

**PEOPLE'S EMPOWERMENT THROUGH NATIONAL PROGRAM
FOR URBAN SELF COMMUNITY EMPOWERMENT
(Studies on the Provision of Revolving Financial in the Village of Jabon,
Sub-district of Jombang, Jombang Regency)**

Ragil Septianawati, Bambang Santoso Haryono, Farida Nurani

Public Administration Department, Faculty of Administrative Science, Brawijaya University, Malang
E-mail: ragilseptiana@gmail.com

***Abstrak:** Pemberdayaan Masyarakat melalui Program Nasional Pemberdayaan Masyarakat Mandiri (PNPM) Mandiri Perkotaan (Studi tentang Penyediaan Sumber Daya Keuangan Bergulir di Desa Jabon, Kecamatan Jombang, Kabupaten Jombang). Pembangunan nasional merupakan suatu kebutuhan yang sangat mendesak bagi negara Indonesia. Mengingat kondisi kemiskinan merupakan topik yang masih menjadi sorotan utama. Salah satu cara untuk mengatasi kemiskinan adalah melalui pemberdayaan. Penelitian ini menggunakan metode kualitatif dengan model interaktif. Hasil penelitian menunjukkan bahwa pemberdayaan masyarakat melalui program pinjaman bergulir dari PNPM Mandiri Perkotaan di desa Jabon, kecamatan Jombang, kabupaten Jombang telah memberikan dampak yang baik dalam proses pembangunan. Namun, masih sangat disayangkan dengan belum sepenuhnya tercapai sasaran yang diharapkan dalam program tersebut, dimana masyarakat miskin merupakan sasaran utama.*

***Kata kunci:** pinjaman bergulir, pemberdayaan masyarakat, pembangunan nasional*

Abstract: People's Empowerment through National Program for Urban Self Community Empowerment (Studies on the Provision of Revolving Financial in the Village of Jabon, Sub-district of Jombang, Jombang Regency). Nation building is essential requirement for Indonesia. Know that poverty is the topic which is still the main spotlight. One of the ways to overcome the poverty is through empowerment. This research used qualitative method with an interactive model. The results of this research state that the people's empowerment through revolving loan program from PNPM Urban Self at Jabon village, sub-district of Jombang, Jombang regency has given the good impact in terms of development process. However, it is still regrettably with the achievement of targets are not completely expected in the program, where the poor people are the main targets

Keywords: revolving loan, people's empowerment, nation building

Background

Poverty is the most important issue in development. Welfare of the people is the main goal development a nation. In March 2013, Central Bureau of Statistics recorded total of poor people (populations with expenditure per capita per month under the poverty line) in Indonesia reached 28.07 million (11.37%). It shows that total of poor people (population with expenditure per capita per month under the poverty line) was reduced by 0,52 million people compared to the poor in September 2012 which amounted to 28,59 million (11,66 %). Although Indonesia has been succeeded in reducing the poverty rate, but there are still disparities between provinces.

A wide variety of ways has been done by the government to tackle the problem of poverty, one of which is the people's empowerment. In Jombang regency, there is some empirical problem on the people's empowerment especially on the revolving loan program from PNPM Urban Self that is problem loan or (bad debts). From the performance assessment on revolving loan of Jombang regency hang on the 50th, as cited by (Progress of revolving loan performance (RLF) second region, March 2014). The empowerment problems was conducted is the government responsible on the process of management the development. So, the researcher formulate the question, How the mechanism and impact the revolving loan program from

PNPM Urban Self on the effort to people's empowerment.

The aims of this research is to explain the impact of revolving loan program from PNPM Urban Self to people's empowerment. This research is expected to provide the value, both theoretically and practically on the revolving loan impacts to people's empowerment on reducing the poverty.

Theoretical Review

A. Public Administration

1. Definition of Public Administration

Public administration is the administration of the state as an organization, and the administration's pursuit of goals having the character of state (Atmosudirjo, 1982, p.272).

2. Scope of Public Administration

All that breadth the scope of public administrative that can also cover other social science, among other things: Governmental Science; Political Science; Constitutional Law; State Science Self; and Philosophy of Science (Syafiie, 2003, p.35-37).

B. Development Administration

1. Definition of Development

Development administrative refers to efforts that organized to implement programs or projects related to achieving development goals (Fred W. Riggs, editor, 1986).

2. Development Principle

There are ten principles of the implementation of national development: Totality, Community Participation, Equilibrium, Continuity, Systemic Approach, Rely on Individual Forces, Clarity the Basis Strategy, Clearly the Scale of Priorities, Ecological Sustainability, Equitable along Growth (Siagian, 1985).

3. Development Participation

Administrative development also serves to involve (not necessarily in ways directly) activities of the wider community, accordance with the directions and policies

set out in the development process (Tjokroamidjojo, 1974).

C. People's Empowerment

1. Definition of Empowerment

Empowerment is derived from the word "power" which means strength or ability. Based on this definition, then empowerment can be defined as a process heading to power or process of giving power (strength/ability) to those who has not power (Sulistiyani, 2004, p.77).

2. Empowerment Approach

The main approach of the concept of empowerment is that people not being the object of various development projects, but is the subject of their own development efforts (Kartasasmita, 2003).

3. People's Empowerment Indicator

There are 12 indicators of people's empowerment: Participation, Voicing opinion, Change of consciousness, Taking action, Solidarity, Cooperation, Creation, Setting new goals, Negotiation, Satisfaction, Self Confidence, and Administrative and Economic Management. Fujikake, 2008).

D. Problem Loan

1. Definition of Problem Loan

A problem loan can be defined as one in which there is a major breakdown in the repayment agreement resulting in an undue delay in collection, or one in which there appears legal action may be required to effect collection, or one in which there appears to be a potential loss (Robert H. Behrens, 1992).

2. Problem Loan Identification

Identify problem loans in time to solve the problem before the situation deteriorates to the point where it has no alternative but to take the loss (Robert H. Behrens, 1992).

3. Problem Loan Supervision

"Who should handle that loan, be responsible for its supervision, and make the decisions regarding it?" and "On what level will what decision be made?" (Robert H. Behrens, 1992, p.51).

4. Problem Loan Collection

In most problem loans, the decision to collect is made quite sometimes after the loan is recognized as a problem loan (Robert H. Behrens, 1992, p.65).

5. Problem Loan Prevention

There are four main area of loan management (Michael Groves, 1992, p.145-146):

- a. Loan Policy, should address the definition of a problem loan and specify the steps to be taken, with particular emphasis on responsibility for problem loan management.
- b. Training, is a subject that is often overlooked as a long term cure for loan quality problems.
- c. Monitoring Credits, good monitoring of credits by the loan officer, backed up by good loan review procedures, goes a long way towards determining the potential for problems in time for preventative action to be taken.
- d. Management Support, some level of loan problems is almost inevitable. With proper controls in place though, problems easily can be kept within a normal level of provision for loan losses.

E. PNPM Urban Self

1. PNPM Urban Self Background

PNPM Urban Self is one of the mechanisms of community empowerment programs used PNPM Urban in an effort for accelerate to reduce the poverty and job opportunities in urban areas.

2. Revolving Loan Background

In economic activity, that is supply the macro-scale to poor communities in urban or rural areas where LKM/UPK are the terms and condition that have been established.

Research Methods

This type of research used in this research is qualitative research with interactive model (Miles and Huberman, 1992, p.15-20).

The data analyze which have been made in this research are:

1. Analyze the mechanism of implementation the provision a revolving loan of PNPM Urban Self in people's empowerment:
 - a. Identify the targets of revolving loan. Target of people's empowerment is directed against that need, with programs designed tackle the problem and suit their need.
 - b. Identify the handling organization of revolving loan. People's empowerment is using the group approach, because individually the poor people are difficult to solve the problems they face.
 - c. The amount of BLM from PNPM Urban Self especially in revolving loan program.
 - d. The scheme of mechanism the revolving loan.
2. Analyze the impact of the provision a revolving loan program from PNPM Urban Self in people's empowerment:
 - a. Identify the participation of the community on revolving loan activity from PNPM Urban Self.
 - b. Identify the change of consciousness the community on revolving loan activity from PNPM Urban Self.
 - c. Identify the creation of the community on revolving loan activity from PNPM Urban Self.
 - d. Identify the satisfaction of the community on revolving loan activity from PNPM Urban Self.

Result and Discussion

1. The Mechanism of Implementation Revolving Loan Program from PNPM Urban Self to Effort the People's Empowerment.

a. The targets of revolving loan from PNPM Urban Self.

- 1) Borrowers derived from poor households that have been identified in the PJM PRONANGKIS and are registered in the list of poor people.

At Jabon village, Jombang sub-district, Jombang regency, the first targets is not implemented accordance with the procedure from regulation of PNPM Urban Self. There were only about 30% KSM member stated as poor households. This implementation is

not accordance with the theory “The empowerment approach is the efforts should be directed (targeted). It is popularly called the siding. Directed against that need, with programs designed tackle the problem and suit their need”. (Kartasasmita, 2003).

Table 1 Data of Poor Households

No.	Year	Population (person)	Population of Poor Households (person)
1.	2008	4.033	1.739
2.	2009	4.097	1.716
3.	2010	4.135	1.699
4.	2011	4.172	1.678
5.	2012	4.201	1.652
6.	2013	4.261	1.637

Source: *BKM Tunas Harapan, 2013*

- 2) Minimum 30% of borrowers are woman.

At Jabon village, Jombang sub-district, Jombang regency, the second targets have been conducted accordance with the procedure from regulation of PNPM Urban Self. The borrowers are 72% woman.

Table 2 Data of KSM according to Gender

No.	Year	Total of KSM (person)	Man (person)	Woman (person)	Man (%)	Woman (%)
1	2008	351	94	257	27	73
2	2009	304	73	231	24	76
3	2010	280	78	202	28	72
4	2011	180	56	124	31	69
5	2012	192	59	133	31	69
6	2013	200	54	146	27	73
Average					28	72

Source: *BKM Tunas Harapan, 2013*

- 3) The borrowers from the poor households have joined the Kelompok Swadaya Masyarakat (KSM), specifically for this activity consists of at least 5 persons.

At Jabon village, Jombang sub-district, Jombang regency, the third targets have been conducted accordance with the procedure from regulation of PNPM Urban Self. From the interview to the UPK and secretary of BKM “Tunas Harapan”, states that all of the borrower have joined to the KSM. And the member every KSM consist on 5-10 person. This implementation has already accordance with the theory “Using the group approach, because individually the poor people are difficult to solve the

problems they face. Well scope of assistance too wide if handling is done individually” (Kartasasmita, 2003).

Table 3 Data of the borrowers included to KSM

No.	Year	Total of KSM (Unit)	Total of Borrowers (person)
1	2008	67	351
2	2009	58	304
3	2010	54	280
4	2011	35	180
5	2012	36	192
6	2013	37	200

Source: *BKM Tunas Harapan, 2013*

- 4) Access to credit for KSM credit repayment performance ensured sustainability through BLM and channelling the proceeds with clear loans policy.

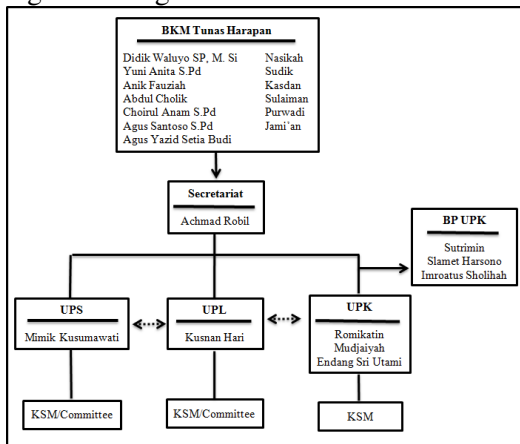
At Jabon village, Jombang sub-district, Jombang regency, the fourth targets has conducted accordance with the procedure from regulation of PNPM Urban Self. From the interviews, states that the KSM members have a good repayment will assure to get next loan and the KSM member have bad debts blocked by UPK.

b. Handling organization of revolving loan from PNPM Urban Self.

At the village of Jabon, Jombang sub-district, Jombang regency, there are four organizations which executing the revolving loan, they are:

- 1) BKM Tunas Harapan
- 2) Badan Pengawas Unit Pengelola Keuangan (BP-UPK)
- 3) Unit Pengelola Keuangan (BP-UPK)
- 4) Kelompok Swadaya Masyarakat (KSM).

Figure 1 Organizational Structure

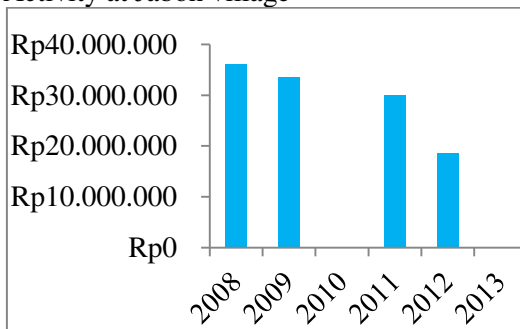


Source: *BKM Tunas Harapan, 2012*

c. The amount of BLM from PNPM Urban Self.

On the regulation of revolving loan from PNPM Urban Self, BLM that is to be given are divide into three sector, ie, (Social, Environment, and Economic) and especially for economic sector just got maximum 20% of BLM. Based on the documentation and interview, at Jabon village, Jombang sub-district, Jombang regency the regulation has been implemented accordance with the procedure.

Figure 2 The amount of Funds on Economic Activity at Jabon village

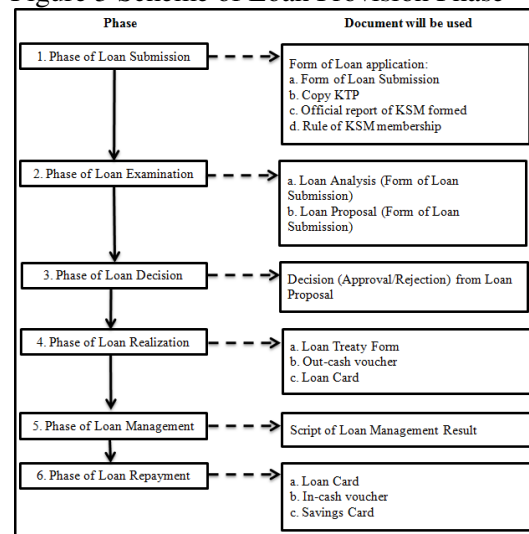


Source: *The analysis of author, (2014)*

d. The mechanism of revolving loan from PNPM Urban Self

Below is a schematic mechanism of implementation the revolving loan from PNPM Urban Self.

Figure 3 Scheme of Loan Provision Phase



Source: *Revolving Loan Module (2010)*

1) Phase of Loan Submission

At Jabon village, Jombang sub-district, Jombang regency the loan submission phase is not accordance with the theory of loan policy, namely “Loan policy should address the definition of a problem loan and specify the steps to be taken, with particular emphasis on responsibility for problem loan management. Ideally, loan policy should be developed as the loan officer’s guide to the extension and control of credit”. (Michael Groves, 1992, p.145-146).

2) Phase of Loan Examination

At Jabon village, Jombang sub-district, Jombang regency loan examination phase has already accordance with the theory of supervisions of problem loan, namely “Who should handle that loan, be responsible for its supervision, and make the decisions regarding it?” Responsibility can be left with the loan officer servicing the loan; Turned over to an officer who specializes in handling problems loan; Delegated to a committee of loan officers”. (Robert H. Behrens, 1992, p.51).

3) Phase of Loan Decision

At Jabon village, sub-district of Jombang, Jombang regency loan decision phase has already accordance with the theory of identification of problem loan, namely “loan in which the risk is greater than a lender ordinarily would willingly assume. Therefore, it requires special

attention on the part to be collected in full within a reasonable period of time after its maturity. Identify problem loans in time to solve the problem before the situation deteriorates to the point where it has no alternative but to take the loss. In addition, if proper corrective measures are to be taken, the type, cause, and magnitude of the problem must be identified. Loans do not deteriorate suddenly and without warning". (Robert H. Behrens, 1992).

4) Phase of Loan Realization

At Jabon village, Jombang sub-district, Jombang regency has already accordance with the theory of monitoring credits, namely "loans do not usually go bad overnight. Good monitoring of credits by the loan officer, backed up by good loan review procedures, goes a long way towards determining the potential for problems in time for preventative action to be taken. Loan monitoring procedure should be spelled out in detail in the loan policy". (Michael Groves, 1992, p.145-146).

5) Phase of Loan Management

At Jabon village, Jombang sub-district, Jombang regency is not accordance with the theory of training, namely "training is a subject that is often overlooked as a long term cure for loan quality problems. Training of lending personnel, both in-house and externally, can go along way towards ensuring that the loans entering the portfolio are in accordance with management's loan policies. Good credit management is not simply a matter of good credit analysis. It requires an understanding of the credit philosophy. Training sessions in the bank's philosophy and application can provide a useful road map for loan officers so that they can avoid problems". (Michael Groves, 1992, p.145-146).

6) Phase of Loan Repayment

At Jabon village, Jombang sub-district, Jombang regency has already accordance with the theory on collection of the problem loan, namely "in most problem loans, the decision to collect is made quite sometimes after the loan is recognized as a problem loan. Action to collect the loan is ordinarily taken only after all these measures have proved ineffective. The loan officer should always ask three questions in considering a

decision to collect". (Robert H. Behrens, 1992, p.65).

2. The Impact of the Provision a Revolving Loan Program from PNPM Urban Self to Effort the People's Empowerment.

a. The Participation of the Community on Revolving Loan.

At Jabon village, Jombang sub-district, Jombang regency states that the community participation on the early of implementation, is not due bring themselves. They have joined to participation on revolving loan program because suggested from the bureaucracy of Jabon village. This condition show that the process of empowerment still not in accordance with the regulation. But coinciding until now, the participation of has already based on the awareness. The community have been joined to the program has already accordance with the expectation. The implementation on revolving loan activity has already accordance with the theory of "the participation of the community". (Fujikake, 2008).

b. Change of Consciousness the community on revolving loan.

At Jabon village, Jombang sub-district, Jombang regency states the change of consciousness on revolving loan have good impacts. Proven to be the got 2nd order as Jombang regency as the BKM talented. The appreciation was got because there are no bad debts on revolving loan activity. Not existing of bad debts because good performance of community using the loan. The implementation has already accordance with the theory of "Change of Consciousness the community". (Fujikake, 2008).

c. Creation of the Community on Revolving Loan.

At Jabon village, Jombang sub-district, Jombang regency states that the creation of the community is have a good impact. The creation of business was developed accordance with the expectation. The community also got the impact of the program, which providing the capital to develop or establish the business of community. The implementation has already

accordance with the theory of “Creation of the community”. (Fujikake, 2008).

d. Satisfaction of the Community on Revolving Loan.

At Jabon village, Jombang sub-district, Jombang regency states the good impact. The community recognize that the revolving loan program from PNPM Urban Self is friendly program to poor people. Because they felt that the program was support them to become powered. The implementation has already accordance with the theory of “Satisfaction of the community”. (Fujikake, 2008).

Conclusion

The people’s empowerment through revolving loan program from PNPM Urban Self at Jabon village, Jombang sub-district, Jombang regency state that have a good change. The mechanisms of revolving loan mainly have been executed. The impacts of revolving loan have good improvement too. But regrettably, that the targets of revolving loan program have still not accordance with the procedure. As is proper, the targets are derived from poor people, but on the implementation just 30% stated as poor people.

References

- Atmosudirjdo, Prajudi. (1982). **Administrasi dan Manajemen Umum**. Jakarta, Ghalia Indonesia.
- Behrens, Robert H. (1992). **Commercial problem loans and workouts**. Tokyo, Toppan Co., Ltd.
- Berita Resmi Statistik. (2013). **Profil Kemiskinan Di Indonesia Maret 2013** No. 47/07/Th.XVI.
- Fujikake, Yoko. (2008). **Qualitative Evaluation: Evaluating People’s Empowerment, Japanese Journal of Evaluation Studies, Vol 8 No 2, 2008**. Japan Evaluation Society.
- Groves, Michael. (1992). **Managing Problem Loans**. Tokyo, Toppan Co., Ltd.
- Kartasasmita, Ginandjar. (2003). **Pemberdayaan Masyarakat: Konsep Pembangunan yang Berakar Pada Masyarakat**. Jakarta, Bahan Kuliah SP 605 Program Pasca Sarjana ITB.
- Laporan Pinjaman Bergulir Nasional 2014**. Ranking Provinsi Penilaian Kinerja Output Program Bidang: Micro Finance (RLF). Accessed through <http://www.pnpm-perkotaan.org/laporandetil.asp?mid=309&catid=22&menuid=4> [accessed on June, 26 2014].
- Miles, Matthew B. dan A. Michael Huberman. (1992). **Analisis Data Kualitatif, Buku Sumber Tentang Metode-Metode Baru**. Jakarta, Universitas Indonesia (UI-Press).
- Riggs, Fred. W (editor). (1986). **Administrasi Pembangunan: Batas-Batas, Strategi, Pembangunan Kebijakan dan Pembaharuan Administrasi**. Jakarta, Rajawali.
- Siagian, Sondang P. (1972). **Administrasi Pembangunan**. Jakarta, Gunung Agung.
- Sulistiyani, Ambar Teguh. (2004). **Kemitraan dan Model-Model Pemberdayaan**. Yogyakarta, Gava Media.
- Syafiie, Inu Kencana. (2003). **Sistem Administrasi Negara Republik Indonesia (SANRI)**. Jakarta, Bumi Aksara.
- Tjokroamidjojo, Bintoro. (1974). **Pengantar Administrasi Pembangunan**. Jakarta, Pustaka LP3ES Indonesia.
- Kementerian Pekerjaan Umum. (2010). **Pedoman Teknis Kegiatan Pinjaman Bergulir**. Jakarta, Direktorat Jenderal Cipta Karya.
- Kementerian Pekerjaan Umum.. (2010). **Pedoman Pelaksanaan Pinjaman Bergulir**. Jakarta, Direktorat Jenderal Cipta Karya.