



## Economic Empowerment of Gelgel Indigenous Village Communities Due to the Impact of Covid-19 Through Village Credit Institutions

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ARTICLE INFO	ABSTRACT
<p><b>Keywords:</b> Economic Empowerment, LPD, Impact of Covid-19</p>	<p>Since then, the government has taken a number of steps to mitigate the impact of the Covid-19 epidemic in a number of industries. Restrictions on community activities affect business activities which in turn have an impact on the economy in the employment sector. To overcome the impact of the Covid-19 pandemic, assistance was held for the Gelgel Indigenous Village community in order to help the community's economy in order to meet the needs of their family life. The assistance provided in this activity is to obtain cheap credit bailouts from the Gelgel Village Traditional Village Financial Institution (LPD) in the Klungkung Regency and District by providing loan capital for workers who have been dismissed due to the closure of the company where they work. work. This activity aims to help the Gelgel Traditional Village community in their economic sustainability. The method used is the method of analyzing the community situation. The results show that of the three indicators, namely interpersonal roles, information-related roles, decision-making roles, it can run well.</p>
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### 1. INTRODUCTION

Since 2020, our country has been shaken by the coronavirus disease outbreak. In order to suppress the spread of this disease, the government and other organizations recommend that we keep our distance and stay at home at all times. Although difficult to do, but it is a suggestion that we must heed.

The Covid-19 pandemic, also known as the coronavirus that is endemic in all countries in the world, has caused all sectors of activity to experience a very drastic decline because the government has to implement physical distancing policies, and several countries have also implemented a lockdown system, which means closing all incoming and outgoing access. country and citizens are prohibited from doing activities outside the home. On the one hand this is a good step to maintain public health and reduce the spread of the corona virus, but on the other hand this policy has a significant impact on the business world in Indonesia.

All business sectors in Indonesia are currently competing against each other's strategies in maintaining the company's existence during this pandemic, not even a few companies have gone out of business. One example is that a large startup that has been frequently used by some people, namely Airy Rooms, went out of business on May 31, 2020. It can be concluded that all business sectors have been impacted by Covid-19, but the accommodation and tourism sectors are the most affected and hard to deal with. running a business even though they have used all kinds of strategies, this has caused many employees to be laid off, either temporarily laid off and laid off permanently or Termination of

Employment (PHK).

In the tourism sector, Bali Province is one of the agencies that provide the largest foreign exchange to the Ministry of Finance and the Regional Treasury. According to data from the Central Statistics Agency (BPS), in April 2020, the number of tourist visits to the island of the gods experienced the lowest point in the last four years, down year-on-year by 99.93 (Badan Pusat Statistik, 2020).

In April 2020, the occupancy phase of 5-star hotel rooms in Bali was registered at 3.22%, or down 22.19 points from 25.41% month-over-month (mtm) at TPK registered last month. At the same time, compared to April 2019, the decline was 60.33%, and the room occupancy rate in April 2020 recorded a year-on-year decline of 57.11 percentage points (Badan Pusat Statistik, 2020). In April 2020, the average length of stay of visitors in Indonesia at five-star hotels was 2.49 days, a decrease of 0.31 percent compared to the average length of stay of 2.80 days in March 2020 (Luh Putu Sugiari, 2020). The decline in the number of tourists to the province of Bali resulted in many businesses in the tourism sector and accommodation in the province of Bali closed businesses in order to reduce overhead costs which were inversely proportional to the income earned. One of the efforts to reduce costs by the company is to cut the salary burden, in other words, lay off employees both temporarily and permanently and even lay off or lay off employees.

The World Health Organization (WHO) says that when someone infected with the virus sneezes or coughs, COVID-19 spreads in tiny droplets in the nose and mouth. Then it is dropped on an object and touched by a healthy person touching the eyes, nose, and mouth. Nearly 200 countries in the world have been infected with coronavirus disease, including Indonesia. Various efforts have been made in prevention and treatment. To prevent the spread of coronavirus disease, social distancing is carried out in big cities to break the chain of transmission of the corona virus. Physical blockade or alienation that has a big impact on people's lives, especially in the fields of economy, tourism, hotels, aviation, health, education, socio-economics, and even worship. The public is advised to limit their activities, especially to avoid crowds, such as closing schools, working from home, and not going to places of worship and public places. Restrictions on these activities cause the economy to collapse, many people are unemployed or laid off, so that the unemployment rate will automatically rise. This is where the role of the government is to help people who have lost their jobs stay alive. In Bali itself, it is not only the government that is dealing with COVID19, but traditional villages are also involved. Since March 28, 2020, traditional nations have been involved in controlling the spread of COVID-19.

The Governor of Bali issued Decree Number 472/1571/PPDA/DPMA and Decree Number 05/SK/MDAProv Bali/III/2020. Since then, 1,495 traditional Balinese villages have been given additional tasks to prevent the spread of COVID19 in these villages. In addition to preventing the spread of COVID19, the role of traditional villages may be to help others affected by COVID19.

In the traditional village of Gelgel, Klungkung sub-district and district, many people live by relying on tourism such as being tour guides, photographers, working on cruise ships, art craftsmen including Kamasan wayang painting, songket weaving, bokor craftsmen and other traditional souvenirs that related to tourism. Since this pandemic, many people have lost their income or lost their jobs. Until now, many people only depend on the assistance provided by the government.

Traditional Village is a unit of customary law community in Bali, with a unity of traditions of social life and customs that have been passed down from generation to generation in Hindu society, and has a certain area and connection with Kahyangantiga or Kahyangandesas. You own the assets and have the right to take care of your own home (Surpha, 2012).

Traditional villages in managing the economy of their indigenous peoples have an institution called the Village Credit Institution (LPD) which is a commercial entity owned by traditional cities that is engaged in the savings and loan business. LPD is the name of 4,444 savings and loan companies owned by Balinese traditional villagers. This is a village economic means.

LPD Bali was established in 1985 based on the 1984 Governor of Bali (SK) No. 972. (Perda) Bali No. 8/2002 concerning People's Credit to protect the independence of all aspects of traditional village life, it is deemed necessary to strengthen village finances as a means of Supporting the Establishment of LPD village-owned enterprises (Nandini & Afiatno, 2020).

LPD based on people's economy is the role of LPD in General Interpretation Number 8 of 2002 concerning Losses of Village Credit Institutions, seeking to improve the standard of living of rural customs. Regulation of Microfinance Institutions no. 1/2013 (UULKM) stipulates the legality of state

law as a financial institution in Anglo-Saxon society, and recognizes and provides specific causes 39 (3).

Chapter 39 (3) regulation Number 1 of 2013 concerning UUULKM, LPD and Lumbung Pith Nagari, as well as similar bodies that existed before the promulgation of this provision, have been declared as common law and comply with the constitution. With such a statement, the LPD in Bali and in particular the Village Credit Institution in the Gelgel Traditional Village have legal force guaranteed by the UULM.

This community service activity is designed to help the village community, especially the Gelgel traditional village community, in order to help the economy of the community, which is mostly down due to the Covid-19 which cannot be known or predicted until when the virus will end. Thus, we provide assistance in obtaining low interest loans of 0.39% education for local communities through trading, which previously people were silent and resigned to the conditions experienced due to the impact of the covid-19 pandemic. Seeing this, we are moved to provide assistance with the aim of reviving the economy of the Gelgel traditional village community which has been slumped due to COVID-19.

## 2. METHODS

The technique used here uses the "Community Situation Analysis" method approach, namely this approach is very important to implement because community service activities should be started with the intention of fostering citizens. This step can be done in two steps, by itself more or less (Murdjito, 2020).

First, determine the target audience, whether:

1. Society as a whole;
2. Certain communities;
3. Specific target person or organization;
4. Citizens of certain communities.

Second: Determine the problem areas to be analyzed:

1. In short, it means trying to find, see, and study all the problems facing the group. This requires an interdisciplinary approach.
2. Limited, which means limited to one or two problem areas (Murdjito, 2020).

The community service carried out is to determine certain people, namely the Gelgel traditional village community who have experienced a downturn due to COVID-19 which began to be experienced in early 2020 until now.

## 3. RESULTS AND DISCUSSION

Famous for the practice of traditional villages, Bali certainly has independence in setting economic growth, including managing village assets. Traditional village as one of the traditional institutions which is a place to grow and have strong roots for the development of Balinese culture (Janamijaya et al., 2003). LPD is a community-owned financial institution in the village. According to cause 1 point 10 of PERDA Number 8/2002 concerning Village Credit Institutions, where LPD provides financial services to all indigenous village communities, including the poor.

The definition of a traditional village which is regulated in Article 1 Paragraph 8 of the Bali Regional Regulation No. 4/2019 concerning Traditional Villages, "Indigenous Villages" is an area belonging to the Balinese indigenous community, status, unique structure, culture, and habits of residents in places of worship (kahyangan three or kahyangandes), authorities and obligations as well as the right to regulate and manage the household.

LPD is a village-owned financial joint venture that operates for village karma. In addition, with the development of IT and the global economy, the growing role of LPDs in the savings and loan business is growing. LPD is also a moving forward company that encourages economic growth, where the LPD business is not just a depository institution and credit service provider, but as a payment medium, in a stable economic development in a village (Agustini, 2019).

Before the existence of the LPD in Bali, and with the development of associations (organizations) in traditional villages such as Sekaa Manyi, Semal, Sekaa Gong and others in almost every traditional village. The organization (sekaa) is held traditionally with the capital of mutual

understanding and mutual trust. With the limited existence of Sekaa but able to operate with dedication, honesty, and openness so that Sekaa survives. This did not go unnoticed by the government, it was recognized that Sekaa could promote a larger community if given a touch of administration and modern equipment. Departing from these conditions, where the leader of Bali at that time was the late Prof. Dr. Ida Bagus Mantra and his team are trying to make a breakthrough so that the active role of adat in supporting life, culture, customs and religion has a unique, sustainable and established source of funding to finance activities related to adat such as repairing places of worship, ritual funds, etc (Robinson, 2002):

The existence of this LPD makes it possible to build the existing resources in traditional villages and Pakraman villages, such as cultural, social and economic, making LPDs as financial companies and traditional village assets or into Pakraman villages. The Balinese are aware of the importance of the LPD's role, especially in supporting activities such as Hindu prayers, in helping the underprivileged and emergency loan assistance. If residents are considered to have business capital problems, they can be assisted in requiring unexpected financial needs such as illness or a beneficiary ceremony. Therefore, the aim of LPD is to improve the economy and traditional crafts of the village community.

During this pandemic, the LPD is able to raise the standard of living of normal village customs in accordance with that goal. The increase is in the form of basic food assistance for people affected by the coronavirus, even a decrease in loan interest rates, because currently where many people are laid off, the economy is experiencing a major crisis due to the impact of COVID19. This is one of the functions of the second Tri Hita Karana, namely Pawongan, which means the relationship between humans and humans. LPD makes this part of Tri Hita Karana to support the community during this pandemic. Balinese people are very grateful to have a financial institution like this LPD. Based on local wisdom, these financial institutions are able to replace the national economy overnight during this pandemic.

Traditional village communities, especially the Gelgel traditional village community, get a breath of fresh air with the Village Credit Institution that participates in the impact of covid-19, not only the central and regional governments that provide assistance to their people due to the COVID-19 pandemic but also institutions in rural areas in terms of this is LPD. LPD also plays a role in providing assistance to the community. Even though in the midst of the fear of the Corona Virus (Covid-19) pandemic and most of the traditional manners (communities) not working, the empowerment that is carried out for the survival of the economy, we provide assistance in obtaining credit assistance and basic food assistance as well as assistance in paying debts owed. has not been paid off. In the Gelgel customary village area, the membership consists of 3 Service Villages, namely Kamasan Village, Gelgel Village and Tojan Village, and consists of 28 Banjar Adat namely:

1. Jelantik Kori Batu;
2. Jelantik Mamoran;
3. Tojan Kaler;
4. Tojan Kelod;
5. Lebah Celepik;
6. Sangging;
7. Siku;
8. Geriya;
9. Kacang Dawa;
10. Celagi;
11. Pande Mas;
12. Pande;
13. Pande Kaler;
14. Peken;
15. Tabanan;
16. Jero Kapal;
17. Pancoran;
18. Puri
19. Anyar;

20. Dendeng;
21. Jero Agung Kaler;
22. Jero gung Klod;
23. Pegatepan;
24. Bale Tumbak;
25. Minggir;
26. Dukuh;
27. Nyuh Aya;
28. Tangkas.

The twenty-eight traditional banjars consist of 3,074 families and most of them are affected by Covid-19 so that the Gelgel Traditional Village LPD provides some assistance including:

1. Provision of basic needs.

The Gelgel traditional village community provided basic food assistance worth Rp. 150,000 per Head of Family (KK) for 2 times, namely in April and July 2020. Each basic food contained rice, cooking oil, eggs, sugar and instant noodles. The Gelgel Traditional Village LPD has issued funds to provide basic food assistance of Rp. 150,000 X 2 = Rp. 300,000 to 5,074 people.

2. Provision of Credit Assistance.

LPD provides credit assistance in the form of low interest rates, previously 2% decreased and 1.5% settled, with the pandemic-19, interest rates have been reduced, namely 1% fixed and 1.5 decreased.

3. Granting of Relief or Relaxation of Debt Payments.

Indigenous village communities who already have debts, during this pandemic due to the impact of this corona virus, many indigenous people do not work, resulting in the debts owned by their citizens cannot be fully paid as in the days before the existence of covid-19. In this case, the Gelgel customary village LPD also provides relief to pay its debts.

In this case, the Gelgel Indigenous Village LPD provides relief in the payment of its debts. During the corona virus pandemic, tourist objects are still not open because most Balinese people work in the tourism sector, so the Gelgel Traditional Village LPD provides temporary convenience to pay the principal from the debts that have been borrowed.

According to the Head of the Gelgel Traditional Village LPD, the waivers were given so as to reduce the community's duties in dealing with COVID conditions.<sup>13</sup> The purpose of providing assistance in the form of credit loans is to empower the economic community of the Gelgel indigenous village in terms of opening a temporary trading business before returning to work in the tourism sector, so that it can help the economic growth of the poor Gelgel area community so that their family economy can survive to meet their daily needs. day. The debt from the Gelgel Traditional Village LPD is mostly used to sell online.

#### 4. Conclusion

The LPD Desa Adat in Bali is a pioneer in the Balinese economy, the LPD is responsible for creating the welfare and social stability of the indigenous people of Bali. Given that the economic sector is currently experiencing a major shock due to the outbreak of the corona virus, the burden on society is very heavy. Thus, economic empowerment in the Gelgel indigenous village community The LPD Gelgel Traditional Village has the initiative to empower the community to carry out their lives by selling online in the midst of this corona virus pandemic disaster with some assistance carried out by the LPD itself by providing basic necessities, providing cheap credit and provide policies that still have debt while while the corona virus is still developing, it is lightened by only paying the principal.

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