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Develop Self-Reliance Of Village Government Based On Management Of Communal Land

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Abstract

Desa or village or other terms is the lowest government pattern in the hierarchy of government in Indonesia. In Sumatera Barat Province, it is called *nagari*. *Nagari* in Minangkabau was built with a spirit of self-reliance. This is reflected in the physical requirements that must be owned by a region so that it appropriately referred to as *nagari*. Physical requirements that must be owned by a *nagari* are *basasok bajurami*, *barumah batanggo*, *bakorong bakampuang*, *balabuah batapian*, *basawah baladang*, *bapandam bapakuburan*, and *babalai bamasajid*. The requirements state ability of an area to be a self-reliance village, especially in the economic, social, culture, and politic. *Nagari* with its self-reliance makes it is often referred to as the village public. Different shades is showed by the mandate of Law No. 6 of 2014 on the village, where the village or *nagari* is pampered with amount of government allocation of funds from the central, province, regency and municipality government. Research conducted by the method of qualitative research aims to describe how the best practice of the village in an effort to build its self-reliance. This research was conducted by case study in Nagari Lubuak Malako, Solok Selatan Regency, Sumatera Barat Province. Nagari Lubuk Malako has build its self-reliance with management of *nagari* asset or *nagari* communal land. One of the *nagari* communal land managed by the *nagari* government is oil palm plantation. Oil palm plantation provides earned income for *nagari* government of Lubuk Malako, so that Nagari Lubuk Malako is not dependent on government assistance. With its self-reliance, Nagari Lubuk Malako can operate and carry out physical and non-physical development which is based on *nagari* earned income itself.

Category: Developing local competitiveness

Keywords: self-reliance of village/ *nagari*, communal land, asset, *nagari* earned income

I. INTRODUCTION

Nagari is Minangkabau original government form where the population of *nagari* is a group of society that has the same culture and geneology. Some of the smallest

groups of Minangkabau kinship system that are called *suku* or clan settle in a *nagari* land. Minangkabau as a cultural unity is essentially a federation of hundreds of *nagari*.

A territory can be called a *nagari* when it qualifies the requirements both custom requirements and physical requirements. If both of these requirements have not been qualified, it is not feasible territorial referred to as a *nagari*. Custom requirements of a region be a *nagari* is the existence of at least four clans or *suku* in that region. Each clan or *suku* is equipped with its customary functionaries that consist of *penghulu*, *tuo kampuang*, and *tungganai*.

Besides the custom requirements, physical requirements of an area legally valid to be a *nagari* should have the following aspects [1]:

- *Basasok bajurami*, its meaning is a *nagari* must have clear boundaries with neighboring *nagari*, both natural and artificial boundary.
- *Balabuah batapian*, *nagari* should has road infrastructure for transportation and sanitation infrastructure such as river, water fall, springs, and well.
- *Barumah batanggo*, each *nagari* should has house and families or households who inhabit the house.
- *Bakorong bakampuang*, a *nagari* has some of settlements groups that have the same customs and institutions so as to create a sense of camaraderie.
- *Basawah baladang*, *nagari* should has rice paddies and fields. The existence of rice paddies and fields become a source of economic life for the community.
- *Bapandam bapakuburan*, villages have a tomb or cemetery for people and clan member in *nagari*.
- *Babalai bamasajik*, a region can only be regarded as a *nagari* if it has at least one *balai adat* or custom hall and one mosque.

II. NAGARI COMMUNAL LAND

Land in *nagari* consists of communal land and privately owned land. Principally, communal land composed of three types of communal rights consists of *kaum*/ sub clan communal land, *suku*/ clan communal land, and *nagari* communal land [2]. *Kaum* communal land and *suku* communal land are owned jointly by all members of a *kaum*/ sub clan and a *suku*/ clan. While *nagari* communal land is owned jointly by all the *penghulu* or clan leader in

nagari. The majority opinion mentions that communal land is called as high inheritance and private property as low inheritance. Private land is actually a deviation form from Minangkabau cultural concept where the philosophy of Minangkabau culture is which is essentially a more communal. Low inheritance can be obtained from land clearing of no owner land or from the sale and purchase by each individual. Actually, land that can be sold or bought in Minangkabau concept is low inheritance treasure, one of the results of land clearing by himself, or from the sale of assets of high inheritance. Both of these forms is actually a form of irregularities on Minangkabau cultural concept due to the decrease in the role of *mamak* (mother's brother), the increasing role of the father, and the influence of money economic system. The land clearing of the territory was originally not in the interests of the individual but worked for the interests of clan or *suku*, as well as sales high inheritance happens not only due to no girl in the clan or *suku* to continue the land heritage, a lot of it is also due to economic factors.

There is no clear divisions between the *kaum*/ sub clan, *suku*/clan, and *nagari* communal land. In some cases, there are parts of *kaum* and *suku* communal land customary submitted to *nagari* to be a place for interest *nagari*, for example terrain, market, mosque, and others. There is also the opposite case where *kaum* or *suku* communal land is actually derived from *nagari* communal land. A *kaum* or *suku*/ clan who manage *nagari* communal land, later developed into villages and settlement gradually be into *kaum* or *suku* communal land. There are also cases in some *nagari* there is a separate real terms between *nagari* communal land with *kaum* or *suku* communal land. *Nagari* communal land is owned jointly by all the clan leader that includes rivers, pasture, forests, hills, mountains, beaches, lakes, and ponds [3].

We will not discuss the division or the pattern of the communal land, this paper will tell more about how Lubuak Malako society manage their communal land for the improvement of people's welfare. Robert Nasi [4] explain at least there are three obstacle factors in forest management in South America:

- a. Economic: high opportunity costs of maintaining forests as compared to other land uses; substantial up-front investments needed for improved forest management; lack of financial benefits from adopting improved forest management versus the use of conventional practices; and, consumers are mostly unwilling to pay premium prices for timber from well-managed or certified operations.
- b. Governance: government policies are biased against improved forest management (e.g., lack of credit and high transaction costs to process permits); lack of serious governmental commitment to enforce forestry regulations; lack of tenure security or unclear tenure and resource rights; and, weak institutional capacity to enforce the adoption of forestry regulations and avoid encroachment.
- c. Knowledge and technical guidance: inadequate understanding of the benefits of adopting improved

forest management practices; technical prescriptions perceived by forest users as too complicated or not practical; perceptions of forest abundance by the private sector (timber industries and local communities); lack of trained staff; and, inefficiency and waste in the forest and along the market chain.

Community of Nagari Lubuk Malako with their indigenous leaders trying to overcome the three things mentioned above in an effort to establish the self-reliance of their village/ *nagari* by handing over of communal land to third parties to be planted by oil palm, and then there is a special section in oil palm plantation area that should be managed by the *nagari* government and in optimizing its result to encourage self-reliance of village/ *nagari*.

III. THE USE OF NAGARI COMMUNAL LAND

Communal land right is the highest right in the Minangkabau culture that is hold by *penghulu* or clan leader, *nagari*, or a federation of several *nagari*. No owner land in *nagari* area is hold by *penghulu* or clan leader such as jungle, mountain, hill, meadow, brackish, mire, valley or canyon, river, and lake. All resources available at the surface or in the communal land is owned by all clan leader in *nagari*, so the clan leader or *penghulu* or *nagari* may get benefit over these lands.

The rules on gains related clan leader or *nagari* against the communal land are[5]:

- a. *Adat bungo kayu*. When people want to cultivate, manage, or make a profit on communal land, he must pay fee or tax to the clan leader or *penghulu* who have the communal land. This fee or tax in Minangkabau culture is known as *bungo*. *Bungo* or fee or tax that is charged over use communal land is named according to the results issued from the forest such as rattan fee (*bungo rotan*), candlenut fee (*bungo damar*), rubber fee (*bungo gatah*), wood fee (*bungo kayu*), and others.
- b. *Adat takuak kayu*. If someone wants to make the fields in the jungle that has not been opened and cultivated, he must ask permission at the clan leader or *penghulu* who has communal land. The forest that will be opened and cultivated is given sign boundaries by the clan leader or *penghulu*. Sign boundaries is given by providing a notch on some trees on boundaries. Providing a sign on the tree in Minangkabau language is called *takuak*, so that fee that must be paid by the people who want to opened and cultivated is called *takuak* fee (*adat takuak kayu*).
- c. *Adat bungo tanah*. It is a tax or fee given by the miners on the communal land. The communal land owner or clan leader (*penghulu*) get fee or tax of 10% of the mine production.
- d. *Adat tanam batu*. If someone makes a new rice fields on the communal land, he should ask permission of *penghulu* or clan leader who has communal land. The clan leader implant the stones as boundary mark. Because of implanting stone, fee or tax that is paid by

land opener or land cultivator is named the stone implanting fee (*adat tanam batu*).

In addition to the land from its ownership beginning was the status of *nagari* communal land, there are also cases where there is a clan or *suku* communal land donated to *nagari* is used for the benefit of *nagari*. In some cases can also be obtained because it was purchased by all clan leader or *penghulu* in *nagari*, then is used as *nagari* property. Markets, terrain, customs hall (*balai adat*), and the mosque are the examples of *nagari* property gained from this case.

IV. USE OF COMMUNAL LAND *NAGARI* LUBUK MALAKO

Lubuk Malako is a *nagari* in Sangir Jujan Distric, Solok Selatan Regency. Nagari Lubuk Malako is typical rantau territory located in the forefront of Sumatera Barat Province. This *nagari* usually has characteristic with large territory and little population, so that there are many communal land that is not able to be cultivated by the communities themselves.

There are some communal land owned by Nagari Lubuk Malako such as market, river, forest, and hill, as well as plantation. All of these communal lands be assets for Nagari Lubuk Malako. Only market, sand and stone quarry, and oil palm plantation that are managed by *nagari* government of Lubuk Malako were able to provide *nagari* earned income for Nagari Lubuk Malako. *Nagari* communal lands that have been utilized or managed by Nagari Lubuk Malako are :

a. Plantation Land.

Nagari Lubuk Malako handed over the *nagari* communal land to investor PT. Sumatera Jaya Agro Lestari (PT. SJAL) in 1998. Nagari Lubuk Malako handed the land about 2000 Hectare to be planted with palm and *nagari* get oil palm plantation about 170 Hectares. Oil palm plantation for *nagari* is called smallholdings.

At the time, although some *nagari* leaders wanted smallholdings was managed by village government, community of Nagari Lubuk Malako wanted to devide smallholdings to whole families or households in Nagari Lubuk Malako. The result of dividing was not profitable where every household only get 16 palm trees. This condition is ⁹lled by Robert Nasi p:23 as economic obstacle, high opportunity costs of maintaining forests as compared to other land uses; substantial up-front investments needed for improved forest management. To solve this problem, all of community leaders find the better solution where smallholdings was created as *nagari* property. Unplanned decision which in fact gives a great advantage for Nagari Lubuk Malako later. By choosing this way, the land is managed jointly and belong to *nagari* government, so that the profit of land can be utilized to realize self-reliance of *nagari*.

In 1999, PT. SJAL started planting communal land that handed over Nagari Lubuk Malako with oil palm trees. Four years later, since 2003 this plantation has produced and started to provide benefits to Nagari Lubuk Malako. However, due to the planting of oil palm plantations is done by debt at Bank, smallholdings of Nagari Lubuk Malako also subject to the obligation to pay the debt. Given the debt period until 2017, the *nagari* government of Lubuk Malako regard to pay off the debt in 2011. This action was hoped it would provide a greater benefit to *nagari*. Since 2011 after the repayment of debt to Bank, Nagari Lubuk Malako has started its *nagari* earned income from smallholdings in large numbers. It is as stated by Burns, Danny 2000, p: 971 [6] that something ⁵ be changed, according to who the stakeholders are. Power and Local Political Participation Hierarchical democracy is likely to be replaced not only by self-steering organisational networks, but also by local negotiation, the outcome of which will depend on the power of the different stakeholders. In Nagari Lubuk Malako, the results of the negotiations has been able to change both the conditions and the planning process of expenditure in *nagari*.

b. Bancah Kampeh Market

Bancah Kampeh market is the largest market in Sangir Jujan District and it belongs to Nagari Lubuk Malako. Although Nagari Lubuk Malako was divided into 3 *nagari* (Lubuk Malako, Padang Air Dingin, and Padang Gantiang), Bancah Kampeh market still belongs to Nagari Lubuk Malako in accordance with the agreement with new *nagari* that all properties existing within their respective *nagari* territory belong to their respective *nagari*. This agreement make Bancah Kampeh market still belongs to Nagari Lubuk Malako because it lies in Nagari Lubuk Malako, not in new *nagari*.

Bancah Kampeh market is managed by *nagari* government with appoint competent people to manage the market. From the results of the levy and the rental shops and stalls, Bancah Kampeh market can generate gross income of about IDR 90 million annually. But from the year 2011 - 2015, Bancah Kampeh market only has required to deposit cash income to *nagari* as much as IDR 12 million. The rest was used for operational purposes including the construction and maintenance of stalls, shops, and market by manager.

c. Sand and stone quarry

River and hill in Nagari Lubuk Malako also *nagari* communal that can provide income for *nagari*. Potential quarry (sand and stone quarry) in Nagari Lubuk Malako is located in Batang Sangir river and the hills. Sand and stone quarry that have contributed to *nagari* is quarry at Bukik Gadang Hill where *nagari* government has taken retribution of IDR 1000 on every truck that take sand, soil, and stone at Bukik Gadang Hill.

- d. Timber logging by PT. Andalas Merapi Timber (PT. AMT)

PT. AMT is a logging company that operates in production forest in forest areas which are at the border all districts in Solok Selatan Regency. Every year PT. AMT submit their contributions on nagari which has border with their production forest area.

better, if income from market is become income in BIE Nagari, then expenditure for cleanliness, development, and maintenance of the market is earmarked in BIE Nagari although that activity is still done by market management.

V. THE ROLE OF COMMUNAL LAND PROFIT FOR ACTIVITIES OF NAGARI GOVERNMENT AND DEVELOPMENT

Income obtained Nagari Lubuk Malako on management of communal lands or assets in Nagari Lubuk Malako, both managed by nagari government of Lubuk Malako and managed by a third party or investor, is very high. Nagari earned income from management of communal land has showed an increase every year. Compared with the income earned from government assistance consist of the government of Solok Selatan regency and Sumatera Barat Province, the proportion of nagari earned income in Budget of Income and Expenditure of Nagari (BIE Nagari) or *Anggaran Pendapatan dan Belanja Nagari (APB Nagari)* dominates so much. Data in BIE Nagari of Lubuk Malako of the year 2005-2015 shows that only in 2005 where government assistance that dominated the proportion Lubuk Malako BIE Nagari. Government assistance in income Nagari Lubuk Malako composed of Nagari General Allocation Fund (NGAF) or *Dana Alokasi Umum Nagari (DAUN)*, fixed income for Head of Nagari and staffs, block grant fund, financial assistance from the province, village funds, and grants. From all of the government assistance, only NGAF and fixed income for the head of nagari and staffs relatively continuous throughout the year are given by the Government of Solok Selatan regency. The magnitude of the proportion of BIE Nagari of Lubuk Malako from nagari earned income and government assistance can be seen in Fig 1.

Nagari earned income contribute about 80% in the income formation of Nagari Government of Lubuk Malako annually. Four nagari properties have given significant nagari earned income every year since 2005. They are Bancah Kampeh market, oil palm plantation, sand and stone quarry, and grant from PT. AMT.

Bancah Kampeh market has given nagari earned income throughout the year ranging from 2005 to 2015, but with relatively small quantities. Bancah Kampeh market has potential to increase nagari earned income because gross income that is reached by market each year IDR 90 million. Unfortunately, the nagari government has only targeted nagari earned income from Bancah Kampeh market about IDR 12 million annually from 2011 to 2015. Income from market is managed by market management that is appointed by nagari government of Lubuk Malako. The market management use income from market for both market cleaning and construction or maintenance of stall, shop, utilities and infrastructures in the market. It will be

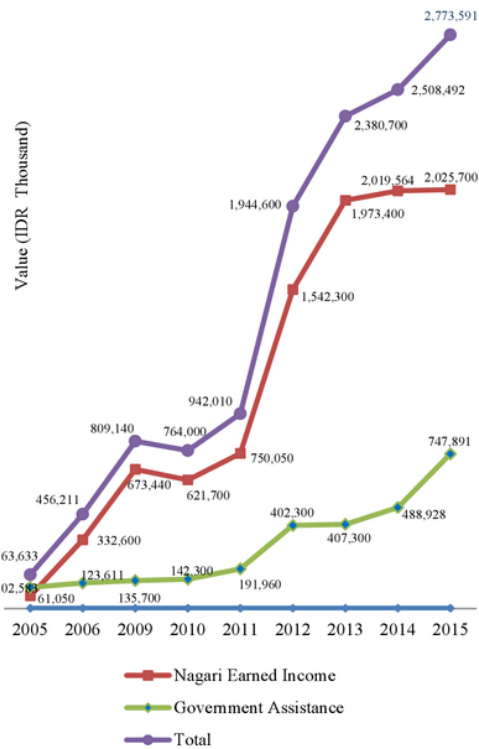


Fig.1. Incomes of Nagari Government of Lubuk Malako 2005-2015

Nagari smallholdings or oil palm plantation has provided a very significant contribution in Lubuk Malako income since 2011 after the settlement of debt in Bank. Before the year 2011, the smallholdings was managed by PT. SJAL and it contributed for nagari income as third-party contribution. Nagari earned income derived from oil palm smallholdings dominated obtaining of nagari income for the management of communal land so much. In 2012, the nagari income only were obtained from the Bancah Kampeh Market and oil palm smallholdings.

Two other nagari earned income sources are forest management and sand and stone quarry. Donations from PT. AMT as a fee on exploration of nagari forest also provide income to Nagari Lubuk Malako. But donations from PT. AMT is not routinely throughout the year and its value is also not high in range IDR 7.5 million - IDR 20 million. Sand and stone quarry also provide income for nagari but it is not routinely throughout the year. The value of nagari earned income of the four income sources

from management of communal land can be seen in Table 1.

Table 1. Nagari Earned Income of Lubuk Malako from Management of Communal Land 2005-2015

Year	Source of Income and its Value (IDR 000,-)				Total
	Bancah Kampeh Market	Smallholdings/Oil Palm Plantation	Donation from PT. AMT	Sand and Stone Quarry	
2005	2 000	-	-	-	2 000
2006	2 500	200 000	11 000	6 700	220 200
2009	-	650 000	20 000	-	670 000
2010	5 000	600 000	10 000	-	615 000
2011	12 000	725 000	-	-	737 000
2012	12 000	1 500 000	-	15 000	1 527 000
2013	12 000	1 900 000	7 500	10 000	1 929 500
2014	12 000	1 950 000	10 000	15 000	1 987 000
2015	12 000	2 000 000	-	-	2 012 000

Note: No Data Obtained in 2007-2008.

Source: Budget of Income and Expenditure of Nagari (BIE Nagari) of Lubuk Malako Year 2005-2015

Besides the management of communal land, nagari earned income of Lubuk Malako also sourced from nagari retribution, third-party contributions, and other legitimate incomes. Two other nagari earned income sources from management of communal land are forest management and sand and stone quarry. From 2006 to 2010, the largest contribution of nagari earned income came from the profit of smallholdings. But, nonunclature of this income from the profit of plam plantation was called as the third party contribution. This was caused by the management of oil palm plantation was managed by PT. SJAL. After nagari government of Lubuk Malako paid the debt at the Bank, the profit from smallholdings was called as original nagari earned income, not third party contribution. In 2015 the nagari government of Lubuk Malako does not target nagari earned income from retribution, so that there is no retribution on the administration of public services in the nagari government of Lubuk Malako. The amount and proportion of nagari earned income can be seen in Table 2.

Table 2. Nagari Earned Income of Nagari Government of Lubuk Malako Year 2005-2015

Year	Income from Management of Communal and		Nagari Retribution		Third-Party Contributions		Other Incomes		Total
	IDR (million)	%	IDR (million)	%	IDR (million)	%	IDR (million)	%	
2005	2	3.28	5.05	8.27	54	88.45	0	0.00	163.63
2006	14.20	4.27	7.40	2.22	311	93.51	0	0.00	456.21
2009	0	0.00	3.44	0.51	670	99.49	0	0.00	809.14
2010	5	0.80	6.70	1.08	610	98.12	0	0.00	764.00
2011	737	98.26	7.05	0.94	6	0.80	0	0.00	942.01
2012	1 527	99.01	6.30	0.41	0	0.00	9	0.58	1 944.60
2013	1 922	97.40	16.40	0.83	35	1.77	0	0.00	2 380.70
2014	1 977	97.89	10.06	0.50	32.50	1.61	0	0.00	2 508.49
2015	2 012	99.32	0	0.00	1.20	0.06	12.50	0.62	2 773.59

Note: No Data obtained in 2007-2008.

Source: Budget of Income and Expenditure of Nagari (BIE Nagari) of Lubuk Malako Year 2005-2015

The amount of nagari earned income also affect the nagari expenditure in BIE Nagari. BIE Nagari of Lubuk Malako is not only able to support the operations of government activity but also able to carry out the physical and non-physical development that is directly felt by the community. With great nagari earned income, at least two government services are perceived by the society namely:

- Nagari government has paid the entire of society's Land and Building Tax or Pajak Bumi Bangunan since 2010.
- In 2015, the nagari government of Lubuk Malako eliminate nagari retribution in BIE Nagari. This retribution is eliminated because of the low income of the sector. In order to get closer to the public service is also be a reason to eliminate nagari retribution for the society that get administrative services in the office of nagari government. Income from the nagari retribution can be seen in Table 3.

Table 3. Income from Nagari Retribution in BIE Nagari of Lubuk Malako Year 2005-2015

Nagari Retribution	Value (IDR million) in Year								
	2005	2006	2009	2010	2011	2012	2013	2014	2015
Correspondence	-	-	-	-	-	-	8.2	5.03	-
Livestock Fee	0.5	0.3	-	0.75	0.3	0.25	0.5	0.25	-
Letter for Married	0.6	1	0.72	1	2	1.6	1.8	1.5	-
Card of Identity and Family	2.7	4.5	1.62	0.5	1	0.1	-	-	-
Legalization of Purchase Land	1	1	0.22	1.2	1.5	1.8	2.5	1.5	-
Letter of Good Behavior	0.2	0.25	0.13	0.5	-	-	-	-	-
Letter for Birth Certificate	-	0.25	-	-	-	-	-	-	-
Recommendation	0.05	0.1	-	-	-	-	-	-	-
Certificate of Domicile	-	-	0.32	-	0.48	0.3	0.6	0.16	-
Certificate of Business	-	-	-	0.5	0.72	1	1.2	0.5	-
SKN	-	-	-	0.25	0.2	0.1	0.07	-	-
Other certificate	-	-	0.44	-	0.6	0.75	0.5	0.55	-
Retribution of business place	-	-	-	0.75	0.2	0.3	1	0.5	-
Other Retribution	-	-	-	1.5	-	-	-	-	-
Jumlah	5.05	7.4	3.44	6.7	7.05	6.3	16.4	10.06	0

Note: No Data obtained in 2007-2008

Source: Budget of Income and Expenditure of Nagari (BIE Nagari) of Lubuk Malako Year 2005-2015

Large income provides a great opportunity for the nagari government to allocate funds for the nagari development activities. With the amount of nagari earned income, nagari able to operate and build without waiting for regency or province government funding. Funds allocated for development increase throughout the year. The increase of nagari expenditure of Lubuk Malako of the year 2005 - 2015 is explained as follows:

- In 2005

Level of dependence on government assistance in BIE Nagari was very high in 2005. In this year, only Bancah Kampeh market that was able to provide nagari earned income, and its value was very small. As a result, the proportion of development was very little compared to the expenditure for the activities of nagari government. Nagari earned income contributed about 44.37% in nagari expenditure of Lubuk Malako. Nagari expenditure of Lubuk Malako can be seen in Fig 2.

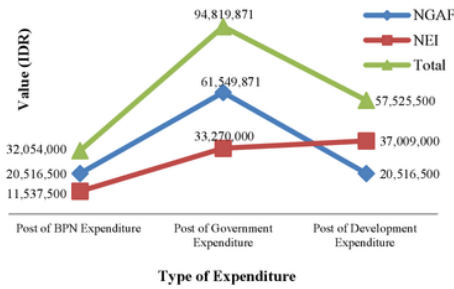


Fig.2. Nagari Expenditure of Lubuk Malako in 2005 Based on Source of Funds

b. In 2006

There was shifting of the proportion of nagari earned income and government assistance in BIE Nagari of Lubuk Malako in 2006. Although in the form of third-party contributions from PT. SJAL, smallholdings of Nagari Lubuk Malako started giving nagari earned income significantly for nagari government of Lubuk Malako. Increasing of nagari earned income from smallholdings made the budget on development expenditure in BIE Nagari increasingly, as shown in Fig 3. The proportion of nagari earned income in the nagari expenditure increased nearly doubled compared to the previous year, with a percentage of 72.96%. Government assistance only contributed 27.04 % in nagari expenditure.

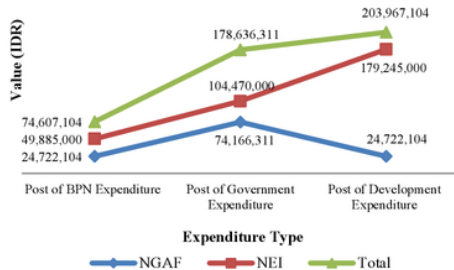


Fig.3. Nagari Expenditure of Lubuk Malako in 2006 Based on Source of Funds

When sources of funding in development expenditure post is analyzed, it will be visible how high proportion of nagari income in compiling expenditure of nagari government. 87.88% of nagari earned income contributed on the construction of the development expenditure post. The number of activities that are funded by nagari earned income and government assistance (NGAF) can be seen in Table 4.

Table 4. Development Expenditure Post in BIE Nagari 2006

Programs and Activities	Government Assistance or NGAF (IDR)	Nagari Earned Income (IDR)	Total (IDR)
Development of government administration facility			
- Repairing of village office of Padang Air Dingin	4 000 000	4 000 000	8 000 000
- Repairing of village office of Lubuk Malako	-	15 000 000	15 000 000
Development of socio-cultural facility			
- Operational assistance to YPI Lubuk Malako	5 000 000	20 000 000	25 000 000
- Preparation of establishment of Junior High Scholl	1 500 000	10 000 000	11 500 000
- Aid for the construction of the mosque	-	52 000 000	52 000 000
- Land Purchasing for Elementary School of Taratak Baru	-	22 500 000	22 500 000
Development of institutional support			
- Operating cost for KAN	2 000 000	5 000 000	7 000 000
- Operating cost for MTTS	1 600 000	5 000 000	6 600 000
- Aid for coaching of PKK, BKMT, and Bundo Kandung	5 500 000	7 500 000	13 000 000
- Aid for coaching of youth	2 000 000	7 500 000	9 500 000
Unexpected Cost			
- Provision of funds to tackle emergencies	2 122 104	9 745 000	11 867 104
- Replacement of the home due to clashes in Pidang	1 000 000	-	1 000 000
- Payment of land and building tax	-	21 000 000	21 000 000
Total	24 722 104	179 245 000	203 967 104

Source: Budget of Income and Expenditure of Nagari (BIE Nagari) of Lubuk Malako Year 2006

c. In 2009

Expenditure in BIE Nagari of Lubuk Malako in 2009 was divided into programs and activities. There were 6 programs in nagari expenditure. The proportion of nagari earned income in the nagari expenditure reached 82.92%, while government assistance (NGAF) only accounted for 17.08%. Increase of expenditure was supported by increase in nagari earned income obtained from smallholdings or nagari oil palm plantation in the form of third-party contributions from PT. SJAL. The amount and proportion of nagari earned income and government assistance in nagari expenditure in 2009 can be seen in Fig 4.

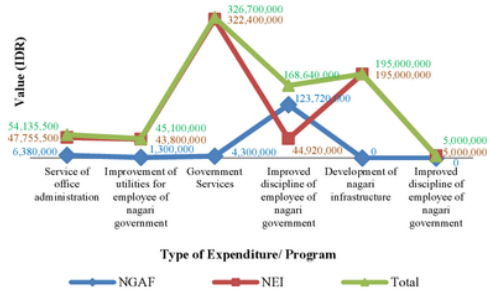


Fig.4. Nagari Expenditure of Lubuk Malako in 2009 Based on Source of Funds

d. Year 2010

Expenditure of BIE Nagari of Lubuk Malako in 2010 was divided into direct and indirect expenditure. With the nagari earned income of IDR 650,000,000,- which was sourced from third-party contributions from PT. SJAL on the management of oil palm smallholdings, the proportion of nagari earned income and government assistance in the structure of

expenditure in 2010 was the same relative to 2009, as shown in Fig 5 and Fig 6.

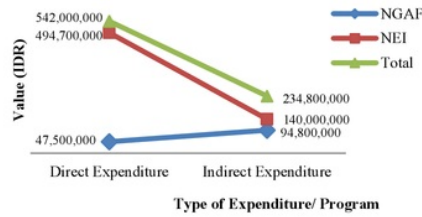


Fig.5. Nagari Expenditure of Lubuk Malako in 2010 Based on Source of Funds

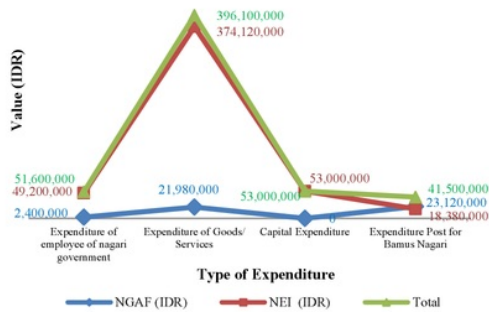


Fig.6. Direct Expenditure in BIE Nagari Lubuk Malako in 2010 Based on Source of Fund

e. In 2011

In 2011, there was a change in the management of oil palm smallholdings. If previously under the control of PT. SJAL, after the repayment of the debt to Bank by the nagari government of Lubuk Malako, profit from nagari smallholdings was no longer included in the post of third party contributions but included in the post of nagari business profit. Nagari earned income and the proportion of government assistance (NGAF) in nagari expenditure in 2011 was relatively similar to the pattern in 2010 and 2009, see Fig 7 and Fig 8.

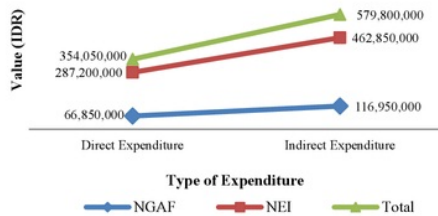


Fig.7. Nagari expenditure of Lubuk Malako in 2011 based on source of funds

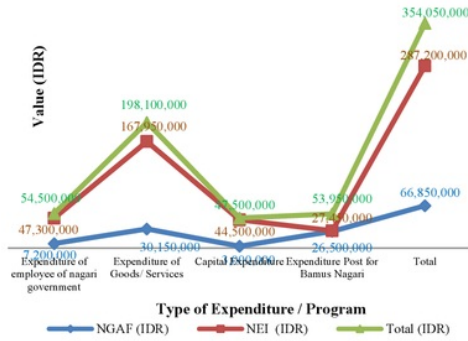


Fig.8. Direct Expenditure in BIE Nagari Lubuk Malako in 2011 Based on Source of Fund

f. In 2012

In 2012 there was an increase of nagari earned income from palm smallholdings with the value twice than of the previous year, with a total of nagari earned income of IDR 1.5 billion. Increase of nagari earned income had a positive impact on increase of nagari capital expenditure that would be used in nagari physical development. The proportion of capital expenditure was equal to 60% of the value of nagari earned income from oil palm smallholdings. The amount of direct expenditure and capital expenditure nagari Lubuk Malako in 2012 can be seen in Table 5.

Table 5. Nagari Direct Expenditure of Lubuk Malako in 2012

Expenditure	Value (IDR)
1. Expenditure of honorarium employee	29 000 000
2. Expenditure of Goods/ Services	149 462 500
3. Capital Expenditure	911 000 000
- Purchasing laptop and printer	6 000 000
- The bridge to MA	20 000 000
- The road to Pangian	20 000 000
- Tractor dan trailer	490 000 000
- Drainage of Koto Tuo	20 000 000
- Drainage of Koto Gadang	20 000 000
- Repairing of road "Pangian - T. Baru - Bkt Tampui - Kt Gadang - Bancuang - B. Iku"	30 000 000
- Repairing road from Koto Gadang to Sei Dahan	20 000 000
- Custom Hall or Balai-Balai Adat	250 000 000
- Constructing of new road Pembukaan Garinggiang - P. Sibasa	35 000 000
4. Expenditure post for Bamus Nagari	69 250 000
- Expenditure of honorarium employee	5 000 000
- Expenditure of Goods/ Services	36 250 000
- Other expenditure	28 000 000
Jumlah	1 158 712 500

Source: Budget of Income and Expenditure of Nagari (BIE Nagari) of Lubuk Malako Year 2012

Similarly in indirect expenditure, the increase of nagari earned income from nagari oil palm smallholdings was also able to increase the grant expenditures, social expenditure, and financial assistance to institutions in nagari such as LPMN, TP-PKK, KAN, Youth Organization, BKPM, and cooperative, as shown in Table 6. Even nagari

government of Lubuk Malako could also provide assistance to other nagari. Nagari that receive assistance were Padang Air Dingin and Padang Gantiang. Both of these nagari are a division of Lubuk Malako Nagari area and still have a traditional attachment. In 2012, there was an increase in income from oil palm smallholdings with value doubled previous year.

Table 6. Indirect Expenditures of Nagari Lubuk Malako in BIE Nagari in 2012

Expenditure	Value (IDR)
1. Expenditure of Employee / Fixed Income	247 200 000
2. Expenditure of Grant	85 000 000
- Oil palm seed	50 000 000
- Payment of Land and Building Tax	30 000 000
- Rent cost for Wali Nagari House	5 000 000
3. Expenditure of social assistance	127 500 000
- Financial assistance to religious activity	50 000 000
- Other financial assistance	5 000 000
- Others	72 500 000
4. Expenditure of Financial Aid	213 500 000
- Financial assistance to LPMN	5 000 000
- Financial assistance to TP-PKK Nagari	11 000 000
- Financial assistance to	37 500 000
- Financial assistance to Youth	50 000 000
- Financial assistance to HIPPELMA	20 000 000
- Financial assistance to BKMT	10 000 000
- Financial assistance to the nagari cooperative	65 000 000
- Financial assistance to other villages	15 000 000
5. Unexpected Expenditure	30 000 000
- Emergency Condition	20 000 000
- Natural disasters	10 000 000
6. Indirect Expenditure for Bamus	93 400 000
Total	796 600 000

Source: Budget of Income and Expenditure of Nagari (BIE Nagari) of Lubuk Malako Year 2012

g. In 2013

Expenditure patterns that was shown in BIE Nagari in 2013 relatively the same as in 2012. Expenditure was still divided on direct expenditures and indirect expenditures which their proportions can be seen in Table 7. The difference is the source of the funding on the capital expenditure can be traced its source of funding, both from nagari earned income and from government assistance.

Table 7. Nagari Expenditure of Lubuk Malako in 2013

Expenditure	Value (IDR)
1. Direct Expenditure	
- Expenditure of honorarium employee	10 400 000
- Expenditure of goods/ services	111 425 000
- Capital Expenditure	1 491 200 000
- Expenditure Post for Bamus Nagari	
- Expenditure of goods/ services	17 625 000
- Capital Expenditure	2 000 000
2. Indirect Expenditure	728 350 000
- Expenditure of Employee / Fixed Income	269 500 000
- Expenditure of Grant	78 000 000
- Expenditure of social assistance	86 500 000
- Expenditure of Financial Aid	161 250 000
- Unexpected Expenditure	25 000 000
- Expenditure Post for Bamus Nagari	
- Expenditure of Employee / Fixed Income	106 900 000
- Expenditure of social assistance	1 200 000
Total	2 361 000 000

Source: Budget of Income and Expenditure of Nagari (BIE Nagari) of Lubuk Malako Year 2013

In 2013, government assistance was not only NGAF but also coupled with blockgrant fund. This blockgrant fund was used for the physical development in nagari. Details of the activities and sources of funding can be seen in Table 8.

Table 8. Sources of Financing on Capital Expenditure of Nagari Lubuk Malako 2013

Activity	Source of Fund	Value (IDR)
- Land Purchasing for Campus of AK Solok Selatan	NEI	425 000 000
- Land Purchasing for public burial site	NEI	30 000 000
- Land Purchasing for SMP 28 Solse	NEI	25 000 000
- The addition of electric current and power installation	NEI	3 000 000
- Construction of Nagari Head Office	NEI	650 000 000
- Construction of bridge to MA	BG + NEI	20 000 000
- Construction of bekafer at Jorong Padang Darek	BG	20 000 000
- Construction of Plat Beker Jalan at Lubuk Batuang	BG	20 000 000
- Construction of culverts to the public cemetery/ burial	BG	20 000 000
- Construction of new road	NEI	50 000 000
- Construction of culverts at road T. Baru - Durian Ampiang	NEI	40 000 000
- Purchasing of two-wheeled vehicles	NGAF	15 500 000
- Repairing of traditional house (rumah gadang)	NEI	125 000 000
- Construction of fencing and rehabilitation of yard of Custom Hall (Balai)	NEI	25 000 000
- Construction of drainage at SDN 02 Jorong Koto Tuo	NEI	20 000 000
- Procurement of batik uniform	NGAF	1 800 000
- Procurement of sportswear	NEI	900 0
Total		1 491 200 000

Note: NEI = Nagari Eamed Income, BG = Blockgrant, NGAF = Nagari General Allocation Fund

Source: Budget of Income and Expenditure of Nagari (BIE Nagari) of Lubuk Malako Year 2013

Approximately 94% of capital expenditure was derived from nagari earned income, while the remaining 6% of government assistance (see Table 9). It means that nagari earned income obtained from oil palm smallholdings can provide fund for nagari development optimally.

Table 9. Nagari Direct Expenditure of Lubuk Malako in 2013

Type of Source of Fund on Capital Expenditure	Value (IDR)	%
- Nagari General Allocation Fund (NGAF)	17 300 000	1.16
- Nagari Earned Income	1 393 900 000	93.48
- Block grant	60 000 000	4.02
- Block grant + Nagari Earned Income	20 000 000	1.34
Jumlah	1 491 200 000	100

Source: Budget of Income and Expenditure of Nagari (BIE Nagari) of Lubuk Malako Year 2013

h. In 2014

The patten shown in nagari expenditure of Lubuk Malako was the same when it was compared to 2013. With nagari earned income from oil palm smallholdings, value of income and expenditure was not much different from previous years. The

composition of expenditure in this year was not much different from the year 2013 (see Table 10).

Table 10. Nagari Expenditure of Lubuk Malako in 2014

Expenditure	Value (IDR)
A. Direct Expenditure	1.455.852.800
1. Expenditure of Honorarium Employee	10.400.000
2. Expenditure of Goods/ Services	139.652.800
3. Capital Expenditure	1.269.550.000
4. Expenditure Post for Bamus Nagari	
- Expenditure of Honorarium Employee	9.000.000
- Capital Expenditure	23.750.000
- Belanja Modal	3.500.000
B. Indirect Expenditure	1.032.900.000
1. Expenditure of Employee / Fixed Income	387.100.000
2. Expenditure of Grant	50.000.000
3. Expenditure of Social Assistance	257.500.000
4. Expenditure of Financial Aid	199.500.000
5. Expenditure Post for Bamus Nagari	
- Expenditure of Employee / Fixed Income	122.600.000
- Expenditure of Social Assistance	1.200.000
- Expenditure of Financial Aid	15.000.000
Total	1.488.752.800

Source: Budget of Income and Expenditure of Nagari (BIE Nagari) of Lubuk Malako Year 2014

In 2014, there was a decline in the value of capital expenditure compared to previous years. Source of funding still came from nagari earned income and government assistance (NGAF and block grant), as shown in Table 11.

Table 11. Nagari Capital Expenditure of Lubuk Malako in 2014

Activity	Source of Funds	Value (IDR)
- Land Purchasing and certificate management for AK campus	NEI	75 000 000
- Land Purchasing and certificate management for 12 Ha	NEI	350 000 000
- Construction of new road	NEI	120 000 000
- Construction of agricultural road	BG	20 000 000
- Construction of concrete rebates at Lubuk Batuang Road	BG	20 000 000
- Construction of <i>Plat Decker</i> at Koto Gadang Road	BG	20 000 000
- Construction of <i>Plat Decker</i> at road from Taratak Baru to Pangian	BG	20 000 000
- Construction of road from Taratak Baru to Padang Darek	BG	20 000 000
- Construction of <i>Plat Decker</i> at Padang Darek Road	BG	20 000 000
- Construction of <i>Plat Decker</i> at Taratak Baru	BG	20 000 000
- Purchase of ambulances and other administrative	NEI	325 000 000
- Construction of irrigation channels at Koto Tuo	BG	20 000 000
- Construction of fencing and gate of the Wali Nagari office	NEI	30 000 000
- Construction of fencing and rehabilitation of Balai Adat	NEI	25 000 000
- Procurement uniform clothing	NGAF	5 000 000
- Procurement of table and chair at office and meeting room	NEI	25 000 000
- Procurement filing cabinet	NGAF	2 100 000
- Procurement Infokus	NEI	5 500 000
- Procurement Dust Suction Machine	NEI	2 250 000
- Procurement of cookers and gas cylinders	NEI	1 200 000
- Procurement engine generator	NEI	3 500 000
- Repairing of rumah adat	NEI	50 000 000
- Construction of Pembangunan pos ronda di guard post in Pasar Banca Kampoh	BG	20 000 000
- Construction of the gate and garden	NEI	50 000 000
- Construction of drainage at Koto Tuo MatoAir	BG	20 000 000
Jumlah		1 269 550 000

Note: NEI = Nagari Earned Income, BG = Blockgrant, NGAF = Nagari General Allocation Fund
Source: Budget of Income and Expenditure of Nagari (BIE Nagari) of Lubuk Malako Year 2014

Nagari earned income proportion in capital expenditures decreased compared to 2013, as well as the NGAF. While block grant fund increased compared to 2013. However, the proportion of nagari earned

income in capital expenditure was still high (see Table 12).

Table 12. Sources of Funding on capital expenditures in BIE Nagari Lubuk Malako in 2014

Type of Sources of Funding on Capital Expenditure	Value (IDR)	%
Nagari General Allocation Fund	7 100 000	0.56
Nagari Eamed Income	1 062 450 000	83.69
Block grant	200 000 000	15.75
Total	1 269 550 000	100

Source: Budget of Income and Expenditure of Nagari (BIE Nagari) of Lubuk Malako Year 2014

i. In 2015

Expenditure in BIE nagari Lubuk Malako in 2015 is no longer divided into direct expenditure and indirect expenditure, as shown in BIE Nagari from 2010 to 2014. Expenditure at BIE Nagari in 2015 is divided into five sectors in which each sector consists of a number of activities. If in 2010-2014, only capital expenditures are described funding sources, in the BIE Nagari of Lubuk Malako in 2015, all activities are described where the source of its funding. These five sectors of expenditures can be seen in Table 13

Table 13. Nagari Expenditure of Lubuk Malako in 2015

Expenditure	Value (IDR)
Expenditure of Sector of Nagari Governance	1 048 820 900
Expenditure of Sector of Nagari Development	1 008 426 715
Expenditure of Sector of Development of Society	607 209 900
Expenditure of Sector of Community Empowerment	60 636 500
Expenditure of Unexpected Sector	22 000 000
Total	2 747 094 015

Source: Budget of Income and Expenditure of Nagari (BIE Nagari) of Lubuk Malako Year 2015

Expenditure on nagari government administration is budgeted from government assistance (NGAF and provincial government assistance) and nagari earned income. The activities in this sector, funding more dominated by funds from government assistance. This is can be seen in Table 14.

Table 14. Sources of Funding on Expenditure of Sector of Nagari governance in 2015

Activity	Sources of Funding	Value (IDR)
Fixed income and allowances	NEI/NGAF/ Provincial assistance	500 550 000
Operational cost of office	NGAF/ NEI	374 426 000
Operational cost of Bamus Nagari	NGAF/ NEI	51 144 900
Musrenbang Nagari	NGAF	2 000 000
Election of Wali Nagari	NEI	105 700 000
Preparation of Spatial and Social Map	NEI	15 000 000
Total		1 048 820 900

Note: NEI = Nagari Earned Income, NGAF = Nagari General Allocation Fund
Source: Budget of Income and Expenditure of Nagari (BIE Nagari) of Lubuk Malako Year 2015

The proportion of government assistance is predominantly used to finance the nagari governance sector compared with nagari earned income funds (see Table 15). When compared with the total of nagari income that is derived from the government assistance, it appears that government assistance is budgeted to

finance the activities of nagari governance sector. Funding from nagari earned income only budgeted to complete for funding of such activities.

Table 15. Sources of Funding on Expenditure of Nagari Governance Sector

Type of Sources Funding	Value (IDR)	%
Nagari General Allocation Fund (NGAF)	2.000.000	0,19
Nagari Earned Income (NEI)	120.700.000	11,51
NGAF + NEI	425.570.900	40,58
NEI/ NGAF/ Provincial Assistance	500.550.000	47,73
Jumlah	1.048.820.900	100,00

Source: Budget of Income and Expenditure of Nagari (BIE Nagari) of Lubuk Malako Year 2015

In contrast to the activities of nagari governance, expenditure of sector of nagari development are even more dominated by funds from nagari earned income. Government assistance is budgeted to finance the activities in this sector is derived from block grant and village fund. This is in accordance with the mandate of the disbursement of the aid to finance the nagari physical development (see Table 16).

Table 16. Sources of Funding on Expenditure of Sector of Nagari Physical Development

Activity	Sources of Funding	Value (IDR)
- Construction of pavement road from Spg 4 to Garinggiang	NEI	30 000 000
- Repairing of MAS building	NEI	20 000 000
- Construction of new road from As to football field	NEI	20 000 000
- Continued of construction of agricultural road at Lereng Bukik Suwek	NEI	20 000 000
- Construction of bridge at Batang Sungai Dahan	NEI	30 000 000
- Construction of ring road at Lubuk Betung	NEI	30 000 000
- Construction of culverts at Lubuk Betung Ring Road	BG	20 000 000
- Construction of toilet at MAS Lubuk Malako	NEI	20 000 000
- Construction of new road from Sei Gadiang 2 to Bibitan 3	NEI	20 000 000
- Construction of new road from Sei Gadiang to Paninjuau	NEI	20 000 000
- Construction of drainage at Jorong Koto Tuo Mato Air	NEI	40 000 000
- Continued of repairing of Rumah Adat Dt. Bando Ajo	NEI	25 000 000
- Continued of repairing of Rumah Adat Dt. B Panai	NEI	25 000 000
- Continued of repairing of Rumah Adat Dt. Patia	NEI	25 000 000
- Continued of repairing of Rumah Adat St. B Jolelo	NEI	25 000 000
- Continued of repairing of Rumah Adat Dt. M Marajo	NEI	25 000 000
- Continued of repairing of Rumah Adat Dt. R Intan	NEI	25 000 000
- Continued of repairing of Rumah Adat Dt. Ajo Mangkuto	NEI	25 000 000
- Continued of repairing of Rumah Adat Bgd Basau	NEI	25 000 000
- Continued of repairing of Rumah Adat Pusuau	NEI	25 000 000
- Construction of culverts at Jorong Koto Gadang	NEI	15 000 000
- Construction of drainage at Jorong Koto Tuo	BG	20 000 000
- Construction of plat decker at Jorong Koto Gadang	BG	20 000 000
- Construction of plat decker at Jorong Padang Darek	BG	15 000 000
- Construction of new road from Sei Gadiang to Lbk Lintah	NEI	20 000 000
- Construction of new road from Sei Bancuang to Sei Dahan	NEI	20 000 000
- Continued of Construction of MIN sport building	NEI	10 000 000
- Construction of new road from Sei Limau to Sei Dahan	NEI	20 000 000
- Safeguarding of road from Sungai Dahan to Alahan Tigo	NEI	20 000 000
- Construction of new road at Bukik Tampai	NEI	20 000 000
- Construction of drainage at Sawah Padang Alau	VF	50 000 000
- Continued of construction of Mushallah MTsN	NEI	30 000 000
- Construction of concrete rebates of Pdg Darek ring road	VF	31 826 715
- Construction of new road from Spg Tigo to Sei Bt Putih	VF	30 000 000
- Safeguarding of embung nagari	VF	20 000 000
- Construction of drainage at Sawah Padang Darek	VF	50 000 000
- Management of Posyandu	VF	28 000 000
- Management of PAUD	NEI + VF	53 600 000
- Safeguarding of bridge at Batang Ekor	NEI	10 000 000
- Cleaning of nagari	NEI	30 000 000
Jumlah		1 008 426 715

Note: NEI = Nagari Earned Income, BG = Blockgrant, VF = Village Fund, NGAF = Nagari General Allocation Fund
Source: Budget of Income and Expenditure of Nagari (BIE Nagari) of Lubuk Malako Year 2015

On this sector, nagari earned income is more dominating the financing of activities than government assistance. Government assistances that finance the activities in this sector significantly are village fund and block grant. NGAF does not finance the activity in this sector, as can be seen in Table 17.

Table 17. Sources of Funding on Expenditure of Sector of Nagari Physical Development

Sources of Funding	Value (IDR)	%
Nagari General Allocation Fund	0	0,00
Nagari Earned Income (NEI)	670 000 000	66,44
Block grant	75 000 000	7,44
Village Fund	209 826 715	20,81
NEI + Village Fund	53 600 000	5,32
Total	1 008 426 715	100

Source: Budget of Income and Expenditure of Nagari (BIE Nagari) of Lubuk Malako Year 2015

The large proportion of nagari earned income is also visible in financing of activities in the sector of the community development, as shown in Table 18. These activities can be said funded from nagari earned income and added to the NGAF. NGAF is used to facilitate village institutions whose establishment is based on local regulations such as LPMN, TP-PKK, and KAN.

Table 18. Sources of Funding on Expenditure of Sector of Community Development

Activity	Source of funding	Value (IDR)
- Facilitation of LPMN activities	NGAF/ NEI	8 000 000
- Facilitation of TP-PKK Nagari activities	NGAF/ NEI	35 700 000
- Jambore PKK Nagari	NGAF/ NEI	9 310 000
- Facilitation KAN activities	NGAF/ NEI	103 399 900
- Facilitation of Youth Activities	NEI	132 800 000
- Facilitation of BKMT Nagari Activities	NEI	20 000 000
- Facilitation HIPPELMA Nagari activities	NEI	15 000 000
- Facilitation Mosque/ Mushallah activities	NEI	40 000 000
- Facilitation Pondok Al-Quran activities	NEI	20 000 000
- Facilitation of Islam Great Day activities	NEI	20 000 000
- Facilitation of Guru Mengaji activities	NEI	15 000 000
- Facilitation of MTQ Nagari activities	NEI	30 000 000
- Facilitation of Scholarship for poor and achievement student	NEI	25 000 000
- Facilitation of school/ madrasah activities	NEI	50 000 000
- Facilitation of YPI activities	NEI	50 000 000
- Facilitation of cultural / art nagari activities	NEI	8 000 000
- Facilitation of Isbat Nikah activities	NEI	25 000 000
Total		607 209 900

Note: NEI = Nagari Earned Income, NGAF = Nagari General Allocation Fund

Source: Budget of Income and Expenditure of Nagari (BIE Nagari) of Lubuk Malako Year 2015

Proportion of nagari earned income in financing of the activities in the sector of social development is more than 75% as shown in Table 19. Other government assistance that also funds the activities in this sector comes from the NGAF.

Table 19. Sources of Funding on Expenditure on sector of Social Development

Sources of Funding	Value (IDR)	%
Nagari Earned Income (NEI)	450 800 000	74.24
NGAF + NEI	156 409 900	25.76
Total	607 209 900	100.00

Source: Budget of Income and Expenditure of Nagari (BIE Nagari) of Lubuk Malako Year 2015

Only financing of community empowerment activities are not funded from the nagari earned income. The activities of this sector are fully financed from government assistance or Village Fund (see Table 20).

Table 20. Sources of Funding on Expenditure of Sector of Community Empowerment

Activity	Sources of Fund	Value (IDR)
- Improving of quality of nagari planning	Village Fund	34 354 500
- Improving of capacity of community groups through group	Village Fund	10 650 000
- Operation of Clean and Healthy Life Movement	Village Fund	15 632 000
Total	Total	60 636 500

Source: Budget of Income and Expenditure of Nagari (BIE Nagari) of Lubuk Malako Year 2015

Based on the description of nagari expenditure of Lubuk Malako along one decade (2005 - 2015), it appears that the nagari income derived from management of communal land able to deliver real results for the physical development in village or nagari. When other nagari have limitations in development expenditure because it is only dependent on NGAF, Nagari Lubuk Malako able to fund the expenditure for nagari physical development. Halim (2001) [7] explain the main characteristic of a region that capable of implementing autonomy and self-reliance are (1) the financial capacity of the region, it means the region must have the authority and the ability to explore the sources of finance, manage and use their own finances that is sufficient to finance the organization of the government, and (2) dependence on upper government assistance should be as minimal as possible, so that earned income may be part of the best financial resources. This condition will make the role of local government becomes bigger.

The proportion of nagari earned income to finance development expenditure is very high, above 80% of total development expenditure (see Table 21). Under reviews these circumstances, we would be able to predict how other nagari in Solok Selatan Regency have difficulties to finance physical development with only rely on government assistance especially NGAF.

Table 21. Proportion of Nagari Earned Income in the Structure of Development Expenditure and BIE Nagari Lubuk Malako

Year	% Nagari Earned Income in Development Expenditure	% Nagari Earned Income in BIE Nagari
2005	64.33	44.37
2006	87.88	72.96
2009	-*	82.92

2010	-*	81.69
2011	-*	80.32
2012	-*	78.88
2013	93.48	83.58
2014	83.69	81.15
2015	66.44	73.74

Note: -* no data

Source: Budget of Income and Expenditure of Nagari (BIE Nagari) of Lubuk Malako Year 2005-2015

11 VI. THE SELF-RELIANCE OF NAGARI VS LAW NO. 6 OF 2014 ON THE VILLAGE

The genesis of Law No. 6 of 2014 on the village is a new history in the state administration and be the hope of many parties which it will have a significant impact on the improvement of accountability of governance, accelerated implementation and equalization of development, and ultimately improve people's welfare. Conceptually, these expectations can be termed as an effort to realize the self-reliance of the village, and in Sumatera Barat Province is called self-reliance of nagari. Past history of nagari, indeed show that nagari self-reliance according to its potentiality, though not seriously taken care of by the government of the upper level. Nagari self-reliance was at least visible of the requirements of an established of a nagari, which it should have a potential for natural resources, human resources, and other social resources, so that nagari with its resources will be able to autonomy and self-reliance.

In the past, the nagari self-reliance was demonstrated by low dependence on high-level government and high community participation. In its journey, self-reliance and a sense of belonging of nagari began to decline when the territorial part of nagari that is called jorong was been *desa*, then introduced to the Village Presidential Instruction Fund for rural development, as the implementation of Law No. 5 of 1979 on the village. The condition lasted long enough at new order era (era of *orde baru*) and the policy of dependence is still continued in the reform era in which the government still lures village with various forms of financial aid. This assistance is not wrong, but the financial aid or assistance that is given by government is not only limited in how to meet consumer needs for operational cost of village. For example, while government and legislation was discussing of Law No. 6 Of 2014, as well as mass media enshroud more focus in the demands of how to improve welfare of village employee than how to keep the aid more directed to activities that can improve the productivity of the village, and be source of income for the village, so that village can bring down its dependence on top-level government.

In contextual, the desire to realize village self-reliance or "nagari self-reliance" at the level of national policy is already visible on the principle of a village setting in Law No. 6 of 2014 which confirms that the "self-reliance" to be one of principles in a village setting (article 3, point j). This principle is in line with the purpose of setting the village itself that encourages initiative, movement, and participation of village communities for development of village assets to the commonweal (article

4, point d). Management of asset and village wealth is one of the keywords in realizing the self-reliance of the village. Village asset is the property of the village derived from the village original wealth, purchased or obtained at the expense of village budget (article 1, subsection 11). Furthermore, in article 76 subsection 1, it is described in more detail that the village assets can be such as rural cash land, communal land, the village market, animal market, boat mooring, village building, the fish auction, the auction of agricultural commodity, forest belongs to the village, springs, public baths, and other assets belonging to the village [8].

To manage the village assets, the provisions of Law No. 6 of 2014 also gives back the confirmation of the existence of village-owned enterprise, or *Badan Usaha Milik Desa* abbreviated *BUM Desa* is a business entity that all or most of the capital is owned by the village through direct investments originating from the village wealth separated to manage the assets, services, and other businesses for the welfare of the village community (article 1, subsection 6). Furthermore in article 3 subsection 3, it is explained that *BUM Desa* can engage in the economic and or public service in accordance with the legislation in force. The results of management of asset and village wealth by *BUM Desa* become one of the sources of village income in the administration and development as well as provide services to the community. Clearly, it is stipulated in article 89 point b, it is arranged that the results of operations of the *BUM Desa* are utilized for village development, rural community development, and the provision of assistance to poor communities through grants, social assistance, and activities revolving fund set out in the village budget. To improve the results and benefits in management of asset and village wealth, the village government is allowed to cooperate with other villages or with third parties. Article 93 subsection 1 provides that the village operation with a third party is done to accelerate and improve the implementation of village government, the implementation of rural development, Rural community development, and community empowerment village [9].

In the explanation of Law No. 6 of 2014 is also outlined that the village self-reliance is a process conducted by the village government and village communities to perform an activity in order to meet their needs on their own [10]. This spirit, has been tried poured in 2015-2019 RPJMN known as "Nawa Cita", where one of the indicators of the gains of the national government is to realize 5,000 of self-reliance villages in 2019 [11].

VII. CONCLUSION

Minangkabau communal land in the common concept is controlled by all of the penghulu or clan leader in the nagari. Penghulu or clan leader in the nagari are entitled to benefit over use of their communal land in the form of payment of fee or tax, in terms of Minangkabau called bungo. This fee or bungo is earned by the penghulu is not

used for his personal gain, but used for the benefit of either clan or nagari, depending on the form of communal ownership. There are many forms of nagari communal land such as mosque, custom hall or balai adat, terrain, market, spring, river, lake, ponds, beach, forest, hill, and mountain. Basically, all of communal land can be utilized for the welfare of society and is managed by the penghulu in the nagari or the nagari government.

In the current constitutional system, nagari is not only the form of indigenous government, but also one of the lowest form of government in Sumatera Barat Province. Basically, the administration area of nagari government is still refers to the area of indigenous government. As an institution that has the resources and budget, some nagari government in Sumatera Barat Province manage communal land and make it a source of income for the nagari government. Market and springs are the form of communal land which currently provides income for some nagari in Sumatera Barat Province.

Nagari Lubuk Malako in Sangir Jujuan District, Solok Selatan Regency, is a typical frontier nagari that are in the forefront of Minangkabau region. Characteristic of this nagari type is a large area with a small population. As a result, a lot of land that are not manageable by its inhabitants. This factor makes a lot of nagari hand over its idle land or forest land to investor to be oil palm plantation. Nagari Lubuk Malako also handed over its area of 2,000 hectares to investor PT. SJAL and PT SJAL had duty to give 10 % of oil palm plantation to nagari government of Lubuk Malako as smallholdings. Smallholdings that was given by investor when he managed Lubuk Malako communal land was been Village Cash Land by nagari government, so that the profit from oil palm smallholdings has flowed to the village government as nagari earned income. Total income obtained from oil palm smallholdings is much larger than the government assistance especially Nagari General Allocation Fund (NGAF). Besides nagari plantation or oil palm smallholdings, Bancah Kampeh market, sand and stone quarry are other communal lands that are managed to give income for nagari.

When operating of other nagari is highly dependent on the government assistance such as Nagari General Allocation Fund, nagari government of Lubuk Malako can budget both operational cost of nagari government and implementation of nagari physical development, because its income from management of communal land is so high. Many physical developments related to the livelihood and community needs conducted by the nagari government such as construction of road and bridge, construction of school building, construction of custom hall or balai adat and the nagari government office, and construction of drainage channels. Even with the nagari government-owned funds, Nagari Lubuk Malako can provide grant of 10 hectares of land that will be used as Campus of Community Academy. In addition, support for community activities and operational assistance for the nagari institutions that exist at the nagari level may also be given by nagari government. With its the great fund, Nagari

Lubuk Malako is be able to provide scholarships, ambulance for the public, public burial, repairing of traditional house, paying of the Land and Building Tax, and freeing of the administrative service fees in the nagari government office.

Communal land is one source of nagari earned income, if it is managed by the right. Income from management of communal land make nagari be able to achieve its self-reliance, especially in the financial aspect. Besides to adhere the rule of communal land in Minangkabau culture, management of communal land can also provide benefits to the owners of land. In this case, management of communal land as that implemented by Nagari Lubuk Malako also realizes self-reliance of nagari.

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