



THE EFFECTIVENESS OF URBAN INDEPENDENT COMMUNITY EMPOWERMENT PROGRAM (PNPM) IN TACKLING POVERTY IN INDONESIA

Rita Nengsih^{1†} --- Juli Dwina Puspita Sari² --- Zenitha Maulida³ --- Ferdi Nazirun Sijabat⁴

^{1,2,3,4}Economic Faculty of Universitas Ubudiyah Indonesia, Banda Aceh, Indonesia

ABSTRACT

The purpose of this study is to describe the effectiveness of the national community empowerment program (PNPM) in tackling urban poverty in Indonesia. The data used in this research is a qualitative data (literature), namely journals and books. Data were collected with a literature survey technique which later was processed by using the analysis content procedure (content analysis). The Poverty is a fundamental issue for the community in Indonesia and a major issue for many developing countries. The poverty in urban area, lack of employment opportunities, low income population and rising number of unemployment is a major problem that must be addressed by the government. In order to overcome this problem, the government proposes a major effort through community empowerment programs. The national community empowerment program (PNPM) is a national poverty reduction program which mainly focuses on community development and one of government programs that which promotes an increasing income of the poor through the Assistance provided. This program utilizes an empowerment approach (empowerment) so that development of the society can be sustainable. Poverty eradication through the national community empowerment program (PNPM) is done by empowering the community with three types of main activities, namely infrastructure, social and economic, urban neighborhoods which generally known as Tridaya. The beneficiaries argue that they were helped by the existence of such a program as that the assistance provided by the government through the national community empowerment program (PNPM) has gradually been improving lower economic community regardless several factors which deter the progress of the program.

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1. INTRODUCTION

The problem of poverty is a fundamental issue for the community in Indonesia and a major issue for many developing countries. This originated from the unequal distribution of income that triggers the income gap which then causes poverty. In Aceh, the poor man is called as "*Gasin People*". Poverty will lead to social and political issues [1]. A Western economic experts *Alcock* [2] mentions that poverty is one of the social ills; Robbery, murder occurs due to the presence of poverty. Based on data from the Central Bureau of Statistics in March 2014 [3] stated that the number of poor people in Indonesia reached 28.28 million people, approximately 11.25%. The number of poor people is reduced by 0.32 million people compared to the poor in September 2013 which counted to 28.60 million people. During the period from September 2013 to March 2014, the number of the poor in urban areas decreases to 0.17 million from 10.68 million in September 2013 to 10.51 million in March 2014. Meanwhile, in rural areas decreases to 0.15 million people from 17.92 people in September 2013 to 17.77 million in March 2014. To measure the poverty level, the bureau of statistics uses the concept of society's ability to meet basic needs. Based on this approach to poverty is seen as the inability of the economy to meet the basic needs of food and non-food

In the Beginning of 1999, the government tried to address the problem of poverty in various ways, such as through the independent community empowerment program (PNPM-MP). PNPM Urban, formerly named P2KP. The National Program community consists of PNPM Rural and Urban Independent. PNPM Urban poverty reduction program which mainly focuses on community development [4]. PNPM Urban one of the poverty reduction program involving many elements of society, ranging from planning, monitoring, to preservation which involves community participation, by serving the community as a subject instead of an object. This program utilizes an empowerment approach (empowerment) so that development of the society can be sustainable.

Poverty eradication through PNPM Urban is done by empowering the community with three types of main activities, namely infrastructure, social and economic, urban neighborhoods which generally known as *Tridaya*, conducted by the Institute for Community Self-Reliance (MFI) in each district. In terms of infrastructure, the activities are carried out by constructing road infrastructure, drainage, drill wells, roads, suspension bridge, building, toilet facilities, disposal, etc. In terms of its economic program, it is implemented through the Revolving Fund managed by MFIs to KSM. Whereas in terms of the social sector, it is carried out by the community capacity building programs such as trainings, public health quality improvement activities, equipment purchasing (Productive equipment) such as sewing machines and so on.

In the implementation of the Urban PNPM program, there are many obstacles and constraints that affect the success of the programs initiated. Community participation problems, problems at KSM, UPK, BKM, the facilitator's assistance is something that is required to be done correctly in order for the program to be run successfully, especially in the economic terms and the revolving loan fund.

This article wants to portray the effectiveness of the implementation of community development programs in various region of Indonesia. Can PNPM program solve the problem of poverty which has become a major problem in Indonesia. Can the program improve the welfare of

the community through its activities and how the program works to improve the incomes of the poor.

2. RESEARCH METHOD

This study used a qualitative approach by using data such as scientific literature, journals, articles, books and other documents related to the effectiveness of the implementation of PNPM Program. Moreover, the data collection technique was done by using literature survey. Survey on literature is the process of placing, obtaining, comprehending and evaluating research literature while the research technique which being used is the content analysis techniques; Analyzing the recordings or Quotation [5].

3. LITERATURE REVIEW

3.1. Effectiveness

An Effective derived from the English word “effective” which means successful or something which is done successfully. It is said to be effective if the goals and objectives of a program that is carried out is achieved as it is planned at the beginning of the program.

Geogopolous and Tannenbaum [6] define effective as follows: "Effectiveness viewed from the goal-achievement perspective, where the success of an organization must consider not only the goals of the organization, but also the mechanisms to defend themselves in the pursuit of goals. In other words, the effective assessment here is focused on the goals, objectives and mechanisms of sustainability of the program.

Kurniawan [7] also defines effectiveness in his book Transforming Public Services, "Effectiveness is the ability to perform tasks, functions (operations program activities or missions) instead of an organization or equivalent which are not having any pressure or tensions in between implementation. Based on this definition we can interpret an effective program is when each department is able to carry out its duties and functions in the implementation of the program so that the intended goal can be achieved.

3.2. The National Community Empowerment Program (PNPM)

Technical Bulletin Government Accounting Standards No. 07 [4] explained that the program is a poverty reduction national program which mainly based on community empowerment. Some of the definitions of PNPM Urban are:

- a. PNPM Urban is a form of a policy framework of national program that plays a role as guidance and a basis for the implementation of poverty reduction community empowerment based programs. PNPM Urban is implemented through harmonization and development of systems and mechanisms as well as procedures, providing mentoring and funding stimulant to encourage initiative and innovation communities for a sustainable poverty reduction.
- b. Community empowerment is an attempt to create / enhance the capacity of communities, both individually and collectively, in solving various problems related to improving the quality of life, self-independence and well-being. Community empowerment requires the

involvement of the local government and other parties to provide opportunities as well as to ensure the sustainability of the results is achieved.

The objectives of the PNPM Urban program implementation are classified into general purpose and special purpose. The general purpose is to increase prosperity and employment opportunities of the poor independently, while the specific objectives are the following below:

- a. Increasing the participation of the whole society, including the poor, women's groups, in remote indigenous communities and other groups that are vulnerable and often marginalized in the decision-making process and management development.
- b. Increasing the capacity of community that is institutions rooted, representative and accountable.
- c. Increasing the government capacity to deliver services to the people, especially the poor through policies, programs and budgets; Pro-poor (pro-poor)
- d. Increasing communities' synergy, local government, private sector, associations, universities, non-governmental organizations, community organizations and other concerned groups in conducting an effective effort to reduce poverty.
- e. Increasing the existence and independence of the community as well as the capacity of local governments as well as local care groups in tackling poverty within the region.
- f. Increasing a developing social capital in accordance with the social and cultural potential as well as to preserve local wisdom.
- g. Increasing the innovation and utilization of appropriate technology, information and communication of community development.

To increase public participation, potential volunteers at the village level are needed to drive the development of both men and women equitably according to its capacity. It is to ensure that the construction will be done to meet the aspirations of all parties without discrimination of sex, social status, occupation, age, ethnicity, religion and others [8].

3.3. Community Empowerment

Empowerment is a continuous effort that is done by creating a process that can deliver the poor towards an independent community. Goddess Irawati Dewi [9] defines empowerment as a process that runs continuously to improve the capability and independence of the community in improving their standard of living. An empowered community is a community that is capable and independent.

Suharto [10] argues that the goal of empowerment refers to the state or thing to be achieved by a social change, which empowered community, possess the power or the knowledge and ability to meet their needs such as physical, economic and social, be confident, be able to express their aspirations, have livelihoods, participate in social activities, and independent in carrying out the task. Nevertheless, the goal of empowerment is to open and grow the awareness of community involvement in organizing themselves for advancement and independence together [11].

3.4. PNPM Program Effectiveness in tackling Poverty in Indonesia

PNPM Urban done by empowering the community in three types of main activities, namely infrastructure, social and economic, this is held in the villages, known as *Tridaya*. *Tridaya* program involves the participation of the entire community. The program focused on the development of infrastructure that can provide an assistant the public in order to improve the economy. Infrastructure programs which is done such as the construction of suspension bridges, roads, drainage, sanitation, water supply, Dumpster, well and so forth.

For economic program, its activity consists of the provision of a revolving fund to the public. The revolving fund will be used by the community as the venture capital in order to improve the welfare of their life. This rolling program managed by *BKM* (Community Self-Reliance Agency) and rolled to *KSM* (group Governmental). The constraint of the program itself is the in effectiveness of the refund process. [Yusrizal \[12\]](#) says that there are six factors that have an influence on the return of a revolving fund such as; the paradigm of society (society's view of the meaning of the revolving fund itself), *KSM*, *BKM* unit manager, unit manager *UPK*, role of community facilitators and support external parties. The existence of the public view that the revolving fund provided by the PNPM is a grant / aid that does not need to be returned. Assistance by the facilitator and training to disillusionize the public and change the paradigm of this view needs be done intensely, so that no more funds were jammed and delinquent in the community.

Based on the results of research conducted by [Yusrizal \[12\]](#) Of the six variables, there are two variables that have a significant influence on the level of refund rolling in District Central *Pariaman*, the two variables are financial management unit (*CGU*) variable and Community Self-Reliance Agency variable (*BKM*), both of these variables get the same assessment regarding the same question that is related to the readiness of the *CGU* or *BKM* institutionally in carrying out activities in the community revolving loan. The result shows same result as research conducted by [Wira and Benny \[13\]](#) where the results of research conducted in evaluating the performance of PNPM in the district of the City *Tangah* show that by using performance indicators such PNPM *CCR*, *ROI*, *LAR* and *Dubai*, in the district of the City *Tangah*, generally produce poor performance, visible *ROI*, *LAR* and *NYC* standards that exceed the required assessment. This is in contrast to the research conducted by [Susiana \[14\]](#) regarding the effectiveness of revolving fund program on self-supported groups in the city of *Depok*. Research results indicated that the presence of a strong relationship between the management of the activities revolving fund returns, as seen from the measurement of financial performance through the instrument, *CCR*, *ROI*, *LAR* and *NYC*. The research results show that the management is quite effective. Factors which considered as the causes for the ineffectiveness namely lack of assistance to the *BKM* and *UPK* itself, ignorant of what managers are facing, and lack in identifying to problem-solving in regard to any potential problems.

These Activities in the social field carried by the PNPM program is the provision of trainings to villagers and *KSM* groups, the provision of sewing machine and others equipment. Trainings are provided in order to increase public capacities such as entrepreneurial training, business planning and how to market the product. Entrepreneurship training aims to give a perspective that everybody can become entrepreneurs that can help increase the family income. Such as entrepreneurship

training, this focused on the house wife in Barona Jaya district, *Aceh Besar*. In her study, [Nengsih \[8\]](#) argued that The *Selaras* Program of National Community Empowerment Program (PNPM) Urban Independent in the province is able to strengthen the involvement of women in development (Antaraaceh). Through the program of PNPM Urban, it has increased the participation and role of women in the planning, execution, monitoring of the evaluation stage. According to one participant entrepreneurial motivation training of village *Lamgapang Barona Jaya*, the sub district said that prior to the program of PNPM Urban, women are rarely involved as policy makers. Now, women have the courage to speak in public and promoted ideas and opinions in any activity in their environment. From the results entrepreneurial motivation training held by PNPM Urban in the Aceh province. It has fostered self-reliance and motivation for Acehnese women to change their lives for the better, to improve the economy of the family by helping their husband in making a living and to make their days becoming more useful, this social activity also done by socializing health and reproduction to the community.

Results of research conducted by [Irawati Dewi \[9\]](#) who were investigating the influence of PNPM Urban to increase the income of the poor in the city of Banda Aceh indicates that the presence of Urban PNPM can help to increase the income of the poor in Banda Aceh. Another study conducted in District *Lubuk Begalung Padang* showed that a revolving fund of PNPM Urban used by entrepreneurs in the micro entrepreneurs raises capital and assets, showed good results with an increase in net income that they receive [\[15\]](#). Under these conditions, it can be argued that the revolving funds received by the community has been beneficial to expand many businesses

4. CONCLUSION

Based on the discussion that has been described, it can be concluded that:

1. The National Program for Community Empowerment in Urban area which has run in several regions of Indonesia provides many benefits to the community. Such as a revolving fund program which is initiated by the community where the beneficiary can increase its net income and can develop their business.
2. The training program or community capacity building such as entrepreneurship, motivation training, and business planning and marketing of the product have provided new perspective and change the paradigm of community in the District of Barona Jaya that women can also participated assist families in improving the income and welfare of their own family. One group of KSM states that since this program, women are able to get involved in all aspects of the decision-making and other activities in their villages.
3. In achieving the goal of the program itself, continuous assistance of BKM, UPK and KSM is required so the manager BKM, UPK and KSM can run the program properly as well as able to improve the well-being in tackling poverty in urban areas.

5. RECOMMENDATIONS

1. The facilitator as a financial organizer assistance (UPK) and Community Self-Reliance agency (BKM) ought to perform regular and ongoing mentoring programs as planned in order to be able to run as according to plan

2. Communities as beneficiaries, in order to return the revolving funds received before its due and should be able to be aware that the given funds is a temporary loan which is required to be returned and must be transferred to the other.
3. The government is expected that This program will be sustained and any assistances provided is targeted effectively as well as always, identify the allocation of the budget needed in every sector so that the funds is allocated appropriately and desired goals can be achieved
4. Needs for the identification of factors that influence the paradigm / community perspective toward the revolving fund so that the program can minimize the ineffectiveness of the fund returned.

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