

Village Assets for Local Residents: Ecological and Social Capital-Based Asset Governance Model

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Abstract

This research is motivated by conditions where the types and values of assets owned by the village government have continued to increase in the last five years. However, their utilization has not been managed optimally. So far, the management of village assets has been dominated by an administrative approach rather than an emphasis on "utilization" with an entrepreneurial orientation. The administrative routine in managing village assets causes the "excess benefits" that can be obtained from these assets to be ignored. Therefore, the management of village assets needs to present a new paradigm and shift the old view that only performs administrative actions. This research aims to formulate a village asset management model by integrating local ecological, social, and cultural resources. This research uses a qualitative approach with a case study type. Obtain a realistic picture of the situation using direct observation and in-depth interview techniques (Depth interview) to collect data. In addition to primary data obtained through observation and interviews, this study also collects secondary data in the form of documents. Data were analyzed following the rules used in qualitative research. The data will go through several stages of the coding process. Each stage of the data will be reduced to produce a proposition statement. The model is expected to be the basis for the village government to formulate village asset management policies by considering the local potential to stimulate the community to empower themselves in rural economic activities.

Keywords: Village Assets, Local Potential, Economic Empowerment, Village Government

1.1. Background

The situation in the village today seems to be getting better since the capacity of the village budget continues to increase. Different conditions when village funds have not been implemented, village infrastructure still feels difficult for villagers. The village road infrastructure is still difficult to pass, the distribution route for agricultural products to the market location is far from feasible. This situation makes it difficult for villagers to move out and into rural areas. Agricultural products, handicraft products, including processed food, and several other products produced from the village face marketing distribution constraints. This unfavorable situation has made it difficult for the rural economy to develop correctly, even though the potential is significant. This description is a condition when village funds are still unknown in the state financial system. This situation has

changed a lot and is getting better since the law on villages mandates the village fund budget for the village level government.

The amount of the village fund budget continues to increase, making the value of assets managed by the village government also continue to increase. The orientation of village funds that have been used for village development programs has increased the number of village assets. Some of the village assets function as public facilities, and some support village government operations. However, there are still other village assets that have not provided socio-economic benefits for the village government and local communities.

So far, the management of village assets has been dominated by an administrative approach rather than an emphasis on “utilization” with an entrepreneurial orientation. The administrative routine of managing village assets makes the opportunity to get more benefits from the existence of neglected assets just like that. Village land (carik), buildings, equipment, and several other assets have not brought economic implications, but on the contrary, some of these assets have been burdened with maintenance. Therefore, the management of village assets needs to present a new paradigm oriented towards more empowered utilization. The paradigm of village asset management is more holistic and not limited to a partial point of view.

A holistic perspective means integrating the management of village assets with the local potential found in rural areas. Natural, social, and local cultural resources are natural potentials possessed by rural communities. Integrating village asset management with natural potential allows the community to empower themselves towards a more decent economic reform.

1.2. Problem

For villages located in hilly areas, apart from having an attractive natural panorama, they also have a better soil fertility level. This situation is a description of the situation of the natural environment found in partner villages. However, the limited ability to explore the village's potential is a problem for the community to develop rural areas. Therefore, in order for all the potentials of the village to have economic implications, it is necessary to formulate a model for integrating village asset management with natural resources.

1.3. Special purpose

This research aims to formulate a village asset management model by integrating local ecological, social, and cultural resources. The model is expected to be the basis for the village government to formulate village asset management policies by considering local potentials that can stimulate village communities to empower themselves in economic activities.

2. Literature Review

2.1. Village Government Assets

For public institutions such as the government, assets are the backbone in the provision of public services. So it is only natural that most of the budget allocated by the government is in the form of capital expenditures which will be converted into government assets. It is not without reason why the government allocates a budget for asset expenditure with a reasonably significant value because all levels of society can enjoy assets. Government assets, namely public roads, street lighting, bridges, and several

other assets, are public facilities where every citizen can use according to their interests. The high public demand for these assets encourages the government to organize its management accountable, efficient, and effective manner. As stated by [1], the management of government assets by prioritizing efficiency considerations can facilitate the community's needs. Likewise, on the aspect of the effectiveness of asset management at the village government level, according to [2] in an empirical study describes that to achieve effectiveness in managing village assets, presenting competence for asset managers in the village apparatus environment is increasingly needed. In line with this research, [3] also stated that the quality of local resources could create effectiveness in asset management. The meaning of "local" in this research refers to the resources of the regional apparatus. Regarding the competence of human resources in asset management, the two researchers acknowledged that they were needed even though both researched the realm of different government entities.

The distribution of village assets in different places becomes an obstacle for managers in conducting supervision and monitoring in terms of updating the physical condition of assets. Therefore, support for the competence of human resources in carrying out monitoring and monitoring functions is essential in the context of asset management. [4] revealed that through their research using an empirical approach, they found that the quality of human resources mediates the quality of monitoring in the management of regional assets. In line with this research, [5] stated that the quality of human resources statistically influences the quality in asset management. However, according to Arline and colleagues, the compensation variable plays a role in the formation of asset management quality which has not been described. In the research of [4]. In a different perspective, [6], through their research in the Village Government, Buleleng District, Bali Province, found that the professionalism of the apparatus and efforts to optimize village assets can stimulate an increase in original village income. This is in line with what was found by [6] in [7]; by applying qualitative methods, the implementation of asset management in Krayan village to improve welfare has been running according to the applicable regulations. However, the researcher notes that the village is not doing well in the implementation of asset utilization and supervision.

Using the perspective of Stewardship Theory, [8] describe the legality aspect of assets by dissecting the intrinsic facts; through their research, they managed to find that assets owned by government entities still have properties that have not been supported by formal legality evidence. This situation makes it difficult for the government to recognize property assets that are their rights. In the end, the implementation of regulations governing village asset management has not been able to run optimally. Likewise, property belonging to the village government should attribute acquisition value or market value [9]; on the contrary, some properties have not been attributable to monetary value.

2.2. Advantages of Ecology and Social Capital

Socio-culture and the advantages of the natural environment are riches that are often found in rural environments. This wealth cannot be measured economically as is usually applied to village physical assets. Although social capital and ecological advantages do not have an economic size base, they can stimulate economic value. The ecotourism development area has succeeded in converting the natural potential and socio-cultural life into economic value for people in rural areas. Social capital is also often used to improve the welfare of farmers ([10]. Changes in policies that have implications for life in rural areas make people need adaptation mechanisms and socio-cultural capital to function optimally [11]. Elements of the social capital contained in the process of reciprocity (reciprocity),

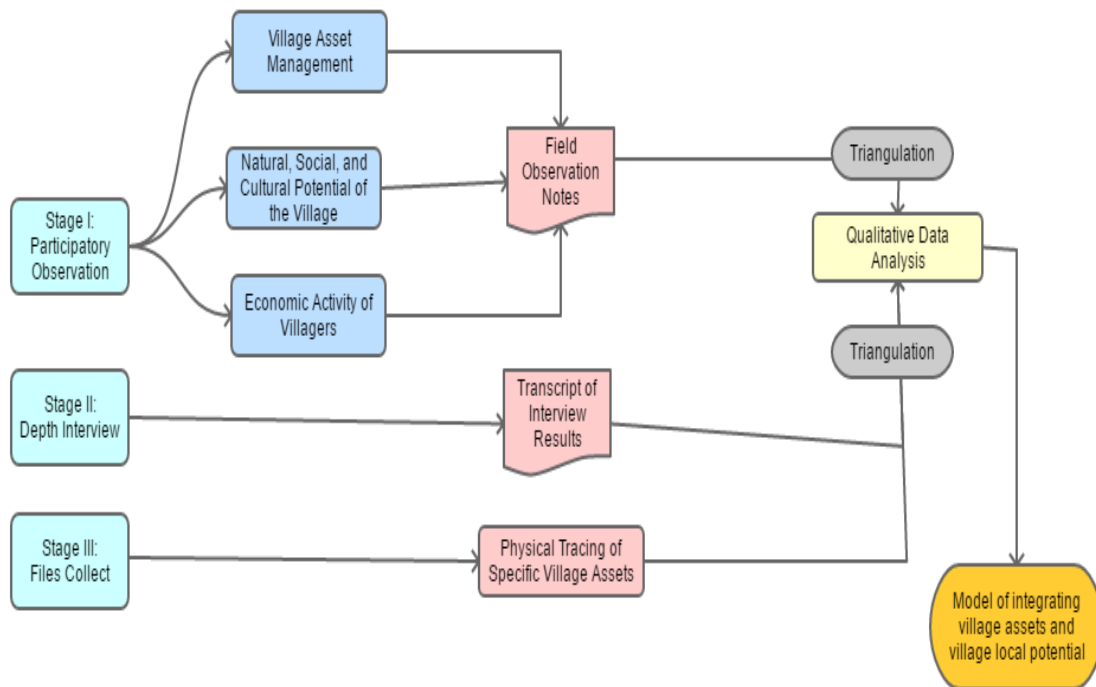
trust (trust), and complementarity (complementary) that prevails among rural communities make this type of capital widely used to overcome socio-economic problems.

The review of the research map described above guides researchers to integrate aspects of village asset management that are widely studied in economics, especially in the accounting field, combined with social and cultural aspects and ecology. The combination of these two scientific fields into one research room is the novelty aspect of this research.

3. Methods and Data Collection

This research uses a qualitative methodology with a case study approach. His ability to parse problems in depth so that this type is widely used in research, including in this research. Obtain a realistic picture of the situation by using direct observation techniques and in-depth interview techniques (Depth interview) to collect data. In contrast to other research approaches, interview techniques in qualitative research are unstructured so that the questions presented develop dynamically following the growing flow of information. In addition to primary data obtained through observation and interviews, this study also collects secondary data in the form of documents. Several secondary documents, such as a list of village assets, will be used in this study, then analyzed to obtain information on the existence of assets and their utilization so far.

Figure 1. The flow of Field Research Stages



Data were analyzed following the rules used in qualitative research. The data goes through several stages of the coding process. At each coding stage, the data is reduced to produce a propositional statement. Furthermore, the proposition will be studied and enriched with literacy discourse related to theory and some recent empirical research to

produce an asset management model that is relevant to the social reality of the local village community.

Table 1

Informant		
No	Informant	Number of People
1	Village Head	1
2	Head of General Affairs	1
3	Chairman and Members of the Village Consultative Body	3
4	Leaders of Youth Organizations	1
5	Agricultural and plantation community groups	4
6	Small and Medium Enterprises Group	3
7	Regional Pillars (RW)/ Neighborhood Associations (RT)	2
8	Head of Village Owned Enterprises	1
9	Village Community Leaders	2
Total Informants		16

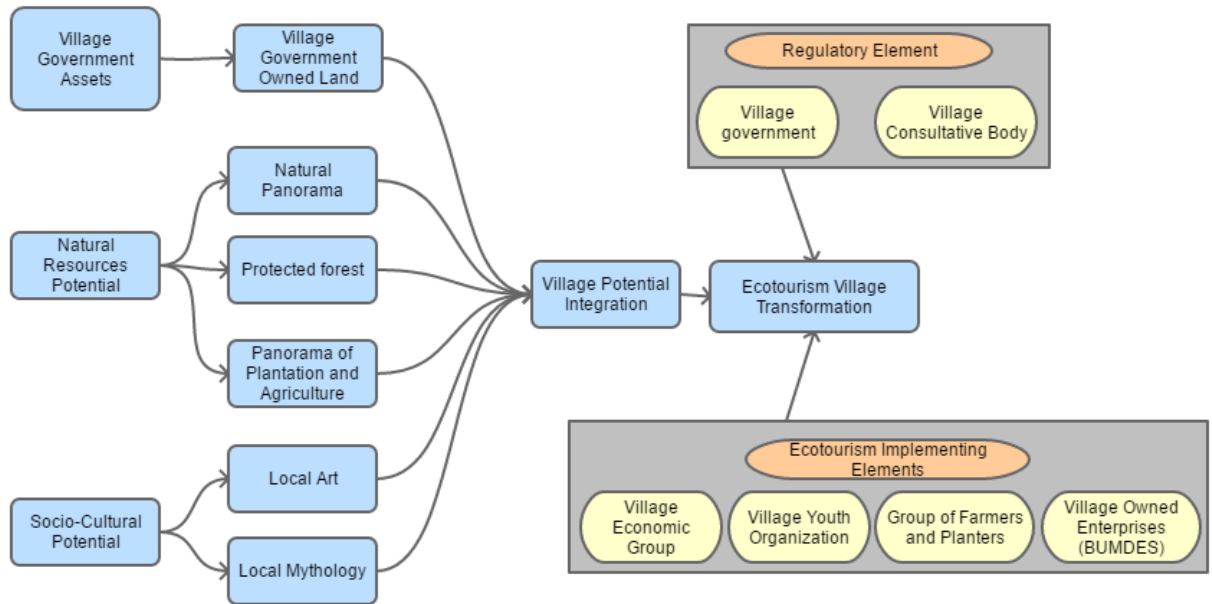
4. Discussion

Village assets are an essential element for the administration of village government. For the village government, assets are used to provide services to the community. Likewise, for rural communities, the existence of assets is needed to support social and economic activities. Farmers in the village need village infrastructure in the form of irrigation canals, roads for agricultural products, roads that connect villages and cities. These public facilities are needed for village farmers to carry out agricultural activities in rural areas. Likewise, other people who live in rural areas, both those who carry out economic activities or are only limited to social activities, need village assets.

Even though the village assets have provided benefits to the village community, other village assets are still not functioning correctly. The benefits have not been felt by the village community. The type of village asset that has not been used optimally is Village Land (carik). Village assets in the form of land have a relatively high economic value but have not added value for rural communities. Village lands with low productivity and poor management require a maintenance burden from the village budget allocation.

The new paradigm in managing village assets can be applied to village land. Assets in the form of village land have potential economic value for rural communities if managed optimally. The potential of village land is integrated with the ecological potential that exists around the countryside. The integration of the two potentials is oriented towards the formation of ecotourism-based economic activities. Ecotourism activities by utilizing village land and rural natural resources stimulate local economic growth.

Figure 2. Model of Integrating Village Government Assets with Local Ecological Potential



The village government encourages the integration of various local potentials in the context of transformation into an eco- and ecosystem-based tourism village. The village consultative body formulates local regulations to provide legal protection for eco-based local tourism activities with the village government. The implementation of ecotourism involves several elements: local economic groups, youth organizations, farmers and planters, and village-owned enterprises. Collaboration among all implementing elements will determine the achievement of the results of rural ecotourism activities. Every element involved in ecotourism activities has the opportunity to generate economic value.

5. Conclusion

The management of assets belonging to the village government has so far been more oriented towards administrative governance. Such arrangement is recognized to protect asset security because it has a clear record of records. Although asset security is maintained, the utilization of village assets is still not optimal. Village assets obtained from the village budget have not provided economic value for the village community. On the other hand, certain assets require maintenance costs every year. The new paradigm in managing village assets is a step to overcome the problem of village assets. In the new paradigm, village assets are used optimally for the economic benefit of the community. The village asset administration stage is only part of the governance process but, more importantly, the use of assets that provide economic value for the village community.

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