Enterprises capital per village is found in Karangasem Regency and the lowest average capital is in Badung Regency.

2) The manifestation of the role of Village Own Enterprises in the economic sector is the provision of capital loan assistance with mild terms and interest to the baking business and trading business, so that the household business can increase business volume and absorb labor.

3) The manifestation of the role of Village Own Enterprises in the non-economic sector are, Village Own Enterprises reduces the movement of population from village to city, this is because Village Own Enterprises absorb labor in the village. Absorption of labor in the village, canceled the intention of job seekers to go to the city to find employment. In the form of other non-economic roles, the presence of Village Own Enterprises reduces the number of people who depend on moneylenders, although until now the community's dependence on moneylenders still exists and has not been able to be completely eliminated.

4) Factors supporting the Village Own Enterprises in realizing their role for rural development are the availability of funds from the village government and support from the community who actively interact with Village Own Enterprises.

5) Factors that do not support the Village Own Enterprises in realizing their role for rural development are the low capacity of Village Own Enterprises employers and village government officials to recognize the potential that exists in the village and the low ability to manage Village Own Enterprises. In the other side, there is no synergy between microfinance institutions in the village with village own aenterprises and the low attention of the government and higher education institutions in providing training and assistance in managing Village Own Enterprises.

Recommendations submitted by taking into account the development and role of Village Own Enterprises in Bali Province, namely: 1). The government in collaboration with universities should provide training in managing Village Own Enterprises so that the Village Own Enterprises business will increase so that it can increase rural development. 2). The management of Village
Own Enterprises and the village government should improve their ability to recognize potential in the village so as to increase business diversification.

REFERENCE


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