

# Role of Leadership in Economic Transformation *from Dying Village to a Living Village* (Case Studies Community Blimbingsari)

**Dr. I Wayan Ruspendi Junaedi**

DhyanaPura University, Bali, Indonesia

**Abstract:** Blimbingsari village changed, by moving the four elements (spiritual, work ethics, social capital and entrepreneurship) resulting in a change of the rural infrastructure, economic development and institutional as well as the creative economy of the village. The role of the village leader and spiritual leader role affect change in rural communities. The method used in this study is a qualitative research. Techniques of data collection is done with interviews, gathering documents and triangulation. The findings are: First, the leader gives a positive value through the process of socio-economic transformation have actualize in the middle of the village of Blimbingsari; Second, the village leader Blimbingsari intervene against factors of spiritual values, work ethics, social capital and entrepreneurial factors; Third, the process of socio-economic transformation have actualize in the village of Blimbingsari and occurs in a long time as a long process.

**Keywords:** Leadership, Economic, Transformation, Community

## I. Background

Increasingly strong globalization needs to be balanced with the realization that market mechanisms are not always able to solve the problem of resource inequality. Development policies should give attention to the need to reorganize the foundation's assets management system in rural areas (Escobar, Arturo (ed) 1995). By looking at the village as a place of economic activity, the village is seen as a potential base of economic activity through investments in infrastructure and facilities to support agricultural purposes, as well as directing more integrated. This transformation process is the role of village government leaders (formal) and spiritual leader (informal) in moving the village community Blimbingsari amended, by moving the four elements (spiritual, work ethics, social capital and entrepreneurship) resulting in a change of the rural infrastructure, economic and institutional development as well as the creative economy of the village. Judging from the time period, this transformation include very fast when it adopted the Christian community, they adopt new values and a new identity as a Christian Bali. Impact of transformation embodied / visible with the formation of village Blimbingsaribe the only tourist village in Jembrana, from the perspective of an institutional approach that the current position will be subject to change. In 2004 the village was very dry and deserted as if this village was "dead". Before 2004 there was no water from the pipes, poor roads and not many residents who had business. But after a church leader named Pak KetutSuyaga this village became "alive" in collaboration with the village head of Blimbingsari. So the government and the church work together between village leaders and church leaders is what causes this village to be prosperous and prosperous. The real proof of the change is that water was not available, but now there is water using appropriate technology. The highway that had been ugly and difficult to work, but now the road has been paved and connect Palasari and Blimbingsari and Melaya, making it easier for workers to work. The economy has also changed, which previously had no business now that the population has a business of cows, coconuts and grocery stores.

The role of the village leader and spiritual leader role affect change in rural communities. Unless society becomes secular then 'maybe' formal and informal leadership roles are not important in the upcoming changes. This is what the authors are interested in, so the focus of this research is how the role of the leader improves the village economy from being "dead" to a "live" village?

### **II. Theoretical**

Tjokroamidjojo (2000), see development as a process or social change efforts (social change). Can mean also a business change and development of the state and condition of the people who are less well become better. In the carrying out of development and the need for a business process, where the construction of a series of conscious effort made towards a better state than before (Darcy dan Kleiner, 1991).

Every economic development is expected to stimulate economic growth is described by an increase in national income or per capita income (Todaro, 2000). Rostow's theory (1960) on growth is essentially a theory of modernization and development, where this theory believe that the human factor (not the structures and systems) became the main focus. Rostow saw social change that calls the journey of development as a process of evolution from traditional to modern. This reasoning is explained in detail by Rostow in the five-stage scheme. In theory it is said that the first stage is a traditional society, then develop into preconditions for take-off, followed by community takeoff, then maturation community growth, and ultimately achieve a modern society aspired, namely industrial society as society consumerism (high mass consumption). How modern society aspired to be achieved, Rostow filed primarily the availability of capital requirements (Bourdieu, P. 1986)

Adler, P, & Kwon, S., 2000 says that the basics of psychology and human behavior is closely related to social change. Grillo, R.D. and R.L. Stirrat. 1997, is more interested in looking at the aspect of economic growth compared to the growth of the cultural aspects in the development of culture. Generally, economic growth is always described as a factor of 'external', but for Grillo, R.D. and R.L. Stirrat. 1997 economic growth is a factor of 'internal' ie the values and motivations that drive a person to exploit the opportunities and seize the opportunity. In Grillo, R.D. and R.L. Stirratabove interpretation of Max Weber's thesis, if the Protestant ethic driving growth in the West, the same analog also able to see the economic growth of a country. According to him, the Protestant ethic was the need for achievement (N'ach).

Francis Fukuyama (1999), reveals that the economic life deeply rooted in social life and basically can not be understood apart from the customs, morals, and customs of a society where economic processes that occur (compare with Muller, 1992). This confirms that economic development is not a purely economic process, but rather a manifestation of transformation or social and cultural change (Soedjatmoko, 1983). Added that, it always involves the construction of changing perceptions and attitudes towards life as a whole, not in separate sections (compare with Todaro, 2000). Therefore, any process of economic development always involves a multidimensional factor in it(Darcy dan Kleiner, 1991).

Theory development Darcy dan Kleiner, 1991 focuses on changes in the structure of the stages of the process of economic change, industrial and institutional structure of the country's economy is growing, which is undergoing a transformation from traditional agriculture to switch to the industrial sector as the main engine of economic growth. Research conducted (Darcy dan Kleiner, 1991) on the transformation of the structure of production shows that in line with the increase in income per capita, the country's economy will shift from the original rely on the agricultural sector to the industrial sector. Increasing the role of the industrial sector in the economy in line with the increase in per capita income that occurs in a state closely linked to the accumulation of capital and human resource development (human capital).

One of the negative impact of these structural changes is the increasing urbanization that would impede the process of equitable distribution of the fruits of development, where the increase in revenue would only occur in urban areas. Meanwhile in an abandoned rural sector workers will experience slow growth, thus widening the gap between rural and urban areas. Structural transformation will only work well if followed with equal opportunity to learn, decrease in population growth rate, and a decrease in the degree of economic dualism between rural and urban areas (French, Wendell L et al, (ed.) 2000).

Morse, 2007 stated that in this world changes happen every day, so running any effort may have a tendency to succeed or fail. To be successful, entity or community must embrace change. Robbins (2007) stated, entity or community should be changed. If unchanged, the entity will die. What is expressed Khalili. S. 1994 matching with Drucker Peter. 1967 which states that all entities must change in order to survive. This statement has a meaning that changes in an entity should be phrased in the interest of survival. Drucker Peter. 1967 explicitly states that the process of change should be managed skillfully so the changes take place effectively in the interests of the entity. The community is similar to what is

said by Stoner, James A.F & Edward, 1989 that all members of society must motivated to change. If not, change the goal will not be realized. In relation to the context changes, Coleman, 2008 formulated a model of the form kaleidoscope changes are features or contextual aspects that need to be considered in deciding a change.

In this context Schumpeter, 1969 explicitly states that resistance to change is dangerous in an environment filled with uncertainty. Resistance to change can be grouped into two categories, namely individual resistance and resistance groups. Actually, the resistance of individuals and groups alike differ only in the number of actors alone.

The results of the research conclusions Coleman, 2008 explains that social change caused the first Samin, shift Samin community of religions "*ageman Adam*", became followers of Islam are also due to pressure the government to embrace a religion. Second, the modernization of agriculture with the use of technology but does not eliminate institutional mutual cooperation called the "*splice*" where the need for labor in agriculture was obtained by means of mutual help among farm households in turns without wage system. Third, labor migration undertaken by the younger generation as well as the inclusion of information through the mass media affect social life Samin. However Castells Manuel. 2002 argues that development should still consider local knowledge and review the development model that is identical style modernization with Westernization.

Bass & Avolio, 1993. found that for coastal communities, the expected social transformation is the existence of social change from traditional fishing communities become industrialized societies are creative, dynamic and able to utilize the natural resources available in coastal areas.

Barker, 2005 found that social change is the duality of the Bali-Hindu communities where duality changes regarding the elements of change among other elements of social structure (the structure of subjective and objective), elements of the causes or sources of change (exogenous and endogenous), direction change (linear and cyclical), as well as the driving element changes (structure and agent / agency) which changes the process takes place simultaneously and influence each other overlap, resulting in a change in symptoms.

Bourdieu, 1986 identified three stages of the transformation of traditional institutions in strengthening democratic economy in rural Bali. First, type of communal society is a universal characteristic when dependencies between high population and low outside interference once. Second, the new institutional simultaneously followed by the destruction of traditional institutions are built on the culture and spirit of communality as the village community resilience (LKMD) and Village Unit Cooperatives (KUD), some farmers, farm groups, women farmers, and "the PKK group". Third, is the stage of a new communality. The government began to shift to a new approach that is more appreciative local communality.

### III. Research Methodology

The method used in this study is mix method, which is a quantitative and a qualitative research. This mix method research process involves a significant effort, such as the numbers of the data from the village like the number of people, sex, work, type of entrepreneurship, also asking questions and procedures, analyze the data inductively from the specific themes to common themes and interpret the meaning of the data (Basrowi & Suwandi. 2008). This research applies a stylish outlook inductive research, focusing on the individual meanings, and translate the complexity of a problem (Marshall, Catherine & Gretchen. 1989).

This research area in the village Blimbingsari with the following considerations. First, that from the beginning of this village is the village for disposal (*meselong*) poor hopeless, until now the village Blimbingsari selected and prosperous tourist village in Jembrana, which received funding from the Province of Bali. Second, village located in the district Blimbingsari Melaya, Jembrana, Bali, with a predominantly Protestant, although being in the midst of the majority Hindu community. This means that this village has its own uniqueness that is famous for Christian Village (Pasikian Pekraman Christian), there has never been pekraman village based on the Christian teachings in Bali. Third, land area of about 400 (four hundred) acres, with a population of around 230 (two hundred thirty) heads of households provided with "free" by the Dutch government in 1931 (Michel Picard, 2006), succeeded in building a village economy with incredible Blimbingsari. Fourth, Blimbingsari Residents have many successful entrepreneurs in the field of cattle, chickens, pigs and catfish and plantation products such as coffee, cocoa and coconut. Fifth, the village is willing to apply the values of local wisdom in support of local development (Suyaga. 2004).

Techniques of data collection is done with interviews, gathering documents and triangulation (Basrowi & Suwandi. 2008). Interviews were conducted to the informant (citizens / residents) either the head of the village, spiritual leaders, community elders Blimbingsari village, some *diaspora* communities Blimbingsari village, and the village board (LPM, LPD), District and Village Village Blimbingsari and servant of the Church at Peniel Church Blimbingsari. Determination techniques informant was purposively. Documentation method used is stored records, books,

## Role of Leadership in Economic Transformation from Dying Village to a Living Village

newspapers. Direct observation techniques through observation and recording of phenomena that appear on the process of economic transformation Blimbingsari today.

### IV. Discussion

Blimbingsari village visited by many nations in the world, tourists both domestic and foreign tourists (international). However, it does not happen automatically, before the village institutions and individuals establish themselves with discipline, serious and organized.

For the case Blimbingsari village community, the leaders of which started its activities began quietly, their humility and willingness to work on leadership (both church and government actors) that led to the village that had been 'poor' to village 'forward' and prosperous (Suartika, 2005).

A village community to implement its development requires human resources is one of the factors that determine whether or not an advanced country in carrying out the development. Blimbingsari village initially carry out development in difficult conditions it requires the leadership figure who has the charge and the entrepreneurial spirit that is good and right and innovations made in the implementation of development to be able to increase the creativity of the village community members Blimbingsari to a performance that truly can produce in agricultural activities, livestock and plantations(Wijaya. 2003).

Blimbingsari village engaged in the construction is slowly but surely, after going through various challenges and trials can eventually reach a point of significant progress and capable of prospering society. One decisive factor was the leadership that encourages entrepreneurship to every member of the community. There are two key words in entrepreneurship, namely creativity and innovation. Finding new ways that are efficient in the field of agriculture, plantations and farms is a way to improve people's lives Blimbingsari village.

Management of innovation, and creative development is the task of leadership in order to encourage all members of the village community Blimbingsari to working toward a goal, namely to improve their welfare. Obviously human resources Blimbingsari village is the village's main assets are supported by leadership that can encourage community members to cultivate the mentality of entrepreneurs in the field of animal husbandry, agriculture and plantations. Leadership must be able to act as a thinker, planner, and control villages in carrying out development activities with an entrepreneurial spirit. (See Figure 4.1.)



Figure. 4.1. Community entrepreneurial type Blimbingsari

## *Role of Leadership in Economic Transformation from Dying Village to a Living Village*

Leadership is subject to the implementation of development. Leadership that directs the behavior of others towards the achievement of a particular goal, in this case the development goals to achieve better conditions. Leadership directing and causing others to act in a certain way or follow a certain direction, which is of course to the charge and the value of entrepreneurship to further improve the performance and optimal results in agriculture, livestock and plantations.

Leadership based entrepreneurship has advantages where performance leadership possesses the more freely. Entrepreneurial-based leadership is more likely to facilitate members of the public with a set of capabilities to improve their quality of life by optimizing the existing resources in the village Blimbingsari in the fields provided in the village, among other fields of animal husbandry, agriculture and plantations.

When examined, the dimensions of innovation greatly affect the outcome of the performance of members of the community in improving productivity. Innovation is supported by the dimensions of creativity which ultimately leads to increased economic resources as a logical consequence of increased productivity. Environment of rural communities in carrying out their activities in the development of agriculture, livestock and plantations increasingly become dynamic and competitive. Blimbingsari Village Community will be more excited to develop and market new products and services potentially in the village, which would be marketed in the centers of the market, both across sub-districts, counties, and even across the province. One of the responsibilities of leadership is most important and the most difficult is to guide and facilitate the process of making a major change in the community.

Leaders from various generations Blimbingsari village started its activities by using the value of spirituality and social capital so that they work together and have an unwavering determination (doing what must be done). It turned out that the village community leaders Blimbingsari succeed. It was all because it has a humble leadership and have the will. This leadership has no ego or personal interest. These leaders are ambitious incredible, but the first and most important ambition is to his village, not for their own.

These factors are growing in the middle of the village of Blimbingsari influenced by historical trends, social attitudes, and socioeconomic factors. Blimbingsari village leaders have continually understand the four main elements of the (spiritual values, work ethic, working capital and entrepreneurial value) has grown in the village of Blimbingsari, so that the values that make a positive contribution to the productivity of the community to improve the living standards in the field of economics and other aspects as well which support it, such as the spiritual value to continue always to love, such as teaching and the value obtained from the Gospel or the Bible.

Blimbingsari village leaders as change agents trying to make a direct and dynamic changes, because it makes four (4) main values that interact through transformative leadership variable boost in the form of order, stability and the ability to perform a systematic and planned changes. And this requires a real change in the socio-economic behavior as a pre-requisite to understanding the development of the Village Blimbingsari such as gardens, where plants and trees grow and develop according to his character.

And from the beginning of the formation and development Blimbingsari village, it has been passed in a frame of institutional evolution and tortuous history. Actor leader sharpened understanding of the ecology and the history that goes along with the people who initially came under pressure, but it can get out of the process with a resounding victory by the power of the Christian faith that is owned, so as to bring significant changes in the economic sector. This is all due to the good leadership that is able to make a breakthrough and change for the people of the village Blimbingsari and development undertaken.

Perspective transformative leader Blimbingsari village represented by Ps. I. MadeRungu representing spiritual leader and continued through the leadership of Mr. Jacob Julian of laity who became head of the village, likened planters refers to the premise that it is impossible to describe the spiritual values and the community based on the estimated mean values and rational design simple. That's because the history of the village of Blimbingsari full of challenges and shocks, which otherwise could through this process well, then it is happening is the destruction of the village Blimbingsari. But with strong leadership factor and continue to improve rural economic sectors, the enlightenment and change better than the original state can take place effectively (see Figure 4.2 below).



The entrance door.



Church of Blimbingsari



BalaiParumanagung (Meeting room)



BalaiserbaGuna Sari Asih, Blimbingsari (multipurpose Room)



BalaiBengongBlimbingsari, (Meeting point)



*MusicTradisionl, Blimbingsari.*



BalaiDesaNitiGraha, Blimbingsari. (Village office)



Water boomjonah, Blimbingsari..



Guest House , Type Suite Room, Blimbingsari



Guest House , Type Deluxe Room, Blimbingsari



Guest House type Standar Room, Blimbingsari



Guest living room  
Type Deluxe, blimbingsari ,



Guest house Type suite Room, Blimbingsari.



Dinning room, Type Deluxe Room, Blimbingsari.

## V. Conclusion

Every economic development is expected to stimulate economic growth is described by an increase in national income or per capita income (Todaro, 2000). Leaders give a positive value through the process of socio-economic transformation in the community has Blimbingsari village actualize. Blimbingsari village leaders have continually

## Role of Leadership in Economic Transformation from Dying Village to a Living Village

understand the four main elements of the (spiritual values, work ethic, working capital and entrepreneurial value) has grown in the village of Blimbingsari, so that the values that make a positive contribution to the productivity of the community to improve the living standards in the field of economics and other aspects as well which support it, such as the spiritual value to continue always to love, such as teaching and the value obtained from the Gospel or the Bible.

Village leaders Blimbingsari always increase leadership capacity (Kottler, John P. 1996) through the intervention of the factors of spiritual values, work ethics, social capital and entrepreneurial factors. These factors are growing in the middle of the village of Blimbingsari understood as a pattern of beliefs, values, and behaviors, and leaders as agents of change do the role and relationship with the community intensive, because it is influenced by historical trends, social attitudes, and socioeconomic factors.

The process of socio-economic transformation that occurs is a long process (Dubrin, J. Andrew. 2007). Meanwhile, the village leader Blimbingsari as a change agent trying to make a direct and dynamic changes, because it makes four (4) main values that interact through transformative leadership variable boost in the form of order, stability and the ability to perform a systematic and planned changes.

The author only examines the role of leaders in improving the economy of society. The possibility in other studies will show what the role of church leaders and government leaders more specifically will be examined by other researchers.

### Reference

- [1.] Adler, P, & Kwon, S., 2000. "Social Capital: The good, The bad and The ugly. In E. Lesser (Ed). Knowledge and Social Capital: Foundations and Applications". Butterworth-Heinemann
- [2.] Barker, Cris. 2005. *Cultural Studiesteropraktik*. Yogyakarta : PT. BentangPustaka.
- [3.] Basrowi & Suwandi. 2008. "Memahami Penelitian Kualitatif". Rineka Cipta. Jakarta.
- [4.] Bourdieu, P. 1986. "The forms of capital. In J. Richardson (Ed). Handbook of Theory and Reserach for Sociology of Education (pp. 241-258)". New York: Greenwood Press
- [5.] Bass B.M. dan Avolio, B.J. 1993. *Transformational Leadership dan Organizational Culture*. Public Administration Querterly, 17(1)
- [6.] Castells Manuel. 2002. "*The Power of Identity*", United Kingdom. Blakwell Publishing.
- [7.] Coleman James S. 2008. "Dasar-dasar Teori Sosial". Bandung. Penerbit Nusa Media
- [8.] Drucker Peter. 1967. "The Effective Executive". Harper & Row, Publisher, New York, Evanston and London.
- [9.] Dubrin, J. Andrew. 2007. *Leadership, Research Finding, Practice, and Skills*. Boston :Houghton Mifflin Company.
- [10.] Darcy T. dan Kleiner, B.H. 1991. *Leadership for Change in a Turbulent Environment*. *Leadership and Organization Development Journal*.
- [11.] Escobar, Arturo ((ed) 1995. "*Encountering Development : The Making and Unmaking of The Thir World*". Princeton Studies in Cultural/Power/History. Princeton Economic and The Space of Development : Tales of Growth and Capital.
- [12.] French, Wendell L., at.al. (ed.) 2000. *Organization Development and Transformation: Managing Effective Change*, Irwin McGrall-Hill Singapore.
- [13.] Fisher D.C. 1980. On the Dubious Wisdom of Expecting Job Satisfaction to Correlate with Performance. *Academy of Management Review*, 5: 607-612.



## *Role of Leadership in Economic Transformation from Dying Village to a Living Village*

- [14.] Francis Fukuyama (1999), "Social Capital And Civil Society". George Mason University, The Institute Of Public Policy.
- [15.] French, Wendell L *et al*, (ed.) 2000. *Organization Development and Transformation*, Irwin McGraw-Hill Singapore.
- [16.] Grillo, R.D. and R.L. Stirrat. 1997. "*Discourse of Development : Anthropological Perspectives*" Berg, Oxford. *Discourses of Development : The View from Anthropology* (pp 1-34).
- [17.] Khalili. S. 1994 *Leadership Style and their Applications in the Iranian Management System*. (Tehran: Iran, 1994)
- [18.] Kottler, John P. 1996. *Leading To Change*, Harvard Business School Press.
- [19.] Michel Picard, 2006. Bali. *Pariwisata Budaya dan Budaya Pariwisata*. Yakarta, KPG (Kepustakaan Popular Gramedia).
- [20.] Marshall, Catherine & Gretchen B Rossman. 1989. "*Designing Qualitative Research*" Newbury Park, London, New Delhi: Sage Publications.
- [21.] Morse, Richardo S, Terry F. Buss and C Morgan Kinghorn. 2007. *Transforming Public Leadership for the 21st Century*, M.E. Sharpe, Armonk New York.
- [22.] Robbins, SP & Judge, TA. 2007. *Organization Behavior*, Pearson International. New Jersey : Upper Saddle River.
- [23.] Schumpeter Joseph. 1969. "*The Theory Of Economic Development*". An Inquiry into Profit, Capital, Credit, Interest, and the Business Cycle. Oxford University Press, London Oxford New York.
- [24.] Suartika, Gusti Ayu Made. 2005. "*Vanishing Paradise, Planning and Conflict in Bali*". Thesis from Faculty of The Built Environment, University of New South Wales. New South Wales, Australia.
- [25.] Suyaga Ayub, Ketut. 2004. "*From Unwanted to Living Church*". Based on interview taken by Lenny Van Ameijde. Gereja Kristen Protestan di Bali. Penerbit GKPB. Bali
- [26.] Stoner, James A.F dan R. Edward Freeman. 1989. *Management*, Prentice-Hall of India.
- [27.] Todaro, Michael P. 2000: *Economic Development: Economics, Institutions, and Development: a Global Perspective*
- [28.] Wijaya Nyoman. 2003. "*Serat Salib Dalam Lintas Bali*". Menapak jejak Pengalaman Keluarga GKPB 1931-2001. CV. Krinon. Yayasan Samaritan, Denpasar.