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Empowerment of Indigenous Communities as a Strategy in Acceleration of National Economic Development: Case Study of Bali Village Credit Institutions, Credit Union Betang Asi Central Kalimantan, and Credit Union Ate Keleng North Sumatera

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Abstract

Customary-based economic institutions aim to maintain the local wisdom of the community and accelerate national economic development. The economic life of indigenous peoples in Bali has increased through the presence of the Village Credit Institution (LPD). The existence of this LPD is an example of success in empowering indigenous peoples. The empowerment of indigenous peoples is based on the concept that each community member has an obligation to support their respective traditional activities. In getting this LPD capital, the traditional leaders make awig-awig as a basis for collecting donations from people who are entrepreneurs or trade-in the customary area. This institution was formed with the aim of making it easy for the community to lend venture capital and the costs of adat activities. With this financial institution, the community has experienced an increase in its economy and welfare. Based on this phenomenon, the problems that will be examined in this study are (1) How does the Balinese Adat Village build its community's economic system? (2) What are the forms of economic institutions of indigenous peoples in Indonesia? (3) What is the economic empowerment model for indigenous peoples as a strategy in accelerating national economic development?. In answering the above problem formulation, this research generally aims to produce an economic model of indigenous peoples as a strategy in accelerating national economic development. Specific objectives: To find out how the Balinese Indigenous Village community built their economic systems; to identify the forms of economic institutions of indigenous peoples in Indonesia; and to formulate the economic empowerment model of indigenous peoples as a strategy in accelerating national economic development. To achieve this goal, researchers conducted research on traditional institutions in 3 provinces, namely: Bali, North Sumatra, Central Kalimantan. This location was chosen because the lifestyle of the people is still determined by their respective traditional institutions. This research was started in Bali because the traditional economic institutions have succeeded in prospering members of the community so far. Researchers used qualitative and quantitative descriptive methods (mixed methods) with comparative case study research types. Thus, this research is expected to get a model in the context of accelerating national economic development. Data is collected and analyzed by observation, interview, and document. The findings are that the three customary settings between the Batak Karo, Bali, and Dayak found that there are similarities in the economic empowerment model of indigenous peoples that are able to meet the desires of each of its members. The conclusion is the existence of customary economic institutions that spur people to improve their economy in order to

accelerate the development of the national economy which ultimately leads to the welfare of the lives of its people.

Keywords: Customary Economy, Indigenous, Institutional Economics, National Economy

1. Introduction

Indonesian territory has traditional institutions that regulate social, cultural, and economic life. Indigenous peoples in Bali have awig-awig that regulate the pattern of social life, culture, religion, and even the economy. In general, awig-awig is known as the Supreme Paruman Decree. Each adat area has its own Paruman Agung Decree in accordance with its social, cultural, religious, economic, and geographical conditions. In developing the concept of customary economy and its capital, the Bali Traditional Village levies fees on traders who do business in their area. This levy is always done every day or every month. This levy is imposed on all parties, both in the informal sector and the formal sector. One of the traditional markets in Badung Regency, Bali Province, which gives donations every month to traditional officials as shown in Figure 1 below.



Figure 1. Traditional Market Atmosphere in Bali, Photo taken by Junaedi (2019)

Small businesses in the informal sector have very low costs, have profit margins, use negotiation agreements outside the legal system, and provide minimum wages [1]. Small businesses in the informal sector are often less efficient in investing than the formal sector [2]. Usually, small businesses are less able to read market opportunities, capital weaknesses, managerial weaknesses, including weaknesses in obtaining market access information [3]. Strengthening carried out by the Village Customary Institution (LPD) in the Province of Bali aims to build the economy of its people. The successful development of this economic model is evidenced by the business activities managed by the Indigenous Village such as traditional markets, cooperatives, LPDs, management of tourist attractions, and so on. The informal sector plays a role in solving the problem of poverty [4]. The informal sector is strongly correlated with economic development [5].

The informal sector is in great demand by residents who work as entrepreneurs. Human capital in the informal sector often creates negative externalities, so the government reduces it through special taxes and regulations [6].

The success of the economic development of indigenous peoples in Bali can be a model for accelerating national economic development through empowering indigenous peoples throughout Indonesia. Therefore, researchers set 3 provinces, namely: Bali, North Sumatra, Central Kalimantan. This research was started from Bali because the customary economic institutions have succeeded in prospering the community through the LPD. The application of the indigenous economic empowerment model can spur communities to improve its economy in order to accelerate national economic development.

1.2 Problem Formulation

From the background of the above problems, it can be formulated as follows:

1. How does the Balinese Indigenous Village build its community economic system?
2. What are the forms of economic institutions of indigenous peoples in Indonesia?
3. What is the economic empowerment model for indigenous peoples as a strategy in accelerating national economic development?

1.3. Research Objectives

This study aims to: find out how the Balinese Adat Village community builds its economic system; identify the forms of economic institutions of indigenous peoples in Indonesia; and formulating the economic empowerment model of indigenous peoples as a strategy in accelerating national economic development.

1.4. Research Urgency

The Indonesian economy is not yet stable and depends on developed countries. Indonesian territory is rich in natural resources, culture, and customs, but it has not yet been utilized to its full potential. Indonesian people have a traditional economic system that has been run for generations, one of them is the indigenous people in Bali through the Village Credit Institutions. Therefore, this research needs to be done to get the economic empowerment model of indigenous peoples as a strategy in accelerating national economic development.

2. Literature Review

2.1 Indigenous Peoples

Indonesian territory is rich in customs that have been passed down for generations. The pattern of community behavior is an important part of these customs. The perspective of the community mostly craves employment as Civil Servants (PNS) and office workers rather than maximizing the potential economic potential of them such as traders or entrepreneurs. The prestige of civil servants or office workers is considered better than employers or traders. Whereas economically, an entrepreneur or trader has a higher income compared to civil servants or office workers.

The economic life or business sector in any form is inseparable from the customs or culture adopted by the community in every region in Indonesia. The level of entrepreneurship varies greatly according to the culture or customs adopted by each society [7]. The Balinese develop the concept of adat economy as determined by awig-awig. The economic capital of the Indigenous Village community in Bali is obtained through official levies to traders who do business in the customary area. This levy is always done every day or every month. This levy is applied to all parties in both the informal and formal sectors.

The pattern of understanding of a type of work is influenced by the customs or culture of the community. Cultural factors of each society greatly affect the level of productivity. Attitude and perspective of a person as a result of community cultural interaction are the main factors that inhibit development. In the environment of tropical society, attitudes toward agricultural work are negative, and working outside is a type of work with low status. Many cultures are very static and there is little desire to do self-improvement, change, and work. People who work hard and want to change are still very minimal in Indonesia because of the structure of their society. Moreover, influenced by feudalistic cultural settings, so that resources are dominated by landlords [8]. Thus, adat is very influential in increasing the economy of a region and even increasing national economic development.

2.2 National Economic Development

The acceleration of national economic development is inseparable from the existing economic institutions in all regions of Indonesia. The concept was developed in New Institutional Economics (NIE) with a foundation that seeks to build ideas about institutions and organizations with the aim of achieving efficiency and minimizing costs. In the concept of overall costs are not only in the form of production costs such as the neoclassical economic conception but also transaction costs [13, 14, 15, 16, 17].

The competitive state of the Indonesian market can be a natural selection, where only efficient companies benefit. In the context of the economy of the Balinese people emphasize certainty and diversity. NIE on the other hand operates at two levels, namely, the macro-environment called the institutional environment (institutional environment) and the microenvironment called the institutional arrangement (institutional arrangement). The institutional environment is a set of political, social, and legal regulatory structures that stabilize production, exchange, and distribution activities. The economic policy environment as a macro-environment includes rules regarding electoral procedures, ownership rights, and contractual rights [9, 13, 14, 15, 16, 17].

In NIE explores non-market institutional ideas (ownership rights, contracts, revolutionary parties, etc.) as a way to compensate for market failures. In the NIE approach, the presence of imperfect information, production externalities, and public goods are identified as the most important sources of market failure, thus necessitating the presence of non-market institutions. In contrast, in the neo-classical approach, the three variables above are assumed not to exist, so the transaction costs associated with these variables are considered to be non-existent. In addition, the NIE literature adds several important points about institutional failures which are the cause of underdevelopment in many countries. The institutional failure refers to the contractual and legal structure, as well as weak regulation of third party enforcement, even though all of this must be strengthened to be able to carry out market transactions [10, 13, 14, 15, 16, 17].

The working principle of the NIE operates at two levels, namely the institutional environment (macro-level) and institutional arrangements (institutional level (micro-level)). In this context, Micro, Small, and Medium Enterprises (MSMEs) play a role in expanding employment and contributing to Gross Domestic Income (GDP) [3]. Institutional environment is a set of political, social, and legal regulatory structures that describe production, exchange, and distribution activities. The rules regarding election procedures, ownership rights, and rights in contracts are some examples of environmental/economic policies. Conversely, the level of microanalysis is related to the problem of institutional governance (institutions of governance).

The institutional agreement is an agreement between economic units that aims to manage and find a way so that inter-unit relations run smoothly, both through cooperation and competition. An ownership agreement is an institutional arrangement because it allocates ownership rights to individuals, groups, or the government [6].

Institutional agreements refer to ways to manage transactions, whether through markets, shadow markets (quasi-markets), or contract models that use the hierarchy. Institutional agreement approaches the most popular term referred to as ‘institutional’ [10, 13, 14, 15, 16, 17]. The focus is on individual transactions related to the organization or culture of the community. In this case, the relationship between culture and entrepreneurship as well as culture is very influential in the development of entrepreneurship [11, 12]. Based on the description above, the relationship between culture and entrepreneurship greatly affects the economic improvement of the Indonesian people. Culture has an important role in shaping entrepreneurship, both local culture and national culture. Thus, customary institutions in all regions of Indonesia can be developed to improve the economy and welfare of its people [13, 14, 15, 16, 17].

3. Research Method

The method used in this study is a qualitative and quantitative descriptive method (mixed method) and a type of grounded research that conducts in-depth interviews with triangulation techniques to traditional leaders in Indonesia and the banking sector. Qualitative and quantitative research is a process of finding data that aims to understand social problems that are based on holistic research, formed by words, and obtained from natural situations.

The research locations were carried out in 3 provinces namely Bali, North Sumatra, Central Kalimantan. To start this research began in the Province of Bali because this area already has a customary economic institution (LPD) that has succeeded in improving the economy and welfare of its people and impacting on the acceleration of national economic development.

Data collection techniques carried out by observation, interviews, and document/library studies. Observations were made by observing the economic life of indigenous peoples in the three provinces. Then traditional leaders and SMEs were interviewed in-depth who used the snowball method to the point of saturation of research related to the community's economy and the types of jobs and businesses that he had been engaged in so far. After the data is collected, the data is reduced, then analyzed and arranged according to the desired patterns so that it is easily understood by the reader.

3.4 Research Framework

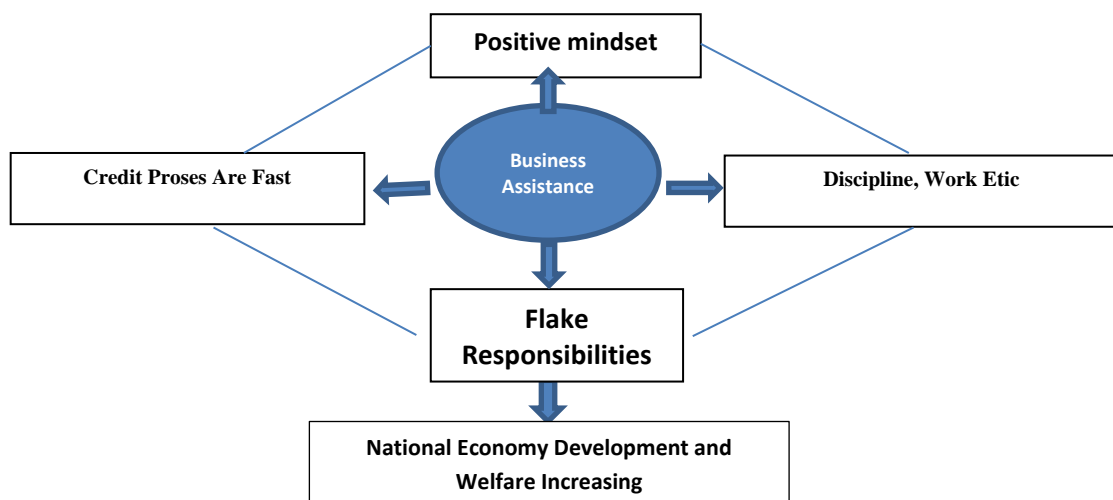


Figure 2. Research Framework

4. Findings and Analysis

The three forms of indigenous economic empowerment, the authors discuss sequentially. Namely, the first Village Credit Institutions (LPD) in the province of Bali, the second Ate Keleng Credit Union (CU) in North Sumatra province, and finally the Betang Asi CU in Central Kalimantan province.

4.1 Village Perkreditan Institution (LPD) in Bali.

The Village Credit Institution in Bali as a savings and loan business entity owned by a customary village, functions and aims primarily to encourage the economic development of rural communities through targeted savings and effective capital distribution Village Credit Institutions (LPD) as a financial institution that carries out the activities of collecting and channeling community funds operating in a customary village administration area on the basis of kinship between villagers. By relying on the number of villagers and the close family ties within the LPD village, they continue to develop their institutions. LPD is a financial business entity that is owned by a community (village) not owned by an individual / legal entity. LPD working area: in the local village environment. One of the LPD's capital comes from non-governmental funds.

4.1.2. LPD History

The LPD, beginning in 1983 at that time Ida Bagus Mantra, formulated the idea of forming an adat-based financial institution by adopting and developing the concept of local wisdom: *sekaa* in Banjar in the midst of Balinese society. To reinforce his idea, the Governor of Mantra held a comparative study in Padang. There was already established *Pitih Nagari Granary (LPN)*. LPN is a savings and loan institution for the indigenous people of Padang which is quite successful. LPN already existed in Minang, long before Japan colonized Indonesia. LPN initially recognized the basic principles of *arisan* which were utilized for customary interests such as engagement ceremonies, marriages, *Datuk* appointments, and others. At the same time, the Central Government also launched a program to establish credit institutions in rural areas to encourage economic development and improve the welfare of rural communities. A few months later a seminar was held on Village Financial Institutions (LKD) or Village Credit Agencies (BKD) in Semarang held by the Ministry of Home Affairs in February 1984. A number of provinces in Indonesia actually had Rural Credit Institutions that flourished in the 1980s. This institution is generally called the Village Fund and Credit Institution (LDKP). But in each region, the names are different as in Aceh called the Sub-District Credit Institution (LKC), in West Java the Sub-District Credit Institution (LPK), in Central Java the Sub-District Credit Agency (BKK).

Bali tried to translate and finally, the Village Credit Institution (LPD) was formed in Bali with the aim of helping traditional villages. LPD's profits are planned to build religious life and ceremonial activities such as *piodalan* (ceremonies) so that citizens do not have to pay mandatory contributions. First, one LPD pilot project was made in each district. At that time, the legal basis for the formation of the LPD was only a Decree (SK) of the Governor of Bali's First Level Region No. 972 of 1984, November 19, 1984. Furthermore, 1985 (24 LPD), 1986 (71 LPD). Four years later 1990 (341), 1995 (849 LPD), 2000 (930 LPD), 2005 (1,304 LPD). In 2015 (1,423 LPD), in 2016 the total LPD in Bali reached 1,433 LPD. Based on data, as of October 2018, from 1433 LPD in Bali, with more than 7,900 employees and total assets reached Rp 21.5 trillion. Furthermore, the LPD was strengthened by the Bali provincial regulation no. 2/1988 to Bali provincial regulations No.8 / 2002 and related regulations. In addition to the requirement to have a written customary village regulation, the establishment of an LPD also depends on the provincial government's annual budget to provide start-up capital and prepare management implementers.

4.1.3. LPD Vision

The realization of a healthy, strong, productive, and trusted LPD industry as a microfinance institution to support rural development, as well as the preservation of customs and culture of the Balinese region based on Tri Hita Karana in order to enrich the nation's cultural treasures. Mission: Creating conditions that are conducive to encouraging the improvement of LPD performance and sustainable financial services to the villagers of Pekraman to support economic growth and improve the welfare of village manners in the Bali region.

4.1.4. LPD Management

LPD management is the representative of each Banjar in the local traditional village. See the diagram below i.e. an example of the structure of LPD.

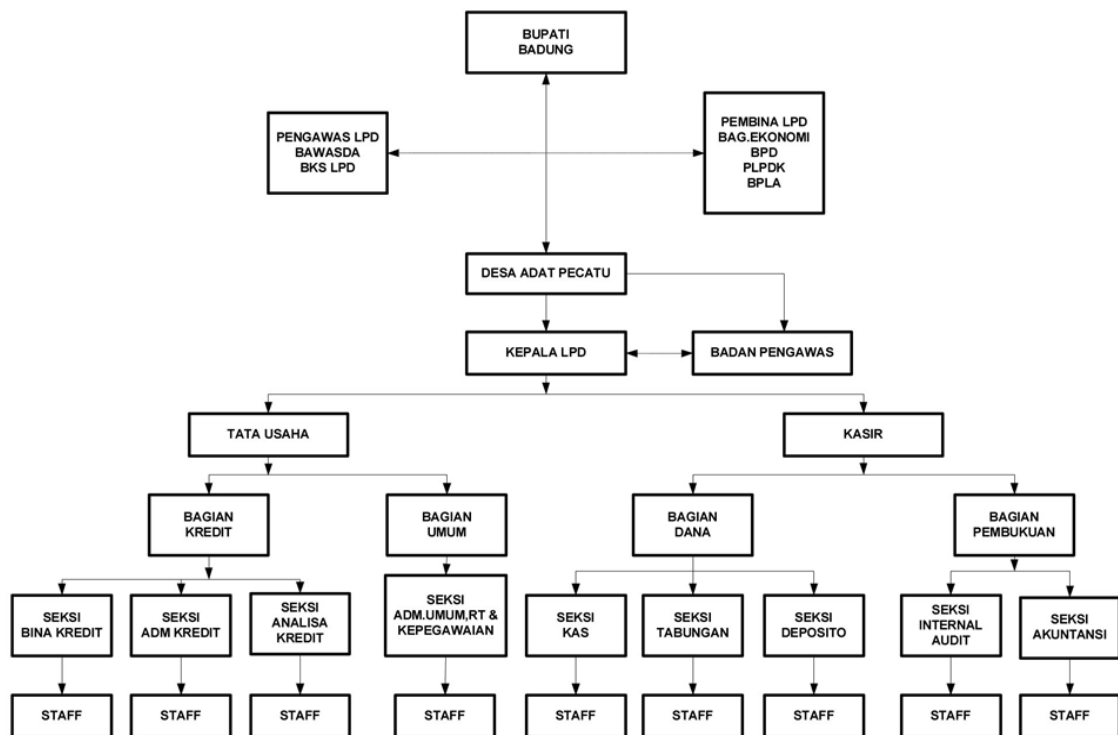


Figure 3. The Organizational Structure of LPD

4.1.5. LPD has Functions And Objectives

LPD is as a container for village wealth in the form of money or other securities, also as one of the Indigenous Village Owned Enterprises (BUMDA) directed at efforts to improve the standard of living of the village manners and support the development of the Customary Village. Encourage the development and maintain the economic resilience of the Adat Village society through targeted savings and effective capital distribution). Eradicate bondage, dark pawn, etc. which can be likened to it. Creating equity and business opportunities for villagers and rural labor. Increasing purchasing power is expediting payment and money flow in villages, and preserving Hindu culture, customs, and religion.

Excellence of LPD consists of (1) Lending is prioritized for weak economy communities as business capital, (2) Low-interest loans (including soft loans), (3) The repayment period is 1-5 years depending on the size of the loan, with reduced interest, (4)

For loans in certain amounts can be submitted without collateral/collateral, (5) For those who do not / do not have a KTP Bali can apply for credit/loan with KIPEM and a statement of guarantee from Kelian Banjar where he lived while in Bali, (5) Not subject to administrative costs, and (6) The process is fast.

Bali Provincial Regulation No.4 of 2012 concerning LPD article 22, paragraph 1 explains: one of the net profit sharing of LPD at the end of the accounting year is for a 20% village development fund and a 5% social fund. This indicates that LPDs in Bali also has a social responsibility to the community. Disclosure of social responsibility to LPDs in Bali, which are given to indigenous village communities in accordance with the teachings of Tri Hita Karana (Parhyangan, pawongan, and palemahan). The LPD has clearly provided 20 percent of the profits for Bali's development. As an illustration at the end of 2017, the profit of LPD throughout Bali reached more than 524 billion, meaning that development funds of more than 120 billion were handed over directly to the development of indigenous villages. Bali Provincial Regulation No.4 of 2012 concerning LPD article 22, paragraph 1 explains that the net profit sharing of LPDs at the end of the accounting year is determined (a) capital reserves of 60%, (b) village development funds 20%, (c) production services 10 %, (d) development fund, supervision, and protection 5%, (e) social fund 5%. The deposit and use of the profits referred to are in accordance with the governor's decision. LPD is a financial institution owned by Pakraman village that has developed and provides socioeconomic, and cultural benefits to its members. This institution which is not under the supervision of OJK in the future is still very relevant and needed as a driving wheel for the economy in Bali. Especially for SMEs when there is difficulty in accessing official banks, this is the place.

LPD is actually also governed by a financial regulation regulated in the Financial Law and Law No. 1 of 2013 concerning Microfinance Institutions (MFIs). However, in practice, the LPD is now a full practice of saving and lending money with interest-bearing money systems, and he assesses such practices as the Rural Bank (BPR) by getting an exception. The existence of LPDs is regulated in Act Number 1 of 2013 concerning Microfinance Institutions (LKM). Paragraph 3 Article 39 of the Law, which reads "Village Credit Institutions and Pitih Nagari Granary and similar institutions that existed before this Law came into force, is declared to be recognized under customary law and not subject to this Act".

Furthermore, with the stipulation of the Indigenous Village Ranperda to be a Regional Regulation (No.4 Year 2019), in the future customary villages in Bali have the right to arrange their own awig awig and legal before the law, including compiling awig-awig for LPD development. Local regulations will strengthen customary law, and LPDs under customary law will be stronger. The establishment of the LPD to strengthen the strongholds of village autonomy authority in enduring a sustainable culture must be understood together. The role and function of the LPD holistically in the strengthening and development of the Indigenous Village economy as well as the preservation of customs, traditions, arts and culture, and Balinese local wisdom.

4.1.6. LPD: Era Digitalization

Although LPD is a traditional financial institution, its management must be professional by encouraging the use of digital technology. Become a necessity, so that it does not become left behind especially in the current digitalization era. LPD must be able to develop innovation in the development of digitization so that LPD becomes a traditional institution with a digitalized management system as a form of implementation of modernization.

In addition to digitization, educated, and certified human resources are absolutely a must-have. Of the 1,433 LPDs scattered throughout Bali, 600 of them have used LPD core standardization which facilitates data input and facilitates the LP-LPD

inspection and supervision system. The use of LPD mobile has started to be carried out by LPD which provides convenience for customers. Included at this time is the BKS-LPD has designed the LPD Smart Outlet in collaboration with shops or stalls in the Pakraman village area.

The business activities of Labda Pacingkremen Indigenous Village (LPD) planned by the Governor of Koster include three business fields, namely the business of managing the Padruwen Indigenous Village, managing the Punia Krama Fund, and Krama Indigenous Village social-economic activities.

4.2. Credit Union Ate Keleng, Batak Karo

The foundation is named Ate Keleng Karo Protestant Batak Church Foundation (CU ATE KELENG) domiciled in Kabanjahe, using branches and / or representatives in other places determined by the Management with the approval of the Trustees. This foundation was established for an indefinite period of time and began on September 9, 1988. Based on the lofty aspiration to participate in selfless service and a non-profit basis for all humanity, this foundation has a purpose and objectives in the Social Field.

4.2.1. A Brief History of Credit Union Ate Keleng

Ate Keleng Foundation (YAK) is one of the work units in the Diaconia Karo Protestant Batak Church. As the basis for the establishment of YAK is the awareness of the Church to see the problems of community life in the political, economic, environmental, and socio-cultural fields. Ate Keleng Foundation was registered at the Kabanjahe District Court dated November 29, 1989, under no. 41/1989. Then amended by the amendment to the Articles of Association of the Ate Keleng Foundation dated March 10, 1997, with No. 17 and registered by the District Court Kabanjahe dated May 5, 1999, and announced in the State Gazette of the Republic of Indonesia dated June 22, 1999. Then amended again with the Deed of Member Income and Expenditures, Agency Founder and Management Board, and adjustments to the Articles of Association of the Ate Keleng Tanggan May 19, 2005 No. 8 and announced the State Gazette of the Republic of Indonesia on December 30, 2005. Lastly amended by the Deed of the Ate Keleng Foundation Batak Karo Protestant Church dated June 3, 2006 No 3 was made before Pagit Maria Bachelor of Laws from the amendment have been received and recorded in the list of the Ministry of Law and Human Rights of the Republic of Indonesia Director General of General Law Administration dated June 3, 2006.

4.2.2. Purpose and Objectives of Credit Union Ate Keleng

The 2015-2020 GBKP strategy is transformation. In line with this strategy, YAK or PARPEM GBKP has sought to reassert the relevance of its presence in the community as a GBKP diaconian unit. Some important points generated from the External Evaluation (by independent experts), several FGDs, seminars, workshops, and meetings, have produced several important points as follows: Credit Union Ate Keleng must improve its service strategy according to the needs of the assisted community (contextual service). The ministry of Credit Union Ate Keleng must remain based on the spirit of sincere love to preach the gospel to all humans, especially those who are poor or backward so that peace on earth can be realized (Luke 4: 18-19). "Credit Union Ate Keleng" built a Learning Center to ensure the sustainability of "Credit Union Ate Keleng"s services and work going forward. For "Credit Union Ate Keleng"s independence, in the future YAK will focus more on mobilizing local resources by advancing service units such as CU (MFG or KKM), PERKELENG, PT. BPR Pijer Podi Kekelengen, TC or LC and Research, PSA Marketing, Workshop, and Canteen.

To advance local service units such as CU (MFG or KKM), PERKELENG, PT. BPR Pijer Podi Kekelengen, TC or LC and Research, PSA Marketing, Workshop, and Canteen, needs to have available HR with integrity while also still willing to learn to improve skills/expertise in accordance with required standards. To support the independence of Credit Union Ate Keleng and make Credit Union Ate Keleng services effective, cooperation or networking with other institutions, both government and non-government, needs to be carried out by ensuring that the cooperation is equal (partner) cooperation and mutual development. Documenting Credit Union Ate Keleng best practices and sharing them. Those are some important points that are the basis for “Credit Union Ate Keleng”’s improvement (optimization) in continuing its services going forward.

4.2.3. Mission Credit Union Ate Keleng

In a participatory and gender justice perspective, “Credit Union Ate Keleng”: Increasing economic independence, welfare, and awareness of the analysis; and Organize communities to fight for their rights, carry out their responsibilities and be able to maintain and use their local resources sustainably.

4.2.4. “Credit Union Ate Keleng”Vision

Become a Social Foundation or Diaconal that can be relied upon to facilitate the realization of an independent society that is sovereign, fair, and peaceful. Reliable means: Credit Union Ate Keleng as an institution/organization can be trusted because it has a measurable and complete service standard. Credit Union Ate Keleng will not provide trial and error service, but it is guaranteed. Independent community: Communities that are able to consciously utilize their local resources in a participatory and sustainable manner. Sovereign means: Independent people who have realized their rights and are willing and able to use them properly. Ead Fair means An independent society that truly understands the meaning of justice and enjoys that justice Peaceful Prosperity means: An independent society that is fulfilled its civil, social, economic, political and cultural rights, and lives peacefully in diversity.

4.2.5. Values and Principles of Credit Union Ate Keleng

There are some values and principles They have, i.e.: (1) Honesty, means that Credit Union Ate Keleng as an organization and individually prioritizes the real thing and suitability in all matters (probity). (2) Openness, which means that Credit Union Ate Keleng as an organization and individuals do not have a secret agenda let alone carry out activities or services hidden (transparency), (3) Accountability, meaning that Credit Union Ate Keleng is organizationally and individually able to account for all of its services (accountability), (4) Sacrifice, meaning Credit Union Ate Keleng as an organization and individuals want to give themselves to be a blessing to the world, (5) Volunteering and Keugharian, meaning Credit Union Ate Keleng as an organization and individuals willing to work willingly based on noble ideals to participate unconditionally to serve all humanity with simplicity, humility and uphold the principle of shared prosperity, (6) Mutual Cooperation, meaning that Credit Union Ate Keleng as an organization and individually upholds the principle of cooperation and involves everyone as a work colleague. All people are created by God with the ability to be respected and must be involved in the celebration of life. (7) Kinship, meaning Credit Union Ate Keleng as an organization and individually upholds the principle of kinship that is love for each other and all creation.

4.2.6 Work Culture "Sora Si Metenget"

The work culture of **CREDIT UNION ATE KELENG** consist of: (1) Courtesy, (2) FRIENDLY, (3) SPEAKING, (4) FUN, (5) EXPRESSIVE AND RESPONSIBLE, (6) ENERJIC, (7) THE RIGHT TIME

4.2.7 The Motto Credit Union Ate Keleng.

The Credit union in Ate Keleng has a Motto, i.e.: (1) Being faithful in small matters, (2) Little by little, gradually becomes a hill, (3) Unite we stand, divorce collapses

4.3 Credit Union Betang Asi

4.3.1 History of Credit Union.

In the 19th century, 1846-1847, German society was struck by famine and severe winter. As a result of bad weather, many residents are starving. Even disease attacks them. Eventually, life became very chaotic. Farmers who depend on the generosity of the helpless nature. Henry Wolff, a local official, described the condition of the farmers at that time as "The World of Hope". Poor helpless and messy agriculture. The community does not have money to buy agricultural machinery, fertilizers, seeds, or build farms to increase income. Friedrich Wilhelm Raiffeisen moved to Heddersdoff and again served as mayor. He also founded the association of the Heddesdorfer Welfare Organization, an organization engaged in the social and educational fields. Then this organization is known quite widely in the community. Although the organization was successful, various obstacles arose. The investors from the rich began to fade with enthusiasm because of the benefits of the organization they did not feel.

Seeing this condition the mayor of Flammersfield, Friedrich Wilhelm Raiffeisen was concerned and wanted to help the poor. He invited rich people to help. He managed to collect money and bread, then distributed it to the poor. It turns out that charity does not solve the problem of poverty. Because poverty is the result of wrong thinking. The use of money is not controlled and not a few recipients of charity waste their money so that they can ask for more charity immediately. Finally, philanthropists are no longer interested in helping the poor. Raiffeisen did not give up. He took another way to answer this problem of poverty. He collected bread from bread factories in Germany to distribute to poor workers and farmers. But this effort did not solve the problem. Today is given bread, tomorrow is up, and so on. Based on that experience, Raiffeisen concluded: "The difficulties of the poor can only be overcome by the poor themselves. The poor must collect money together and then lend to others as well. Loans must be used for productive purposes that provide income. Loan guarantees are the character of the borrower. "

Reiffeisen continued to refine and perfect ideas especially regarding the principles and methods of community organizing. Finally, he replaced the approach of the charity and mercy approach with the "Principle of Helping Yourself" (self-help). It turned out that this approach was successful. In 1864 Friedrich Wilhelm Raiffeisen founded a new organization called "Heddesdorfer Credit Union" in which most of the members were farmers. To be a member one must be of good character, diligent, and honest. To find out, the neighbors must provide recommendations. The activity is similar to arisan, collecting a sum of money and then lending it to members in need.

4.3.2 The vision and mission of Credit Union Betang Asi

Trusted and enduring Dayak-based indigenous credit union in Central Kalimantan, and the mission of Credit Union Betang Asi: Realizing Member Welfare Through professional financial empowerment and services

4.3.3 Core Values Credit Union Betang Asi

Being a "HARATI"

H = Honesty
A = Alertness
R = Reliability
A = Accountability (Responsible)
T = Transparency
I = Integrity

4.3.4 Slogan Credit Union Betang Asi “Handep Deal With Batarung” Management (Membership)

In interview with Ps Yusuf who He said that there is several ways to join as a member as follows: 1. Fill in the application form for personal data. 2. Attach a photocopy of the KTP of Prospective Members and husband or wife (if married). 3. Attach a copy of the Family Card. 4. Passing through the process of Candidate Members for 2 (two) months. 5. Meet the initial minimum share of IDR. 1,000,000. 6. Participate in Members' Basic Education, and have understood and obeyed the Articles of Association and Cooperative Policy Pattern. 7. New Members Deposit initial shares of IDR. 1,025,000, - with details: Principal Deposit of IDR. 750,000, - Mandatory Savings of IDR. 150,000, - Voluntary Deposits of IDR. 100.000, - IDR. 25,000, - Principal Deposit, only paid once during membership. Mandatory Deposits is minimum IDR. 50,000 is regularly deposited monthly during membership.

Voluntary Deposits, deposits to enlarge Member shares. Derived from Members 'deposits or from members' mandatory loan deductions. Products and services provided by CU Betang Asi such as Savings and Loans Services, Social Security, Community Based Empowerment Assistance. At present, there are 80 groups in 24 Regencies and Cities. Examples of businesses that are empowered are Pig Breeders, Catfish, Chickens both laying hens and broilers (primary data, 2019). Where the focus or target is the lower middle class. Besides that, there were also Credit Union members who sold wet rubber, gold suction, who wanted to awaken the spirit of the Dayak Indigenous People's Locality.

4.3.5 Types of Credit Union Betang Asi

1. Capitalization Loans are loans to become members and increase membership deposits. The maximum credit limit is given to a member of IDR. 25,000,000. With a 1.25% interest decreased.
2. Tahasak Credit is credit given to increase capital and or develop a productive business. The maximum credit is IDR. 300,000,000. Credit services with 1.5% interest declined. The maximum credit repayment period is 60 months.
3. Panatau Credit is a multipurpose credit or for household, married and other purposes. Maximum credit of IDR. 150,000,000. With an interest of 1.75% decreasing. Where the maximum loan repayment period is 60 months.
4. Harati Credit is credit given to members to finance education and increase Harati's savings. With an interest of 1.25% decreasing. The maximum credit repayment period is 60 months.
5. Lasang Credit is credit for the purchase of cars and motor vehicles (new or used). Credit services by 1.75% decreased. The maximum credit repayment period is 48 months.
6. Huma Credit is credit given to members to buy or build, renovate, both residential houses, rental houses, and shop houses, and or buy land intended to build houses and add to savings deposits. Credit services by 1.25% decreased. The maximum repayment period is 120 months. Collateral in the form of a certificate of

- ownership (SHM) or a certificate of Building Use Rights (SHGB) that is still valid on behalf of the applicant (husband or wife).
7. Group business credit is credit given to assist members of the Betang Asi CU target group in developing short-term productive businesses in line with the line of business being carried out. Credit is given only to members of the fostered group registered at Betang Asi CU in the empowerment section and already have a group decree from the CU management. Type of business in the fields of smallholder plantations, agriculture, animal husbandry, fisheries, industry or services, and trade. The maximum loan is IDR. 25,000,000 per group member. Interest is 1% fixed per month and is paid upfront at the time of disbursement.
 8. Microcredit is to support members' productive businesses and other small-scale needs. The maximum credit is IDR.15,000,000 with a maximum term of 24 months. Credit services 1.25% decreased.

5. Conclusion

From the explanation above, where the author has studied and paid attention to the three customary settings between Karo Batak, Bali, and Dayak it was found that there are similarities in the economic empowerment model of indigenous peoples that are able to fulfill the desires of each of its members. (1). The way the Balinese Indigenous Village builds the economic system of its people is by strengthening the LPD by collecting contributions from residents of their village. (2) The forms of economic institutions of indigenous peoples in Indonesia are in the form of credit unions (both in the Batak Karo and Dayak customs). (3) The economic empowerment model of indigenous peoples as a strategy in accelerating the development of the national economy, namely: (a) Helping troubled members. (b) Helping people who want to grow and try. (c) There are Standard Operating Procedures that must be passed by members in each of these customs. (d) The existence of cheap interest that causes no courage to borrow that can be used for business. (e) There are borrowing conditions set by each institution but differ in terms of credit services.

The similarities are the existence of customary economic institutions that support people to improve their economy in order to accelerate the development of the national economy which ultimately leads to the welfare of the lives of its people.

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