

**The Implementation of Community Empowerment  
Program in Reducing the Poverty**  
(Case Study of PNPM-Mandiri Urban in Besito Village, Gebog Sub-district,  
Kudus Regency, Central Java Province, Indonesia)

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## **ABSTRACT**

Community Empowerment Program is a national program to accelerate the poverty reduction. In Indonesia, the program is named PNPM-Mandiri. The implementation of the program in some areas showed the successful by the poverty reduction. Nevertheless, many areas failed in implementing the program showed by the poverty remains, even worsen. Therefore, it needs further analysis whether successful of the implementation of the program could not automatically reduce the poverty rate. The problem was occurred in Besito Village Gebog Sub-District Kudus Regency Central Java Province, Indonesia. BKM Besito Makmur, the community based organization in Besito Village, won Kudus Regency awards from the Kudus Major in some years and also from Provincial level, but the poverty reduction is still high.

The purposes of this research are to analyze the effectiveness, efficiency, relevance, sustainability and impact of PNPM-Mandiri in reducing the poverty, the roles of stakeholders in coordination and participation to reduce the poverty through PNPM-Mandiri, the constraining factors of PNPM-Mandiri implementation, and the result of the program.

This research uses qualitative method in analyzing the implementation of PNPM Mandiri Urban in Besito Village, a community empowerment project supported by World Bank joint funded by local community. The gathering data used three methods: interview, observation, and documentation. Informants in this research were included local citizens, Mayor of Besito Village, BKM Besito Makmur Managers, Officers of Kudus Development Planning Agency, Village Facilitator, PJOK Gebog (Gebog sub-district Responsible Person for Operational Activities) and so on.

As a result of evaluation, this PNPM-Mandiri Urban Program seems to be failed in terms of poverty reduction as final goal. There are several constraining factors found. Some are due to small scale (a kind of pilot project for experiment) and mismatches to local needs. However, the researcher could identify lessons learned from this failure.

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Kyoto, 18 July 2013  
Researcher,

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# CHAPTER I

## INTRODUCTION

### 1.1 Research Background

Classical problem of poverty in Indonesia is considered to be continued as the hardest problem faced by The Government of Indonesia in year 2013. Generally, poverty is characterized by poor life quality of the population, the limited adequacy and quality of food, limited and low quality of health care, nutrition, and low quality of education services. In decreasing the level of poverty in Indonesia, it needs support and participation from the community and the government's seriousness in tackling the problem.

Various ways have been done, but until now, the ways seem not capable yet to alleviate poverty in the country. Therefore, poverty reduction remains as the national priorities of the Susilo Bambang Yudhoyono Cabinet period year 2009 to year 2014. In the National Medium Term Development Plan Document (RPJM) through Presidential Decree No. 5 of Year 2010, poverty reduction policy was placed in forth of eleven lists of national priorities. This document also set targets to reduce the poverty rate become 8-10 percent at the end of 2014. As another target is ensuring the achievement of the Millennium Development Goals (MDG's), the decline in poverty levels in Indonesia was expected about 12.1 percent in 2015.

So far, various attempts have been done by the government to reduce poverty through the health care, education, expansion of employment opportunities and so on. The efforts have been described and contained in the various programs of poverty reduction done by the government, including PNPM-Mandiri (Community Empowerment Program).

PNPM-Mandiri is a national program in the form of a policy framework as a basis and reference implementation of poverty alleviation program based on community empowerment. The budget of the program is soft loan come from the World Bank and Asia Development Bank. In lending the soft loan, the World Bank reviewed the program, from planning, disbursement, programs targeting accuracy, and influenced the success of the program on the national development goals. The program was implemented by six ministries and institutions in 33 provinces, 465 regencies / cities, 6,408 sub-districts and about 60,000 villages.

The launching of PNPM-Mandiri in 2007 began with two community empowerment programs, the Sub-District Development Program (Program Pengembangan Kecamatan / PPK) as the basis for the empowerment of rural communities and the Urban Poverty Alleviation Program (P2KP) as the basis for the development of urban community. Starting in 2008, PNPM - Mandiri program expanded to include Development of Disadvantaged Areas (P2DTK) for under developed areas, post-disaster and conflict, and Socio-Economic Development Infrastructure Program (PISEW) to integrate the centers of economic growth with the surrounding area. Then PPK became PNPM - Mandiri Rural and P2KP became PNPM-Mandiri Urban. The program will be implemented at least until 2015 because the empowerment process in general need 5-6 years, This is in line with time target in achieving MDGs.

PNPM-Mandiri was formulated through the efforts of the mechanism poverty reduction that involves the targeted community, and manages by PDCA (Plan-Do-Check-Act) cycle. Through participatory development process, critical awareness and self-reliance community, the poor can be empowered so they are not as objects but as the subject of poverty reduction efforts.

Public participation is one of the empowerment approaches. This is stated by Kartasasmita (1997) that the program should directly be engaged or even carried out by people who were targeted. Public participation and community engagement to the selected project is very important because it fits with the will, ability and needs. In addition, it can empower people with experience in planning, implementing, managing, and responsible for self-improvement and economic efforts. So, people can learn how to cope with their problems.

Community empowerment is an effort to enhance the dignity in a society that is not able to escape from the poverty trap and backwardness. In other words, empowerment is enabling and empowering the community by public participation. This is in line with the basic principles of PNPM - Mandiri as stated in the general guidelines of PNPM - Mandiri set by government (various ministries and institutions such as the National Development Planning Agency, Directorate General of Rural Community Empowerment, Ministry of Home Affairs, Directorate General of Human Settlements, Ministry of Public Works) as well as experts from donor agencies, universities, private sector, and NGOs in 2007. It focused on human development, poor oriented, participation, autonomy, decentralization, equality and gender justice, democratic, transparency and accountability, priorities, collaboration, sustainability, and simplicity.

Base on the principles above, public participation is one of the key factors in implementation of PNPM-Mandiri. Therefore, public participation was instrumental in the effort of poverty alleviation program including PNPM - Mandiri Urban implemented in Besito Village Kudus Regency since 2008 which replaced Poverty Alleviation Project for Urban (P2KP) starting in 1999.

According to the report of PNPM - Mandiri in Kudus Regency year 2008-2012, the implementation of PNPM - Mandiri in Besito Village has been running well, even won BKM awards in year 2008, 2009 and 2011.

However, from the data of the poor family in Besito village there is no significant decline in poverty rates.

Table 1.1 The Number of Welfare Family Level in Besito Village  
Year 2008-2012

No	Level	2008/ 2009 (Families)	%	2009/ 2010 (Families)	%	2010/ 2011 (Families)	%	2011/ 2012 (Families)	%
1.	Pre-Welfare	330	19.2	332	19.1	514	27.1	714	24.5
2.	Welfare 1	147	8.6	149	8.6	147	7.7	361	12.4
3.	Welfare 2	263	15.3	268	15.5	263	13.9	463	15.9
4.	Welfare 3	282	16.5	287	16.5	283	14.9	483	16.6
5.	Welfare 3 plus	692	40.4	699	40.3	692	36.4	892	30.6
	Total (Families)	1,714	100.0	1,735	100.0	1,899	100.0	2,913	100.0
	Total (Population)	9,181		9,237		9,351		9,460	

Source: Besito Village Profile Year 2008-2012

From the data above, the number of pre welfare families (very poor family) increased 5.3 percent in last four years, and the number of family welfare level 1 (poor family) also increased drastically from year 2011 to year 2012 as 4.8 percent. According to the definition of poverty in Indonesia, both pre welfare family and welfare family level 1 are categorized as poor family, so the number of poor in Besito Village in year 2012 was still high with 36.9 percent shares. It will be difficult to reduce the number of poor to 8-10 percents as National RPJM target in year 2014.

Some poverty alleviation programs have been done in the village such as cheap rice for poor, give direct cash money for poor and so on including PNPM Mandiri Urban but it was not effective in reducing the number of poor. As stated, the village won some awards in implementing PNPM Mandiri Urban. If so, it should show significant reduction of poor families as a result of community empowerment in the village.

Table 1.2 the Number of PNPM - Mandiri Urban Budget in Besito Village Year 2009-2012

No.	Year	Number of Budget (US\$) <sup>1</sup>
1	2009	20,000.00
2	2010	4,500.00
3	2011	17,000.00
4	2012	17,250.00
	total	58,750.00

Source: PNPM-Mandiri Besito Report Year 2012

The table shows the total number of budget in Besito Village in last four years. In average, about 15,000.00 US dollars per year has been allocated to the village in order to empower the community, but the number of the poor did not decrease even increase dramatically about 9 percent in last four years. It needs to analyze why it was happened and how should Besito Village tackle with. Furthermore, the village almost every year won awards as the best BKM implementing PNPM Mandiri Urban due to the good administrative achievement, it should be in line with the outcome of the program to reduce the poverty. In fact, the number of poor is still high even increased year by year.

<sup>1</sup>Exchange Rate US\$ to IDR in 2012 was 8,875 IDR

This is the background and motivation of my research: reevaluation of a local empowerment project – PNPM Mandiri in Besito Village.

Based on the background above, my analysis is based upon below research questions;

- (1) Why was the project not effective in reducing the poverty rates?
- (2) How did the stakeholders play roles in reducing the poverty through PNPM - Mandiri?
- (3) What are the constraining factors of the PNPM - Mandiri Urban implementation?

Furthermore, the purposes of the research are to analyze items as follows;

- (1) The effectiveness of PNPM - Mandiri in reducing the poverty,
- (2) The roles of stakeholders in coordination and participation to reduce the poverty through PNPM - Mandiri,
- (3) The structural and operational constraining factors of PNPM - Mandiri implementation, and
- (4) The result of the PNPM - Mandiri implementation.

By conducting this research, it is expected that it will give some benefits;

- (1) Academic benefit: This research will give lessons learned from the real practice. Especially stakeholders' participation study gives new point of view in conducting community empowerment program, and
- (2) Practical Benefit: This research will give good input to determine community development planning, and for the researcher, this research is one of many steps in learning stakeholders' participation and will support to do daily task in work site.

## 1.2 Research Methodology and Scope

The type of research method used for this study is qualitative method. This research aims to analyze the implementation of PNPM - Mandiri in Besito Village. Qualitative method emphasizes in theories and literature. This research also involves case study, interview, and observational that describe routine and problematic moments. As stated by Newman (1999:p.361) that field data in qualitative method is what the researcher experiences and remembers, and the recorded field notes, which become available for systematic analysis.

The research focus is very important for its limits of the studies and data resources. This study focuses on;

- (1) The implementation of PNPM - Mandiri in Besito Village in reducing the poverty,
- (2) The roles of stakeholders in PNPM - Mandiri to reduce the poverty,
- (3) The constraining factors of PNPM - Mandiri implementation, and
- (4) Results of program implemented.

Considering the number of poor in Besito Village is still high, it was ironic condition because Kudus Regency has many factories such as paper, cigarette, fabric, and so on, which is providing job opportunities. As the village almost every year won awards as the best BKM implementing PNPM - Mandiri due to the good administrative achievement, the number of poor family should be decreased.

From some of the above considerations, it is very interesting to analyze the implementation of the PNPM - Mandiri in Besito Village. Although it achieves BKM award in implementation of the program, it may be found constraining factors in running the program that could be useful for the evaluation and improvement of the program in the future.

In qualitative research, the data comes from informants by the explanation and information, documents, survey, and facts from field.

(1). Facts

The facts are gotten from events and phenomena which are related to the research focus.

(2). Informants

The informants were selected by purposive and snowball sampling. The informants are chosen from local government officials, the leaders or respected people, and the poor knowing about research focus. The researcher use an interview guide as instrument by using the key questions and then recording the interview by making a note (field note). In line with Newman, Field notes according to Bogdan and Biklen in Moleong (2006: 209) is a written record of what is heard, seen, experienced and considered in the context of data collection and reflection on the data in qualitative research.

(3). Documents

The data from documents consist of government regulations or guideline, PNPM - Mandiri Reports, and other documents related to the research focus.

In order to evaluate the program, the researcher used the project evaluation method developed by Development Assistance Committee (DAC) at Organization for Economic Cooperation and Development (OECD). The five DAC evaluation criteria are based on the conception that evaluation is an assessment to determine the relevance and fulfillment of objectives, developmental efficiency, effectiveness, impact and sustainability of efforts supported by aid agencies



(OECD, 1992, p. 132). The following are the current definitions of the criteria provided by the DAC OECD:

(1). Relevance

The extent of the aid activity is suited to the priorities and policies of the target group, recipient and donor. It is useful to consider the following questions: To what extent are the objectives of the program still valid? Are the activities and outputs of the program consistent with the overall goal and the attainment of its objectives? Are the activities and outputs of the program consistent with the intended impacts and effects?

(2). Effectiveness:

It is a measure of the extent to which an aid activity attains its objectives. In evaluating the effectiveness of a program or a project, it is useful to consider the following questions: To what extent were the objectives achieved or are likely to be achieved? What were the major factors influencing the achievement or no achievement of the objectives?

(3). Efficiency

Efficiency measures the outputs both qualitative and quantitative in relation to the inputs. It is an economic term which signifies that the aid uses the least costly resources possible in order to achieve the desired results. This generally requires comparing alternative approaches to achieve the same outputs, to see whether the most efficient process has been adopted. When evaluating the efficiency of a program or a project, it is useful to consider the following questions: Were activities cost-efficient? Were objectives achieved on time? Was the program or project implemented in the most efficient way compared to alternatives?

(4). Impact

The positive and negative changes produced by a development intervention, directly or indirectly, intended or unintended. This involves the main impacts and effects resulting from the activity on the local social, economic, environmental and other development indicators. It is useful to consider the following questions: What has happened as a result of the program or project? What real difference has the activity made to the beneficiaries? How many people have been affected?

(5). Sustainability

Sustainability is concerned with measuring whether the benefits of an activity are likely to continue after donor funding has been withdrawn. Projects need to be environmentally as well as financially sustainable. It is useful to consider the following questions: To what extent did the benefits of a program or project continue after donor funding ceased? What were the major factors which influenced the achievement or no achievement of sustainability of the program or project?

## CHAPTER II

### THEORETICAL REVIEW

#### 2.1 Previous Researches

Referred previous researches are as shown below in Table 2.1 most of researches describe the importance of community participation in implementing policies for poverty reduction. Some researches touch upon necessity of women empowerment, technical assistance, and decentralization as a key word of bottom up approach.

Table 2.1 Previous Researches

No	Title, Writer, Year	Method, Location	Research Focus	Research Result	Contribution of the Study
1.	Participatory Governance for Poverty Reduction. Hartmut Schneider (1999)	Qualitative. Senegal, Bolivia, Philippines and Brazil	the role of participatory governance in poverty reduction	Better information, more committed, and more effective and efficient.	The journal gives information about participatory governance in some countries
2.	Participation and Poverty. Robert Chambers (2007)	Descriptive.	Participation in Poverty Reduction	Poverty Reduction can be achieved by Participation especially women empowerment	The journal gives information about participation approach on poverty reduction
3.	Development Programs for Poverty Alleviation: Comparative Study of Microfinance Program in Two Areas of Tajikistan. Ravshan Grezov. (2008)	Quantitative and Qualitative. Tajikistan	The Fund's macroeconomic stabilization programs in poverty alleviation and sustainable development	More technical assistance in building capacities of local institutions and politicians should be provided before macroeconomic stabilization programs.	The article give information about the fund's loan stabilization program

No	Title, Writer, Year	Method, Location	Research Focus	Research Result	Contribution to the Study
4.	Balancing Rural Poverty Reduction and Citizen Participation: The Contradictions of Uganda's Decentralization Program. Paul Francis and Robert James (2003)	Qualitative. Uganda	Analyzed in terms of a "Dual-Mode" system of local governance. Under a "technocratic mode," and "patronage model"	decentralization can promote both efficient service delivery and local empowerment simultaneously	The journal gives information about citizen's participation on poverty reduction /decentralization
5.	Participatory Development as New Paradigm: The Transition of Development Professionalism. Ray Jennings (2000)	Descriptive	Participatory Development Paradigm	Organizations implementing participatory programs must more fully commit in thought and action to decentralizing and giving their power to local partners.	The journal gives information about participatory development
6.	Community Development in PNPM Mandiri Implementation to Build Public Participation and Community Empowerment on Poverty Reduction (Case Study in Balerejo Subdistrict, Madiun Regency). Thesis by Cahyono Setiawan (2010)	Qualitative. Madiun, Indonesia.	Public Participation and Community Empowerment	the program was running well because of the supporting factors such as financial, good human resources and good cooperation. The program also gets good supports from the stakeholders. On the contrary, there are obstacles in running the program such as discontinuity and programming disinformation.	The article gives information about community development in PNPM Mandiri Implementation

No	Title, Writer, Year	Method, Location	Research Focus	Research Result	Contribution to the Study
7.	Implementasi Kebijakan PNPB-Mandiri, Studi di Bappeda Kota Kupang. (Policy Implementation of PNPB-Mandiri, Case Study in Development Planning Agency, Kupang Municipality). Thesis by Andreas Jeke Bara (2009)	Qualitative. Kupang, Indonesia	The implementation of PNPB-Mandiri	The implementation was in line with the policy. The monitoring and evaluation of the program is given to the community. The program gives good impact in rural economy, infrastructure, and social awareness to reduce the poverty. The program also gets good participation from community.	The article described about implementation of PNPB-Mandiri in Kupang

This research closely related to the last two previous researches, number 6 and 7. Both evaluation reports of similar local empowerment projects describe about policy implementation in PNPB - Mandiri, but the difference is that this research analyzed the reasons and the facts causing the relatively high number of poor in Besito Village whereas the BKM won awards in implementing PNPB - Mandiri Urban. The previous researches mostly did not analyze the trend of the number of poor in the area as the outcome of the program. They only show the interview with local government officers about the program implementation, so it was not enough to evaluate the program itself. This research also gathers information from local citizen as key stakeholder, so it becomes more objective in evaluating the program. Therefore, this research aims to evaluate the implementation of the program and tries to recommend some solution in reducing the poverty in the future.

## 2.2 Definition of Key Concepts

### 2.2.1 Public Policy Implementation Model

PNPM - Mandiri implementation as a policy implementation is a part of several stages in the policy cycle. One of the most influential definitions of implementations formulated by Mazmanian and Sabatier, as cited by Hill and Hupe (2002) is that the carrying out of a basic policy decision, usually incorporated in a statute but which can also take the form of important executive orders or court decisions. Ideally, the decision identifies the problems to be addressed, stipulates the objectives to be pursued, and in a variety of ways, structures the implementation process.

Three models of policy implementation have been proposed by Birkland as cited by Islamy (2008): top-down model, bottom-up model, and hybrid model. Top-down models put their main emphasis on the ability of decision makers to produce unequivocal policy objectives and on controlling the implementation stage. Bottom-up critiques view local bureaucrats as the main actors in policy delivery and conceive of implementation as negotiation processes within networks of implementers. Hybrid theories try to overcome the divide between the other two approaches by incorporating elements of top-down, bottom-up and other theoretical models.

Furthermore, Lane (2000) stated that there is no single model of policy execution that will guarantee policy accomplishment but a process of implementation; there are those who believe in control, planning and hierarchy on the one hand, and those who believe in spontaneity, learning and adaptation as problem solving techniques, on the other. Implementation theory inquiries into how accountability may be combined with trust in the implementation process.

The Policy adopted in PNPM - Mandiri is based on such regulations as Presidential Regulation Number 54 Year 2005 on the Coordination Team of Poverty Reduction, Presidential Regulation Number 13 Year 2009 on Poverty Reduction Coordination Team, and Presidential Regulation Number 15 Year 2010 on Accelerating Poverty Reduction. PNPM - Mandiri is a working decision of a policy by the Decision of Ministry of Social Welfare Coordinator as the Coordinator of Poverty Alleviation Team No. 25/KEP/MENKO/KESRA/VII/2007 about the General Guideline of National Community Empowerment Program (PNPM - Mandiri).

Furthermore, Nugroho (2009:p.627) stated that the most classic implementation model was Van Meter and Van Horn Model. This model assumes that the implementation of policies run as linear from public policy, implementer, and the performance of public policy. Several variables are included that affect the public policy are as followed;

- (a) Implementation activities,
- (b) Characteristics of the implementing agency / implementer,
- (c) Economic, social, and political conditions, and
- (d) The Tendency (disposition) of executor / implementer.

### 2.2.2 Community Empowerment

According to Suharto (2009:p.58), empowerment refers to people's ability, especially vulnerable and weak group in order to have power and ability in;

- (1) fulfilling their basic need in order they have freedom, not only to give opinion, but also free from hunger, stupidity, and pain,
- (2) reaching productive sources allowing them to increase their income and gain goods and services they need, and

(3) Participating in developmental process and policies influencing people.

Specifically, Narayan (2002: p.18-22) highlighted the core of empowerment for the poor through four elements:

(a) Access to information

It has two-way information flows from governments to citizen and from citizens to governments as critical for responsible citizenship and responsive and accountable governments.

(b) Inclusion and participation

Inclusion of poor people is also critical in priority setting and budget formation at the local and national level to ensure that limited public resources build on local knowledge and priorities.

(c) Accountability

Accountability refers to the ability to call public officials, private employers, or service providers to account for their policies, actions, and use of funds.

(d) Local organizational capacity

It refers to the ability of people to work together, organize them, and mobilize resources effectively to solve problems of common interest.

Four elements above have to be fulfilled in implementing community empowerment program. The implementation must be comprehensive, it cannot be separated each other.

It was deeply described by Kartasasmita (2008) that community empowerment main activities are;

(1) Train the communities in identification, analysis and decision making process to tackle their poverty problems,



(2) Create or expand small scale infrastructures and community economic productivities, and

(3) Increase community capability and self-help to achieve better live.

According to Ife (2008:p.61-64), power is defined not only about political power but also has a broader meaning that is the community power of the below:

(1) Power over personal choices and life chances. The ability to make decisions regarding the choice of living, housing, jobs and so on.

(2) Power over the definition of need. The ability to determine the needs in line with the aspirations and desires.

(3) Power over ideas. The ability to express and contribute ideas in the interaction and discussion forum freely and without pressure.

(4) Power over institutions. The ability to reach, use and influence the institutions of society such as education, health, and finance.

(5) Power over resources. The ability to mobilize formal and informal resources and communities in meeting the needs of life.

(6) Power over economic activity. Explore capabilities and mechanisms to manage production, distribution and exchange of goods and services.

(7) Power over reproduction. Control over reproduction, the ability in relation to the reproductive process in a broad sense, such as education, socialization, values and behavior and even the birth of childcare.

Empowerment itself can be defined as process. According to Suharto (2009:p.205), empowerment has five processes:

(1) Enabling is to create an atmosphere or climate that allows the potential for community develop optimally. Empowerment should be able to rid the society of barriers that inhibit structural and cultural.

- (2) Empowering is strengthening the knowledge and capabilities of the community in solving problems and meeting needs. Empowerment should be able to develop skills and confidence.
- (3) Protecting the public, especially to protect vulnerable groups, not oppressed by the powerful and dominant groups to avoid an unbalanced competition and prevent the exploitation of the powerful against the weak. Empowerment should be directed to the elimination of discrimination and domination of the small communities that are not profitable, protect the weak, minority and isolated communities.
- (4) Supporting by providing the guidance and support for poor communities in order to be able to perform the role and functions of life. Empowerment should be able to support the public not to fall and weaker the position and the marginalized.
- (5) Fostering is maintaining conditions conducive to keep a proper balance of power distribution between different groups of people. Empowerment should be able to ensure balance and harmony that allows each person the opportunity of business.

Furthermore, Suharto (2009:p.220) describes that empowerment can be done through three approaches:

- (1) Micro-approach. The empowerment of individuals through mentoring, counseling, crisis intervention. Its main purpose is to guide or train individuals in carrying out their daily tasks. This model is often referred to as task-centered approach;
- (2) Mezzo-approach. Empowerment is done by using the approach as a media intervention group. Education, training, group dynamics are

usually used as a strategy to increase awareness, knowledge, skills and attitudes that the group has the ability to solve problems faced.

- (3) Macro-approach. This approach is often called a strategy of market systems (large-system strategy), because the target system changes directed at the wider environment. Formulation of policy, social planning, campaigns, social action, community organizing and community development are some of the strategies in this approach.

### 2.2.3 Stakeholders

In empowering the poor and women through PNPM - Mandiri, it needs stakeholder's involvement in implementing the program. Stakeholders are all parties concerned with the issues and problems that are being raised or those who have rights and interests in a system. Freeman (1984) defines stakeholders as a group or individual who can affect or be affected by the achievement of certain goals.

Based on the strength, positions, and influence of stakeholders on the issues, Savage et al (1991:p.75) categorized into the primary and secondary stakeholders. To illustrate the grouping of the various policies, programs and projects of government (public) can put forward the following stakeholder groups:

- (1). Primary stakeholders

Primary stakeholders are the stakeholders who were involved directly with the policies, programs and projects. They should be placed as a key determinant in the decision making process:

- (a) Community and community leaders: Community is people associated with the project, the identification community will benefit and who will be affected of this project. Community leaders are

members of the public that the people featured in the area once thought to represent the aspirations of the community.

- (b) Public Manager: agency/public organization responsible for making and implementing decisions.

(2). Secondary stakeholders

Secondary stakeholders are the stakeholders that are not directly linked to a policy, program and projects, but have a concern effect on public attitudes and legal decisions of government.

- (a) Government apparatus in the region but has no direct responsibility.
- (b) Related Institution but has no direct authority in decision-making, just accompany the local citizen in implementing the program.
- (c) Local Non-Governmental Organizations (NGOs): NGOs engaged related with the plan, benefits, effects that appear to have "concern" (including related mass organizations).
- (d) University: The academics have an important influence in government decision-making.
- (e) Business entities are related.

#### 2.2.4 Public Participation

The stakeholders' participation as public participation stated by Smith (2003) is processes in which individuals, groups, and organizations have the opportunity to participate in making decisions that affect them, or in which they have an interest. Public participation may involve both individual and collective voices. Individual voices is coming directly from citizens who choose to express

their views, and collective voices from communities, interest groups or other organizations able to synthesize or aggregate shared messages.

Effective public participation requires that government or the sponsor be competent in the development and implementation of public participation programs. They must be willing and able to listen, truly seeking and valuing diverse voices, making a special effort to hear and understand those who, for various reasons, may otherwise go unheard.

Public participation in PNPM - Mandiri is voluntary involvement rather than compulsory, so it needs strong commitment from the participants to run the program in order to achieve the main goal: reduce the poverty. Furthermore Organization for Economic Cooperation and Development (OECD) as cited by Denhardt (2007:p.97) defines three levels of involvement: information, consultation, and active participation:

*Information is a one-way relationship* in which government produces and delivers information for citizens. It covers both “passive” access to information upon demand by citizens and “active” measures by government to disseminate information. Examples include, access to public records, official gazettes, government websites.

*Consultation is a two-way relationship* in which citizens provide feedback to government. Governments define the issues for consultation, set the questions and manage the process, while citizens are invited to contribute their views and opinions. Examples include, public opinion surveys, comments on draft legislation.

*Active participation is a relation based on partnership* with government, in which citizens actively engage in defining the process and content of policy-making. It acknowledges equal standing for citizens in setting the agenda, proposing policy options and shaping the policy dialogue—although the responsibility for the final decision or policy formulation rests with government. Examples include, consensus conferences, citizens’ juries.

The levels of involvement above in line with Pateman as cited by Chong (2005:p.23), citizenry participation can be divided into pseudo, partial and full participation. Pseudo participation only entails national awareness and keeping

one's self informed of issues and challenges facing the country; partial participation is the offering of feedback and suggestions; while full participation is where citizens are fully engaged and involved in policy implementation.

The ideal of universal participation according to Redford as cited by Denhardt (2007:p.51) may take various forms;

- (1) access to information, based on education, open government, free communication, and open discussion,
- (2) access, direct or indirect, to forums of decision,
- (3) ability to open any issue to public discussion,
- (4) ability to assert one's claims without fear of coercive retaliation, and
- (5) Consideration of all claims asserted.

Furthermore, Thompson as cited by Denhardt (2007: p.50) stated that there are a number of reasons in expecting for high levels of public participation in a democratic society:

- (1) The belief that through active participation can most likely achieve the best political outcomes that reflect the broad judgments of the people as a whole or the considered judgments of specific groups and consistent with the norms of democracy.
- (2) Fulfill the democratic objective, attaining rules and decisions which satisfy the interests of the greatest number of citizens.
- (3) Democratic participation enhances the legitimacy of government. People who are involved in decision-making are more likely to support those decisions.

### 2.2.5 Definition of Poverty Level

The public participation is a key factor to reduce the poverty for PNPM - Mandiri. Poverty is a situation of scarcity that occurs is not desired by the poor. Population in general characterized by low levels of education, labor productivity, income, health, nutrition and welfare so that it shows a circle of powerless. Poverty is caused by limited human resources that are owned and utilized primarily of formal and informal education (Supriatna, 2000:p.196).

Furthermore, the definition of poverty is divided into the relative poverty, absolute poverty, structural and cultural poverty. Relative poverty is a condition of society as development policies that have not been able to reach all segments of society that led to unequal distribution of income. In absolute poverty is determined based on the inability to meet minimum basic needs. Structural and cultural poverty is caused by the structural conditions of poverty and indigenous cultural factors of a particular area of the handcuff someone (Sudantoko, 2009:p.43-46).

In Indonesia there are some indicators of poverty, the famous one is categorized by National Family Planning Coordinating Board (BKKBN) in 2004. Five stages and 23 indicators of a welfare family grouped by BKKBN are:

#### (1) Pre Welfare Family

Families cannot fulfill one or more of five basic needs as welfare families, such as the need for religious instruction, food, shelter, clothing and health.

#### (2) Welfare Family Level I

Families have been able to fulfill their basic needs are minimal:

- a. Practicing religious terms by each member of the family.

- b. All family members eat two times a day or more.
- c. All members of the family have different clothes for home, work / school and traveling.
- d. Widest part of floor of the house is not from soil.
- e. When a member of family was sick brought to the health center.

(3) Welfare Family Level II

A family has been able to fulfill the criteria in addition to welfare families, must also fulfill the psychologies social requirements:

- f. Family members practice their religion regularly.
- g. At least, once a week family provides meat / fish / eggs as side dishes.
- h. All members of the family can buy at least one set of new clothes per year.
- i. The floor area of the house at least eight square meters per household.
- j. All members of the family in the last 3 months in a healthy state.
- k. At least 1 (one) family member aged 15 years or older who have fixed income.
- l. All family members aged 10-60 years who could read Roman.
- m. All children aged 5-15 years have access to study at school.
- n. When have two or more living children, couples use contraception (except for being pregnant)

(4) Welfare Family Level III

Family eligible from 1 to 14 and 15 may also qualify to 21:

- o. Have efforts to increase religious knowledge.



- p. Most of the family income can be set aside for families saving.
- q. Usually eat together at least once a day and the occasion was used for communicating between family members.
- r. Participate in community activities in her neighborhood.
- s. Held outdoors recreation with at least 1 time / 6 months.
- t. Can get news from newspapers / TV / magazine.
- u. Family members were able to use means of transport to suit local conditions.

(5) Welfare Family Level III Plus

Families who can meet the criteria I through 21 and can also meet the criteria of 22 and 23 criteria for family development, namely:

- v. On a regular basis or at a specified time by volunteering to contribute to the social activities in the form of material.
- w. Head of the family or family members' active as a board member associations / foundations / institutions of society.

Furthermore, poor families are pre welfare family caused by economic reason and welfare family Level I for economic reasons cannot fulfill one or more indicators which include:

- a. Family at least once a week to eat meat / fish / eggs.
- b. Last year the whole family to obtain at least one set of new clothes.
- c. The floor area of the house at least 8 m<sup>2</sup> for each occupant.

However, very poor families are pre welfare family caused by economic reason and welfare family level I for economic reasons cannot fulfill one or more indicators which include:

- a. All family members eat 2 times a day or more.

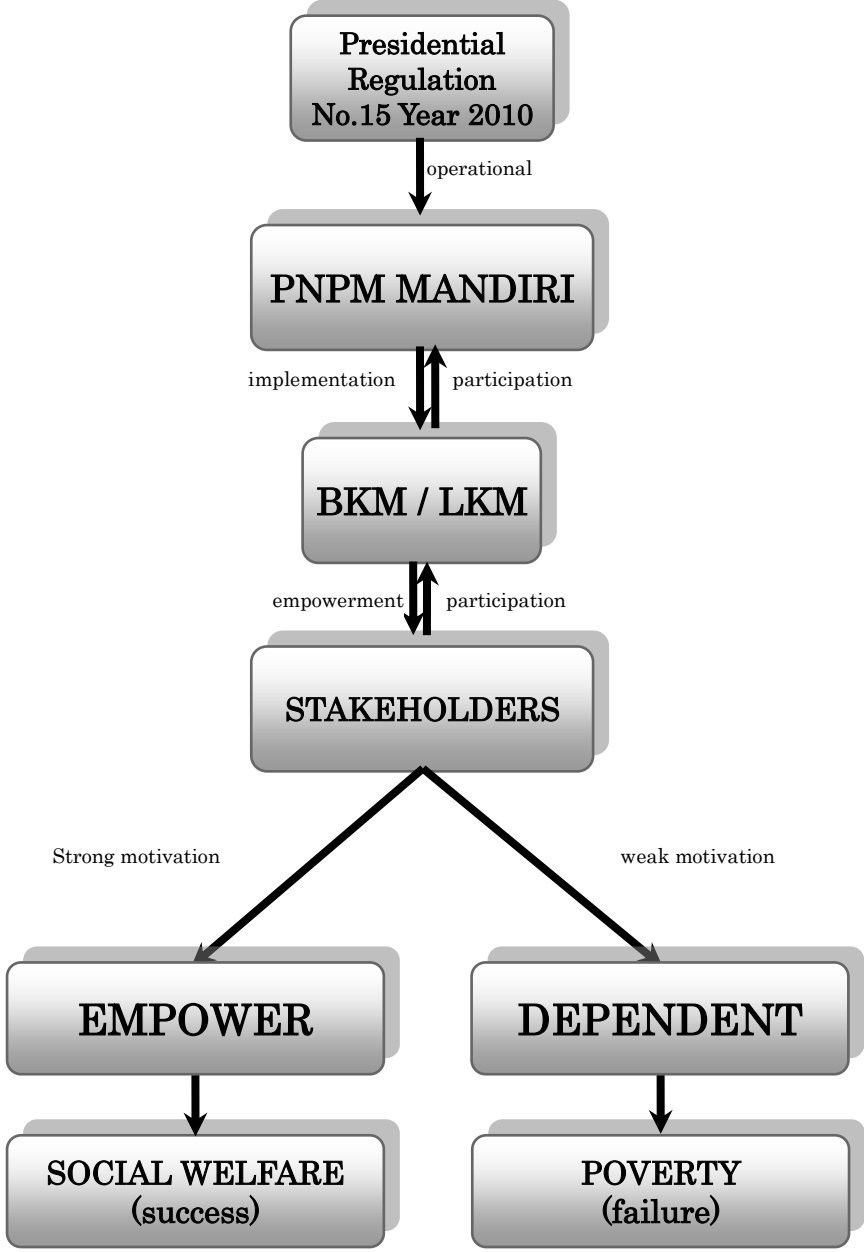
b. Family members have different clothes for home, work / school and traveling.

c. Widest part of the floor is not from soil.

Those indicators used by government for measuring the poverty level in Indonesia. Base on those criteria, Besito Village has many villagers live in pre welfare family level and Welfare family level I categorized as very poor and poor families.

The poverty seems never ending problem in developing country including Indonesia. PNPM - Mandiri is a national program launched to alleviate the poverty. It accommodates the public participation by community empowerment as bottom up model combined with top down model then it is called hybrid model. The empowerment cannot be separated from the role of stakeholders and the motivation from the community itself. So, if the implementation of the program is successful, it means that the community becomes welfare. Otherwise, if the community still in the poverty and the number of poor remains, even being increased, it means that the implementation of the program failed. The explanation of implementation structure hybrid model of PNPM - Mandiri can be seen by following picture:

Figure 2.1 Conceptual Framework of PNPM - Mandiri  
(Hybrid Model)



## CHAPTER III

### SOCIAL SETTING ANALYSIS

#### 3.1 General Overview of Besito Village, Kudus Regency

Kudus is the smallest Regency in Central Java Province Java Island with a total area 42,516 hectares and divided into 9 sub-districts, 132 villages, and 713 Pillars of Citizens (RW), 3,752 Neighborhood (RT) and 414 Hamlet. Total population in year 2011 stood at 769,904 people: 382,021 men (49.62%) and 387,883 female (50.38%).

Figure 3.1. Map of Java Island



Source: genuardis.net

Three sub-districts of Kudus Regency have been implementing PNPM - Mandiri Rural such as Dawe, Undaan and Jekulo, while other six sub-districts have been implementing PNPM - Mandiri Urban: Gebog, Bae, Kota, Kaliwungu, Mejobo and Jati. Furthermore, Besito Village is located in Gebog Sub-district

implementing PNPM - Mandiri urban as community empowerment program in reducing the poverty.

The number of poor in Kudus Regency has fluctuated before the implementation of PNPM - Mandiri (2008). However, the number of poor has been significantly decreased from year 2008 up to 2010. The number and percentage of poor during five years can be seen in the table below.

Table 3.1 Number and Percentage of Poor  
In Kudus Regency Year 2005 –2010

Year	Number of Poor	Percentage
2005	80,400	10.9
2006	91,600	12.0
2007	82,400	10.7
2008	97,810	12.6
2009	84,860	10.8
2010	70,200	9.0

Source: Kudus Poverty Alleviation Coordination Team(TKPK)Report Year 2010

From the table, it can be seen that the number of poor before the 2008 was unstable, relatively high in year 2006 and 2008. The year 2008 was the year when Kudus Regency started to implement PNPM - Mandiri. After the year, the number decreased continuously, more than three percent in last two years.

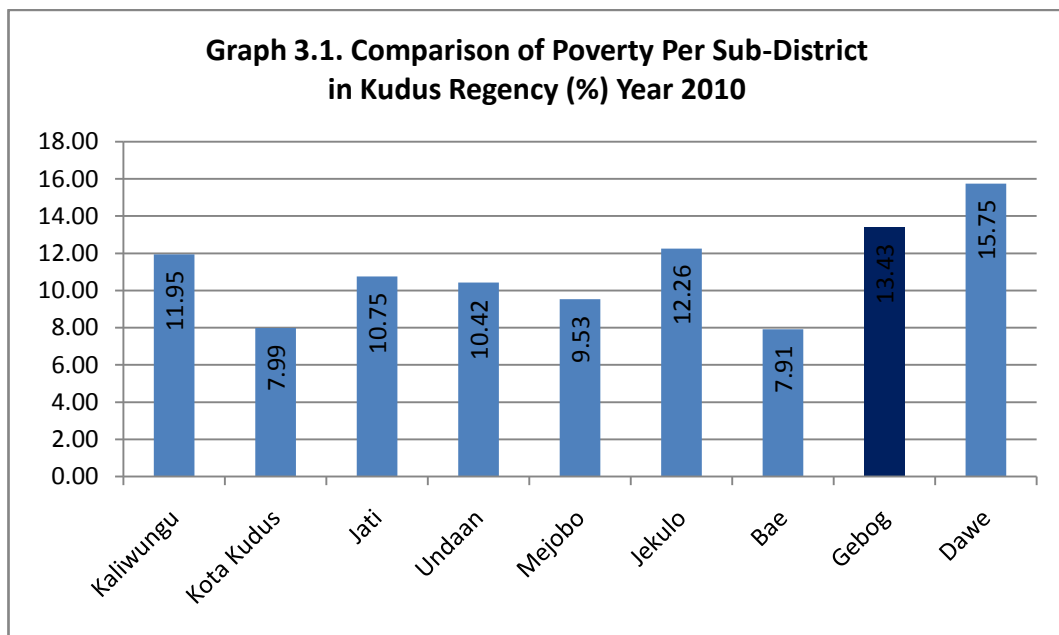
Table 3.2 Government Budget for PNPM - Mandiri Urban in Kudus Regency  
Year 2008-2012

NO	YEAR	CENTRAL GOV.(US\$)	LOCAL GOV.(US\$)	TOTAL(US\$)
1.	2008	155,000.00	31,000.00	186,000.00
2.	2009	484,300.00	121,300.00	605,600.00
3.	2010	347,000.00	82,000.00	429,000.00
4.	2011	752,800.00	7,500.00	760,300.00
5.	2012	1,712,750.00	38,750.00	1,751,500.00
	<b>TOTAL</b>	<b>3,451,850.00</b>	<b>280,550.00</b>	<b>3,732,400.00</b>

Source: PNPM - Mandiri Urban Report in Kudus Regency Year 2012

The table shows that the biggest amount of PNPM - Mandiri budget in Kudus Regency was 1,751,500.00 US\$ in 2012, while the smallest one was in 2008.

Specifically, the number of poor per Sub-District in Kudus Regency can be depicted by the following graph.



Source: Kudus LP2KD (Implementation of Poverty Reduction Report) Year 2011

From the graph above, the highest rate of poor in rural area is in Dawe Sub-district, implementing PNPM - Mandiri Rural while the rate of poor in Gebog Sub-district is the highest in urban area, implementing PNPM - Mandiri Urban.

Based on the data above and because the researcher's worksite is closed to PNPM - Mandiri Urban, so the researcher chose Gebog Sub-district to be analyzed about the implementation of PNPM - Mandiri Urban, especially Besito Village.

Gebog Sub-District is located in the northwest of Kudus Regency, border to Jepara Sub-District. It has eleven villages. The number of population in Gebog

Sub-District year 2010 was 93,491 people comprised 46,825 men and 46,666 women. The total area is 5,505.97 Ha or 12.95% from Kudus Regency.

The map of Gebog Sub-District can be seen by the following map:

Figure 3.2 Map of Gebog Sub-District, Kudus Regency



Note:

The name of villages:

- |                  |               |
|------------------|---------------|
| 1. Getasrabi     | 7. Jurang     |
| 2. Klumpit       | 8. Gondosari  |
| 3. Gribig        | 9. Kedungsari |
| 4. Karangmalang  | 10. Menawan   |
| 5. Padurenan     | 11. Rahtawu   |
| <b>6. Besito</b> |               |

Source: Gebog Sub-District in Figure year 2012

Besito Village is located in Gebog Sub-District border to Bae Sub-District. It is shown in number six in the map. The area is about 297.6 Ha or by 5.4% area of Gebog Sub-district. The village population is 9,460 consisted of 4,703 men and 4,757 women. In year 2011, the population density was 3,100 inhabitants per km<sup>2</sup>. It is relatively high compared with other villages in Gebog Sub-District, stood in number three after Klumpit Village (3,397) and Karangmalang Village

(3,139). In contrast, Rahtawu village is the lowest density population in Gebog Sub-District, it stood at 294 inhabitants per km<sup>2</sup>.

The numbers of households in the village of Besito are about 2,913 households. According to the livelihoods of residents, the populations are: 406 people own farmers, hodge / farm worker 338 people, employers 20 people, factory workers 1,885 people, construction workers 397, traders 123 people, transport 23 people, government officer/armed forces 227 people, retired 3 people, and others 2,342 people. (Source of Data: Gebog Sub-District in Figure Year 2012).

It has been chosen as the location of research because BKM Besito Makmur (the name of BKM / Community Base Organization in Besito Village, makmur means prosperous) achieved BKM award as the best BKM in implementing PNPM - Mandiri in Kudus Regency in 2008, 2009 and 2011. Besides, the village also got award from Central Java Province in year 2009. But the number of poor in Besito village is relatively high. Ironically, Kudus Regency has many industries such as paper, cigarette, fabric, and so on. Livelihoods of Besito population mostly engage as factory and construction workers, mostly men work as construction worker in Jakarta and outside of Java Island, however the women mostly work as cigarette factory workers. The higher number of women staying in the village is suitable with the principle of the program in empowering the women. They should be engaged in implementing the program both as subject and target.

Based on the reasons above, the researcher is attracted to analyze the effectiveness, efficiency, relevance, sustainability, impact of the project, the roles of stakeholders in the program, the constraining factors in implementing PNPM -



Mandiri, and also the result of the program besides the causes and reasons of the number of poor family still relatively high in the village.

The poverty is characterized by the lack of facilities of education, health, and business and economic environment. Therefore, it is important to show the condition of facilities in Besito Village in terms of those things as follow:

(1). Field of Education

Table 3.3 The Number of schools, students, and teachers in Besito Village Year 2011

No.	Level of Education	Number of Schools	Number of Students	Number of Teachers
1.	TK (Kindergarten)	4	105	11
2.	SD (Elementary School)	6	537	42
3.	MI (Islamic Elementary School)	3	419	34
4.	SMP (Junior High School)	-	-	-
5.	MTs (Islamic Junior High School)	1	428	34
6.	SMA (Senior High School)	-	-	-
7.	MA (Islamic Senior High School)	1	166	18
8.	SMK (Senior Vocational School)	1	645	34
9.	Perguruan Tinggi (Higher Education)	-	-	-

Source: GebogSub- district in Figure Year 2012

The table shows that the facilities of education from kindergarten to senior high school are mostly available in Besito Village. It can support the villagers to get access for education. It is very important to improve the human resource quality since the level of education still relatively low refers to table 3.7.

(2). Field of Health

Table 3.4 the Number of Health Facilities in Besito Village Year 2011

No.	Types of Facilities	Number
1.	Rumah Sakit (Hospital)	-
2.	Puskesmas (Clinic)	-
3.	Puskesmas Pembantu (Health Center)	1
4.	Tempat Praktek Dokter (doctor)	2
5.	Rumah Bersalin (Maternity Home)	1
6.	Posyandu (Health Service Post)	5

Source: Gebog Sub- district in Figure Year 2012

Based on the table, it can be depicted that the facilities of health also available in Besito Village. The villagers can get access for health treatment in health center and so on. The pregnant women also can get health service in maternity home. And here is the number of medical personnel:

Table 3.5 The Number of Medical Personnel in Besito Village Year 2011

No.	Types of Profession	Number
1.	Dokter (doctor)	2
2.	Bidan Desa (Midwife)	3
3.	Tenaga Kesehatan Lainnya (Other Health Personnel)	3
4.	Dukun Bayi (Indigenous Medical Practitioner)	2
5.	Tukang Pijat (Masseur/ Massagers)	3

Source: Gebog Sub- district in Figure Year 2012

The table displays that there are three midwives but still there are two indigenous medical practitioners in Besito Village. It can be assumed that

villagers not only choose midwife, but some of them also still choose indigenous medical practitioner in delivering their baby. It is very dangerous for mother and baby regarding their health and safety.

Furthermore, in 2011, from 2.913 families in Besito Village, only 850 families can access to clean water by Regional Water Company, the other families still use ground water wells categorized as poor family by other indicators of poor family.

(3). Field of Business and Economic Environment

Table 3.6 The Number of Economic Facilities in Besito Village Year 2011

No.	Types	Number
1.	Pasar Umum (Market)	1
2.	Warung Makan (Small Restaurant)	54
3.	Toko/ Kios (Shop)	115
4.	Bank Umum (Commercial Bank)	1
4.	BPR/BKD (Rural Bank)	1
5.	Koperasi (Cooperative)	2

Source: Gebog Sub-District in Figure Year 2012

The figure shows that there is only one rural bank and one market on economic facilities in Besito Village. This field is important in order to support villagers for expanding their economic activities.

Furthermore, in Besito Village there are two big factories with 1,238 workers and 16 small industries with 116 workers, and 287 home industries with 366 workers. It seems that relatively large formal job opportunities are provided for local villagers.

Besides, the importance of facilities mentioned above, it is important to show the quality of labor in Besito Village in order to give the illustration of the Human Resource in the village.

Table 3.7 The Quality of Labor in Besito Village Year 2010-2011

Education of Labor (18-56 Years old)	2010		2011	
	Men	Women	Men	Women
Not graduated from Elementary School	731	574	731	614
Graduated from Elementary School	1,950	1,878	1,950	1,918
Graduated from Junior High School	450	435	450	475
Graduated from Senior High School	1,210	1,190	1,220	1,237
graduated from University	350	473	352	513
<b>Total</b>	<b>4,691</b>	<b>4,550</b>	<b>4,703</b>	<b>4,757</b>

Source: Besito Village Profile Year 2011-2012

From the table above, it can be seen that most of the labors in Besito village have low education, under elementary school graduate. Not more than 10 percent of the labors graduated from university. There is no significant improvement seen in year 2011.

### 3.2 PNPM - Mandiri Urban in Besito Village

PNPM - Mandiri Urban in Besito Village as a Community Empowerment Project since 2008, which was succeeded from the Urban Poverty Alleviation Project (P2KP) started in year 1999. In last four years, the budget data of PNPM-Mandiri Program in Besito can be seen by the following table:

Table 3.8 The Government Budget of PNPM - Mandiri in Besito Village  
Year 2009-2012

<b>PNPM - Mandiri</b>	<b>2009 ( US\$)</b>	<b>2010 ( US\$)</b>	<b>2011 ( US\$)</b>	<b>2012 ( US\$)</b>
Budget for Infrastructure	15,450.00	3,715.00	11,700.00	11,500.00
Budget for Social	1,490.00	560.00	2,000.00	2,000.00
Budget for Economy	2,310.00	0	3,000.00	2,850.00
Operational Budget	750.00	225.00	300.00	900.00
<b>Total</b>	<b>20,000.00</b>	<b>4,500.00</b>	<b>17,000.00</b>	<b>17,250.00</b>

Source: PNPM - Mandiri Report in Besito Village Year 2009-2012

The data above describes that the biggest budget of PNPM - Mandiri was delivered for infrastructure development. Besides the budget above, there is another budget source funded coming from the local citizen. BKM in Besito Village named Besito Makmur (prosperous Besito) also did the channeling program collaborated with some private sector such as banks and so on.

BKM Besito Makmur formed by community discussion on 20 January 2006 was attended by 69 people local citizens. It was discussed and agreed upon vision and mission of the BKM. Legal Status of BKM is a membership based on organization or community organization registered in notary because still there are pro and contradiction in deciding the form of BKM itself.

The Vision of BKM Besito Makmur is "Making BKM quality oriented towards poverty reduction". Furthermore, BKM Mission is to build "Prosperous Besito" in encouraging social ties as well as social solidarity of citizens to work together for alleviating the poverty together, described:

- (a) It is expected as a place in the highest decision-making process in the community, as well as the right to set priorities for funding and supervising the activities of non-governmental organizations;
- (b) Responsible for the involvement of all levels of society in the decision making process, especially in poverty reduction and development in general;
- (c) As a public agency that serves as the collective leadership of the organization in the village.

In the community discussion, nine people were elected as the member of the Collective Leadership BKM consisting of 8 men and 1 woman with professions and backgrounds including teachers, employees and entrepreneurs. It was in line with the guideline of the program that the members of the organization have to include some background of professions, but it should be included some women as the target and subject of the program. A woman as member of the organization is not enough to empower women in implementing the program.

**CHAPTER IV**  
**RESEARCH FINDINGS**

4.1. The Implementation of PNPM - Mandiri in Besito Village in Reducing Poverty

4.1.1. General Information of the Program

PNPM - Mandiri is a national program aiming to alleviate the poverty through community empowerment. The program launched in 2007 and will be continued at least until 2015. In this term, the local citizens are expected to play an active role from the planning, implementation, monitoring, to evaluation process. Thus, besides the funds provided by the central government, the local citizens are expected to participate in raising funds to implement this program. Although the program launched 2007, the budget from central government started in 2008, and Besito village started to spend the budget 2009. The the Community Direct Assistance Fund(BLM) in last four years as follows:

Table 4.1 PNPM - Mandiri Urban Budget in Besito Village Year 2009-2012

No.	Year	Government Fund (US\$)	Local Citizen Fund (US\$)	Total (US\$)
1.	2009	20,000.00	7,570.00	27,570.00
2.	2010	4,500.00	1,320.00	5,820.00
3.	2011	17,000.00	9,965.00	26,965.00
4.	2012	17,250.00	2,170.00	19,420.00
<b>Total</b>		<b>58,750.00</b>	<b>21,025.00</b>	<b>79,775.00</b>

Source: Besito PNPM - Mandiri Urban Report Year 2012

From the data above, the biggest amount of fund was 27,570.00 US dollars in 2009 and the fewest amount of fund was 5,820.00 US dollars in 2010. The fund included the local citizens' participation because the fund from central government was only as financial inducement, besides there were private sector participated in funding. For example, in December 2012 private sector gave fund 213.00 US dollars for economic development. Then, the total budget was distributed to three development pillars: social, economic, and infrastructure development. As for budget, PNPM - Mandiri is joint funded program among government, local citizen, and private sector.

The local citizen gave positive response to the program by collecting their own fund in supporting the activities, especially infrastructure development. This is proved by below interviews.

The statement from Mas, M, 51 years old that:

“Masyarakat peduli terhadap PNPM-Mandiri dengan mengumpulkan swadaya masyarakat dalam kegiatan infrastruktur terutama di lingkungan mereka masing-masing.”

(The community gives attention to the program by collecting the fund to support the infrastructure development especially in their own surrounding. Interview on 1 march 2013).

Furthermore, in the same day, Aid, M, 39 years old said that:

“Masyarakat antusias terhadap PNPM-Mandiri khususnya pengumpulan swadaya masyarakat dalam kegiatan infrastruktur.”

(The community enthusiast to the program especially collectsthe fund for infrastructure activities.)

#### 4.1.2. Project Description of Social Development

Social development focused on computer skill training and social assistance in the form of goat breeding and catfish breeding. The activities aimed



to enhance the capabilities and skills of a person or group for strengthening entrepreneurship in their own field. Allocated budget data is shown as below:

Table 4.2 Social Activities of PNPM - Mandiri in Besito Year 2009-2012

No.	Year	Activity	Fund (US\$)
1.	2009	- Computer training	590.00
		- Goat Breeding	1,015.00
<b>Total</b>			<b>1,605.00</b>
2.	2010	Goat Breeding	580.00
<b>Total</b>			<b>580.00</b>
3.	2011	- Catfish Breeding	1,400.00
		- Computer Training	600.00
<b>Total</b>			<b>2,000.00</b>
3.	2012	- Computer Training	1,000.00
		- Health Service for Pregnant Women	1,000.00
<b>Total</b>			<b>2,000.00</b>

Source: Besito PNPM - Mandiri Report Year 2011

Social development program comprised of computer training, the goat breeding, and catfish breeding. Among them, catfish breeding budget was large but limited.

Unfortunately, the announcement of the program is not open and transparent, therefore not all member of the community can participate to the activities. Below are some feedbacks from villagers when researcher asks:

*“Bagaimana pelaksanaan PNPM-Mandiri di Besito? Apakah selama ini sudah sesuai harapan masyarakat, terutama kegiatan sosialnya?”*

(How is the implementation of PNPM - Mandiri in Besito? Is it appropriate with the public expectation, especially the social activities?)

Rin, F, 33 years old answered:

*“Setahu saya, selama ini tidak ada pengumuman terbuka kepada masyarakat jadi saya tidak tahu kegiatan sosial apa saja yang dilaksanakan PNPM-Mandiri di Besito.”*

(As far as I know, there is no open announcement to the community about social activities of PNPM - Mandiri in Besito, so I do not know exactly the social activities through PNPM - Mandiri in Besito. Interview on 1 march 2013)

The statement in line with Nik, F, 48 years old in the same day, as the senior member of KSM (Community Group of PNPM - Mandiri):

*“Sebagai anggota KSM senior, saya tidak pernah diberi tahu tentang kegiatan sosial yang akan dilaksanakan di Besito. Saya pernah tanya, apakah saya bisa membuat proposal untuk kegiatan sosial?katanya tidak ada.”*

(As senior member of KSM, I am not informed about the social activities. I asked about the activities, Could I make the proposal related to social activities? They answered that there is no social activity yet.”

When the statement was confirmed to Roz, M, 50years old, he admitted the statement:

*“Memang selama ini, pemberitahuan tentang adanya kegiatan sosial dibatasi hanya terbatas pengurus BKM saja yang tahu dan mereka yang akan menentukan karena keterbatasan anggaran dan jumlah proposal serta peserta yang bisa ditampung.Dikhawatirkan apabila ada pengumuman terbuka, maka akan ada antrian pendaftar yang sangat banyak dan tidak bisa tertampung.”*

(The socialization of the social activities is limited because the number of participants is limited too. It is worried that open announcement will make community disappointed because the limited of budget cannot accommodate all of the participants. Interview on 5 March 2013)

Figure 4.1 shows the goat breeding project.

Figure 4.1 Goat Breeding Activities



From the picture above, it can be seen the handover of revolving goat for breeding activity to the beneficiaries, the goats were not given for them, but were borrowed. When they get the benefit from the goat babies, they have to handover the goats to other poor families.

The catfish breeding activity shown in figure 5.2 in the year 2011 failed due to the lack of breeding technique, proved by below statements.

Kar, M, 50 stating that:

*“Kegiatan sosial berupa pembibitan lele organik ternyata gagal. Dari tiga lokasi pembibitan lele, dijumpai: Lokasi pertama: lele tinggal sedikit, katanya lele besar memakan lele kecil; lokasi kedua: kosong, tidak ada lelenya sama sekali; lokasi ketiga: hasilnya tidak bagus.”*

(Social activities in the form of organic catfish breeding failed. From three catfish breeding locations, first location: left few catfishes, big catfish eat small catfish; second location: empty, there is no catfish at all; third location: the results are not good.)

In addition, Roz, M, 50 stated that:

*“Kegiatan tersebut masih dalam pemantauan kami. Kami akan memonitor lebih lanjut karena menurut informasi lele-lele itu mati karena yang kecil dimakan yang besar. Yang jelas, memang benar ada yang mati, tapi tidak semua”*

(The Activity is still in our monitoring. We will monitor further because according to information the catfishes dead because of the large catfish eat the small one. Indeed, it is true there are a lot of dead catfishes, but not all.)

Figure 4.2 Catfish Breeding Activity



Above pictures show the catfish breeding activity. The first and second pictures show the beginning of the activity, and the third picture show that the pond is already empty. There was no catfish at all when the researcher came to the location.

The computer training activities can be seen in the following picture:

Figure 4.3 Computer Training Activity



The computer training activities have been done in the last four years, but the activities was not maximal yet because trainers only taught the trainees how to use computer and internet, they did not give them the management skill and also such as how to do internet based marketing and banking service, and they did not do the channeling with the job provider or company to give the trainee job after they finish their training. From the picture above, it can be seen that some of the trainees open their social network like facebook rather than learn some lessons.

Another social activity is health service for pregnant women.

Figure 4.4 Health Service for Pregnant Women



The picture shows the activity to improve the nutrition of pregnant women by giving milk and other foods for pregnant women. The BKM established the partnership with some midwife from the local government. These activities were very important because they can give more knowledge to pregnant women about healthcare, since many of them still ask traditional medical practitioners for delivering their baby rather than ask the midwife. It will be cheaper but very dangerous for their life and the baby.

#### 4.1.3. Project Description of Economic Development (Revolving Loan Project)

Economic development was done by the revolving loan to the community group. The number of group members is five each. The amount of loans started from 50 US dollars to 200 US dollars per each member. The data of the revolving loan in last four years can be seen by the following table:

Table 4.3 Economic Activities of PNPM - Mandiri in Besito Year 2009-2012

No.	Year	Fund for revolving loan (US\$)	Name of Group (KSM)
1	2009	360.00	Sumber Jaya
		350.00	Karomah
		400.00	Harapan Baru
		450.00	Mebel Jaya
		350.00	Strowberi
		400.00	Sido Makmur
<b>Total</b>		<b>2,310.00</b>	
2	2010	0	0
3	2011	500.00	Hidayah
		550.00	Jambu Jaya
		500.00	Modinan Baru
		950.00	Mentari
		500.00	Gading Seger
<b>Total</b>		<b>3,000.00</b>	

No.	Year	Fund for revolving loan (US\$)	Name of Group (KSM)
4	2012	550.00	Jati Indah
		500.00	Citra Karya
		600.00	Gading Coklat
		700.00	Agung Jaya
		500.00	Surya
<b>Total</b>		<b>2,850.00</b>	

Source: Besito PNPM - Mandiri Report Year 2012

The data above displayed that the loans in year 2009 is from 350.00US dollars to 450.00 US dollars. In 2010 there was no budget allocated to the project but it succeeded the budget from year 2009. Whereas, the loans in year 2011 is about 500.00 US dollars, except the Mentari Group accepted 930 US dollars. Group loan amount has increased steadily in year 2011, and 2012.

The revolving loan rules on BKM Besito Makmur are as follows;

- (1) Borrowers must be poor people who are members of KSM groups with at least 5 people and at least 30% of them are women,
- (2) The loan is only to be used to develop productive economic business,
- (3) The number of first loan maximum 50 US dollars rupiahs per person (adjusted for effort and ability to pay). And secondly if the loan runs well then the loan amount can be increased depending on the return of payment, as evidenced by the card installments (no red notes) and the number of loan maximum is 200 US dollars per person,

- (4) Loan interest is set at 1.5 percent flat per month, calculated from the original loan principal, and paid together with the payment of the loan principal,
- (5) Loan period is between 10 until 12 months, and if borrowers repay the loan before the fixed period of the loan, they still have to pay the loan and interest until the period,
- (6) The borrower can only borrow as much as 4 times the loan repayment record is smooth,
- (7) Borrowers are required to save 10% of loan as a joint responsibility that is stored in the UPK (Financial Management Unit) account, and if the current installment is set the following conditions:
  - (a) when it is paid it will be refunded back in full.
  - (b) can be used for the final installment.
  - (c) can be used for next savings loan.However, if there are arrears then the savings will automatically be taken to reduce / cover arrears.
- (8) An installment is repaid on a monthly based on the date of fund disbursement,
- (9) Each submission is required to fill the Proposal (blank) that has been provided, signed by the applicant and approved by her husband / his wife and attached with copy of identity card and family card are still valid. The administrative costs (copy + proposal stamp) borne by members of the KSM (Self-Supporting Community Group),
- (10) If not repaid on time, then the consequences will be fined 2% of the total monthly installments,



(11) Each disbursement of loans, all members must come by themselves and not allowed to be represented, and

(12) If there is late payment occurred: giving warning letter 1 until 3 times, or visits by the loan officer / member of BKM.

Note: Only borrowers with a record return smoothly and obey rules pursuant to a loan facility that will get loan facility in the next period.

Based on the rule above, the limited amount of loan (from 50 US dollars to 200 US dollars each member per year) become a new problem. It cannot significantly increase community income. It is confirmed by some interviewees:

*“Bagaimana pelaksanaan perguliran pinjaman di Besito? Apakah kegiatan ini efektif untuk mengurangi kemiskinan?”*

(How is the implementation of the revolving loan in Besito? Does the activity effective to reduce the poverty?)

Mas, M, 51 years old stated that:

*“Perguliran pinjaman di Besito berjalan cukup lancar terutama jika dibandingkan dengan desa-desa perbatasan. Kegiatan ini cukup membantu masyarakat untuk menambah modal dengan bunga yang relatif kecil. Namun, bagaimana mungkin dengan uang 500 ribu sampai 2 juta per tahun bisa membuat orang miskin jadi kaya? Mereka membutuhkan modal yang jauh lebih besar dari itu.”*

(The Revolving loan in Besito is running smoothly, especially when compared to the border villages. This activity helps the public to raise capital with a relatively small interest. However, how could the money of 500 thousand to 2millionperyearcanmakepoor people become rich? They need a much larger capital than the number. Interview on 1 March 2013).

Furthermore, with the same question, Nik, F, 48 years old said:

*“Seharusnya aturannya bisa lebih fleksible, waktu pengembalian tidak harus satu tahun, tapi bisa agak lebih panjang supaya pengembaliannya lebih ringan”*

(The rule should be more flexible, for example, the time for return the loan, it should be not fixed for a year but can be more than a year, so that it will help the people with smaller amount of money per month to be return. Interview on 1 March 2013)

In the field survey, when the researcher came to one of community leaders, and he also the leader of KSM, the researcher found that the person was rich people. He has some businesses such as rice mills, laundry, manufacturing of bio-ethanol, and others. He is also a hajj who had a convenient house and car. It is proved that the beneficiaries of revolving fund are not only poor people but also rich community. The revolving fund missed the targeted poor group.

The success member of KSM can be seen in the following picture:

Figure 4.5 Success Members of Revolving Fund.



The first picture is the bioethanol home industry. The owner is the member of revolving loan activity of PNPM-Mandiri Program. The second picture shows the visit of President's Staff Member to the location of Bio ethanol owner as the successful person in PNPM-Mandiri Urban empowerment. The third picture shows the home industry of bag. The BKM Besito Makmur also claims the owner of bioethanol industry and bag home industry as successful people as the result of community empowerment of the program. Their successful stories were described in the national website of PNPM-Mandiri Urban. However, when the researcher looked for more information, they said that the program did not directly help them for running their industry because the number of loan is very limited. They said they had a strong spirit to be success.

Figure 4.6 below indicates auditing by local government officials and the World Bank staffs.

Figure 4.6 Audit for BKM Besito Makmur



The audit of the financial report has been done every year. The first picture is the audit scene by inspectorate from Kudus local government, and the second and third pictures are the audit by World Bank's Staff Members. So far, there is no big problem found from the audit. Besides those audits, the BKM was also audited by independent audit in using government budget.

In 2009, the Return Rate (RR) of the revolving loan was 85 percent, and then it increased respectively, in year 2012 it was 93 percent. It proved the performance improvement of Financial Management Unit supported by community.

#### 4.1.4. Project Description of Infrastructure Development

Infrastructure development becomes a main concern in the PNPM - Mandiri as it gets the greatest share of funding. Even in 2010, the funding share of infrastructure development got more than 80 percent. Local Citizen also provided financial support jointly, as evidenced in year 2009; the community funds reached 38 percent. Community participation in infrastructure activity has been seen, not only in the idea development, but also the budget and the physical contribution.

The detailed activities of infrastructure development can be seen in the following table:

Table 4.4 Infrastructure Activities of PNPM - Mandiri in Besito Year 2009-2012

No.	Year	Activities	Government Fund (US\$)	Community Fund (US\$)	Name of Group (KSM)
1.	2009	Asphalt Road	950.00	655.00	Kresna
			1,700.00	300.00	Arjuna
			2,225.00	2,300.00	Mubarokah
		Concrete Road	600.00	450.00	Sadewo
			Paving Road	450.00	250.00
		Drainage Making		1,600.00	480.00
			1,000.00	300.00	Mbabrik Raya
			2,000.00	900.00	Sukses Lancar
			1,775.00	200.00	Kebon Abadi
			1,250.00	1,000.00	Sijambu Jaya
			Drainage Repairs	900.00	320.00
		1,000.00		300.00	Lancar Jaya
		<b>Total</b>			<b>15,450.00</b>
2.	2010	Asphalt Road	2,000.00	650.00	Berkah Alam
		Asphalt Repair	1,715.00	650.00	Berkah Jaya
<b>Total</b>			<b>3,715.00</b>	<b>1,300.00</b>	
3.	2011	Asphalt Road	2,100.00	276.00	Krajan
		Asphalt Repair	2,400.00	300.00	Indah Dahlia
			1,500.00	200.00	Warga Mulya
		Concrete Road	1,700.00	100.00	Rajawali
		Paving Road	1,750.00	305.00	Mulia
			2,250.00	380.00	Sejahtera
<b>Total</b>			<b>11,700.00</b>	<b>1,561.00</b>	

No.	Year	Activities	Government Fund (US\$)	Community Fund (US\$)	Name of Group (KSM)
4.	2012	Asphalt Road	2,275.00	925.00	Buyut Sisumur Jaya
			750.00	430.00	Sejahtera Jaya
		Paving Road	2,000.00	265.00	Telaga Indah
			1,800.00	550.00	Buyut Sisumur Jaya
		Will be allocated in 2013	4,675.00	0	-
<b>Total</b>			<b>11,500.00</b>	<b>2,170.00</b>	

Source: Besito PNPM-Mandiri Report Year 2012

The data explained that many activities to build and repair roads have been done in the last four years. The greatest number of funds was used for infrastructure activities among others. It was confirmed:

*“Mengapa porsi pembangunan infrastruktur sangat besar dibanding kegiatan lainnya, apakah tidak khawatir apabila justru tidak tepat sasaran kepada pemberdayaan masyarakat miskin?”*

(Why do portions of infrastructure development is very large compared to other activities, do not worry if it is not on targeted to the poor communities empowerment?)

Roz, M, 50 years old said that:

*“Masyarakat butuh pembangunan infrastruktur karena hal itu akan menjadi fasilitas, misalnya: dapat mengurangi biaya transport. Tentang target masyarakat miskin, di Besito ini, masyarakat miskinnya terpencar, tidak terletak di suatu tempat yang sama. Meskipun demikian, di sekitar lokasi yang dibangun infrastrukturnya pasti ada masyarakat miskin yang tinggal di sana yang dapat memanfaatkan infrastruktur tersebut.”*

(The community needs infrastructure development because it will facilitate the community, for example, in reducing the cost of transport. Furthermore, about the target to the poor, the poor people in Besito are located spread in all hamlets; do not located in same location. However, the locations of infrastructure development always focus on the poor in each surrounding. Interview on 5 March 2013)

The statement is supported by Mas, M, 51 years old (Interview on 1 March 2013). With the same question, he said that:

*“Pembangunan infrastruktur juga melibatkan masyarakat miskin, dalam hal ini tenaganya diambil dari masyarakat miskin di sekitar lokasi yang sedang dibangun sehingga mereka mendapatkan pekerjaan dari kegiatan tersebut, akan tetapi pada kegiatan malam hari dilakukan gotong-royong warga setempat untuk menyumbangkan tenaganya dalam kegiatan pembangunan infrastruktur tersebut.”*

(Infrastructure development also involves the poor, in this case the workers are from poor communities around the site is being constructed so that they get the job from those activities. However, in the evening, the local citizens do the infrastructure activities communally and free.)

Furthermore, the road development projects in year 2011 can be seen in the following picture:

Figure 4.7 Infrastructure Activities



Those pictures show some road constructions and renovation both asphalt and paving road. Most of the infrastructure development spends the budget for these activities, besides the others activities.

#### 4.1.5. Guidance and Coaching Activities

In order to make each empowerment activities effective, it needs knowledge and skill training for project implementers with related community members.

The empowerment activities undertaken by village facilitators in the form of guidance / coaching in year 2009 to 2011 are as follow:

Table 4.5 Coaching Activities of PNPM-Mandiri in Besito Year 2009-2011

No.	Type of Coaching	Year	Target	Number of Participants
1.	Basic Training	2009 & 2010	Volunteers	25
			BKM	13
			UPK	3
			UPS	3
			UPL	3
			Board of Supervisors	3
2.	Main Training	2009	Volunteers	25
			BKM	13
			UPK	3
			UPS	3
			UPL	3
			Board of Supervisors	3
3.	OJT (On Job Training) Medium	2009	Volunteers	25
			BKM	13
			UPK	3
			UPS	3
			UPL	3
			Board of Supervisors	3
4.	OJT (On Job Training) Revolving Loan	2010	Volunteers	25
			BKM	13
			UPK	3
			UPS	3
			UPL	3
			Board of Supervisors	3
			KSM	10
5.	Strengthening Training	2011	Volunteers	25
			BKM	13
			UPK	3
			UPS	3
			UPL	3
			Board of Supervisors	3
			KSM	50

Note: UPK (Financial Management Unit), UPS (Social Management Unit), UPL (Infrastructure Management Unit)

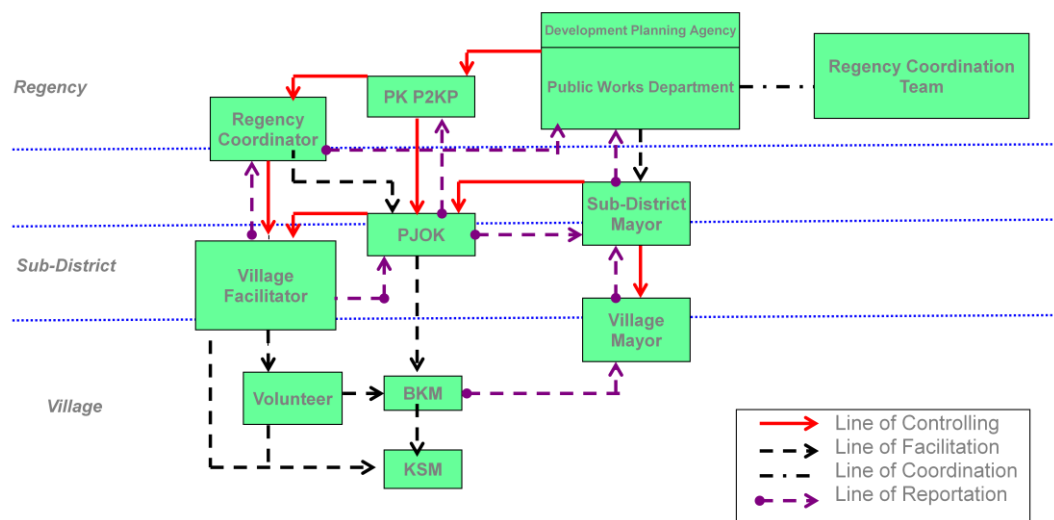
Source: Besito PNPM Mandiri Report Year 2009-2011

From the table above, it can be depicted that some trainings were done by village facilitators in guiding the Besito community in term of empowerment.

The coaching or trainings from village facilitators to the local citizens were implemented in the effective way to give knowledge for the citizens in implementing PNPM - Mandiri. These activities seem to be cost-efficient since the citizens will get knowledge and information without pay any budget. The coaching is still valid and relevant to be implemented because the citizens have to improve their knowledge and capability in order to reach the goal of the program. The knowledge and information from these kinds of activities have to be shared to other citizens for the sustainability of program implementation. The training and coaching gives positive impact for local citizens to improve their capacity in implementing the program.

#### 4.2. Stakeholders Analysis

Figure 4.8 Directorate Structure of PNPM-Mandiri



Note: PK P2KP is Commitment Maker of PNPM Mandiri Urban.

Source: PNPM - Mandiri guideline



Stakeholder's analysis is important because it confirms sharing information, identify the roles, and confirm effective coordination. Besides, it identifies and defines the characteristic of people, groups and institution that will influence the program implementation. It is also included an assessment of the real or potential conflict or interest and expectation among stakeholders, and the capacity of different stakeholder to participate in developing strategies to get the most effective support in implementing the program and reduce any obstacle. Those are factors to be succeeded.

It is important to involve the stakeholders in implementing the program, because it uses bottom up approach for greater transparency and accountability of the decision making process.

Based on the strength, positions, and influence on the issues, the stakeholders are categorized into the primary and secondary stakeholders.

#### 4.2.1. The Role of Primary Stakeholders

Primary stakeholders are the stakeholders who were involved directly with the policies, programs and projects. They should be placed as a key determinant in the decision making process.

The primary stakeholders consist of community, community leaders, and management members in implementing PNPM - Mandiri. Organizational structure for implementation is shown in Figure 4.10.

The main targeted communities are the poor and women because one of the basic principles of PNPM - Mandiri is empowering the poor and women. Administratively, it is said that the poor and women participated in implementing the PNPM - Mandiri. It is recorded that more than twenty women participated in PNPM - Mandiri in Besito Village.

However, most of the registered community leaders only as participated of the revolving loan. This is proved by some statements from interviews (Interview on 1 March 2013):

Sof, F, 43 said that:

*“Saya kurang tahu persis tentang kegiatan PNPM, saya hanya tahu tentang perguliran pinjaman. Apabila ada undangan, saya usahakan datang, dan biasanya hanya tentang dana perguliran. Tentang kegiatan sosial, saya tahunya dari pak RT karena rumahnya di depan rumah saya. Anak saya ikut kursus komputer.”*

(I do not know exactly about the PNPM activities, I only know about the revolving loan. If there is an invitation, I try to come, and usually only about the revolving fund. About social activities, I know it from the hamlet coordinator, because his home is in front of my house. My son joined the computer course.)

The statement supported by Rin, F, 33:

*“Saya tahu BKM ya tempat untuk pinjam uang. Tidak pernah ada pengumuman terbuka tentang kegiatan PNPM. Saya pernah diundang dua kali, itupun hanya tentang pinjaman bergulir karena saya sebagai peminjam. Untuk kegiatan sosial, saya tidak pernah mendengar beritanya, sepertinya hanya kalangan tertentu yang diberi tahu.”*

(I know the BKM is only a place to borrow money. There was never any public announcement about the activities of PNPM. I have invited two times, and only about a revolving loan because I am a debtor. For social activities, I never heard about it, it seems only certain people to be informed.)

Aid, M, 39 also supported the statements:

*“Sebagai ketua KSM, saya hanya tahunya tentang pinjaman bergulir karena saya sebagai peminjam. Kegiatan pembangunan infrastruktur memang ada di RT sini, tapi saya tidak pernah tahu rapat awalnya, saya tahunya hanya setelah diminta mengumpulkan dana swadaya dari masyarakat. Tentang kegiatan sosial, saya tidak pernah tahu tentang kegiatan tersebut.”*

(As coordinator of KSM, I just know about the revolving loan because I am a debtor. There are infrastructure development activities in my hamlet, but I never knew the planning meeting, I knew when they asked me to collect the funds from community. Furthermore, about social activities, I never knew about those activities)

Bas, M, 40) also said:

*“Dulu memang saya anggota KSM, tapi sekarang tidak lagi karena modal yang saya butuhkan jauh lebih besar. Saya dulu datang setiap kali diundang rapat, tapi sekarang saya tidak ada waktu lagi. Undangan tersebut hanya membahas dana perguliran. Kegiatan lainnya, saya kurang tahu.”*

(In the past, I was a member of KSM, but not anymore, because the capital that I needed is much bigger. I came to the meeting when I was invited, but now I do not have time anymore. The invitees only discussed about the revolving fund. The other activities, I do not know exactly.)

Ironically, they did not understand well about PNPM - Mandiri due to the lack of public announcement. They only knew that BKM gave them revolving loan, whereas, most of them were registered as community leaders in PNPM-Mandiri Besito. Indeed, from forty people registered as community leaders active in PNPM - Mandiri, most of them were the debtor of the revolving loan. They only participated when they got the invitation to the meeting and mostly about revolving loan.

Administratively, at least forty community leaders participated in implementing PNPM - Mandiri in Besito, including women leaders. The leaders have different background in term of education level, occupation, and experience. Some of them are teachers, entrepreneurs, religion leaders, hamlet chairpersons, housewives, and so on. In fact, few of them participated actively in the program.

On 5 March 2013, it is confirmed from interview with Aff, M, 40 that community leaders participation to the program was limited.

*“Dari 40 orang yang tercatat sebagai tokoh masyarakat yang aktif dalam kegiatan PNPM-Mandiri di besito, hanya 3 orang yang bukan sebagai debitur.”*

(From forty community leaders participated in PNPM - Mandiri whom are not as debtor, only three people.)

Limited motivation was heard from Mas, M, 51 on 1 March 2013:

*“Mana ada tokoh masyarakat yang mau berpartisipasi kalau tidak ada kepentingan sebagai debitur.”*

(It is impossible for community leaders who are willing to participate in the program if there is no interest as the debtor)

It was very ironic because the community participation only as the debtor and they did not understand well about PNPM - Mandiri. The role of community leaders was not clearly identified due to the limited guidance and information. In every meeting related to PNPM - Mandiri activities, the invitation was delivered only limited number of managers of BKM and the Village Officers. Therefore, not all community leaders participated in the activities.

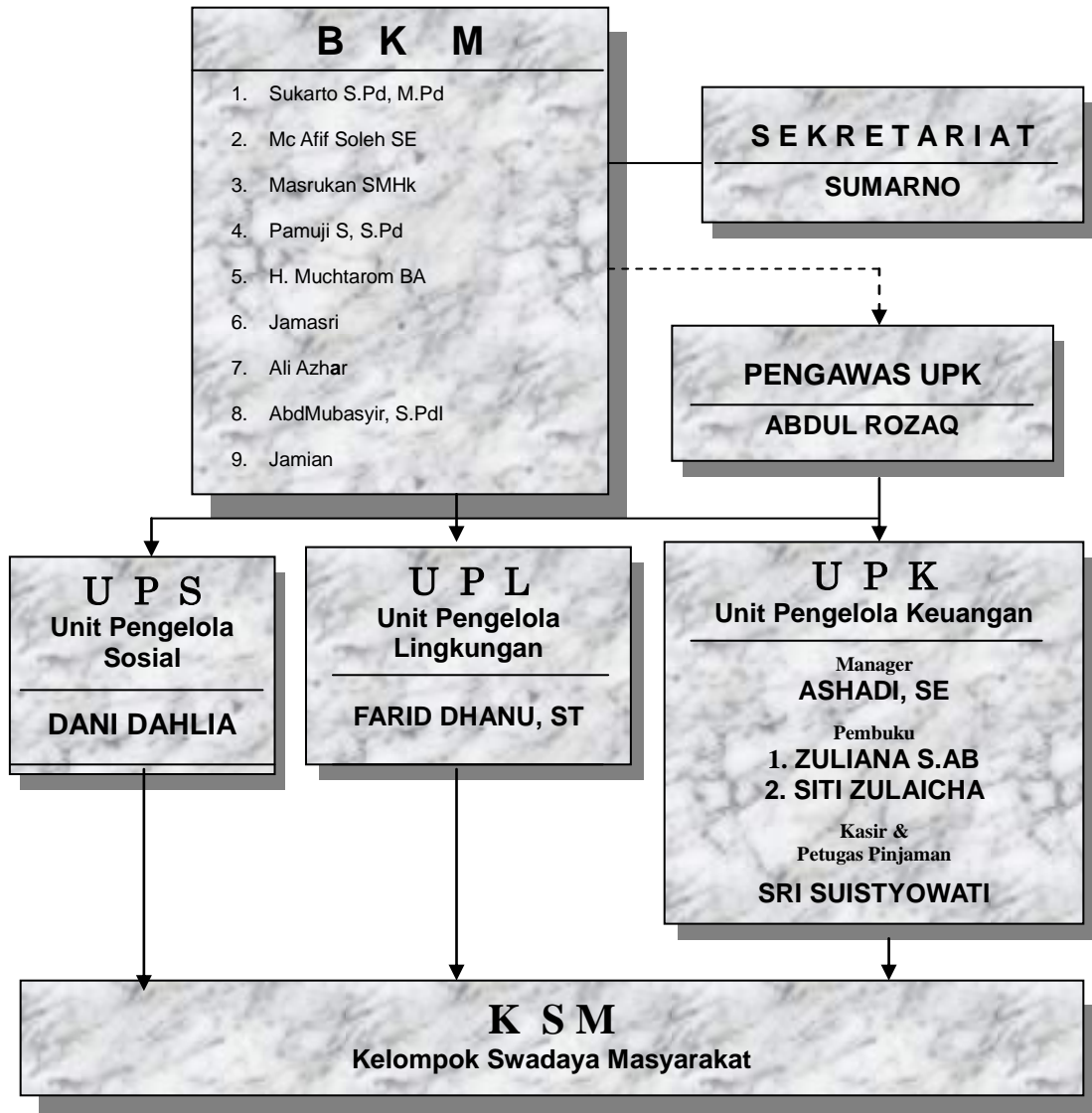
Figure 4.9 BKM Besito Makmur Meeting



From the picture above, it can be seen that the participants of meeting were only BKM managers and village officers. They did not invite the community leaders, the poor and women in the meeting to get their opinion and suggestion. The village officers and BKM managers decided by themselves what things should be done for implementing the program without coordination with community leaders, and the poor and women as main target and subject. The planning of the program should be formulated by local citizens as a whole especially the poor and women.

The structure of the BKM Managers is as follow:

Figure 4.10 the Organizational Structure of BKM Besito Makmur Managers



Note:

- BKM (Community Based Organization)
- Sekretariat (Secretariat)
- Pengawas UPK (Supervisor of Financial Management Unit)
- UPS (Social Management Unit)
- UPL (Infrastructure Management Unit)
- UPK (Financial Management Unit)
- Pembuku (Accounting Officer)
- Kasir & Petugas Pinjaman (Cashier & Loan Officer)
- KSM (Community Based Group).

Source: BKM Besito Report year 2012

However, one of the management members has highly qualified human resource and understands well about PNPM - Mandiri because he also plays roles as the Kudus regency coordinator staff member. He supported the implementation of the program, especially in administrative works. Therefore, the reports of administration of BKM Besito Makmur were well prepared.

A problem appeared here is that local citizens seem to be excluded in the project implementation. Announcement and guidance function did not work well.

#### 4.2.2. The role of secondary stakeholders

Secondary Stakeholders are the stakeholders that are not directly linked to a policy, program and projects, but have a concern effect on public attitudes and legal decisions of government. In this term, secondary stakeholders are village mayor, village facilitator, regency coordinator, monitoring agency, NGO, and private sector.

The role of Besito Village Mayor is large and important as a secondary stakeholder in implementing PNPM - Mandiri in Besito such as giving the facilities like BKM building, facilitating the BKM meeting, collaboration with BLM fund including Besito local government fund, encouraging the community and community leaders' participation into PNPM - Mandiri, and monitoring the implementation process of the program.

BKM Management members are supported by PNPM - Mandiri Urban Village Facilitators / Regency Coordinator in implementing the program. The village facilitators have responsibility for facilitating assistance to carry out the activities in assisted area.

On 20 March 2013, the facilitators said that:

*“Tidak ada perbedaan perlakuan terhadap desa-desa. Tapi cara pendekatan memang tergantung mapping masing-masing wilayah yaitu adat setempat, kearifan local, tingkat religious, rutinitas masyarakat, budaya, kebiasaan, dan karakteristik masyarakat.”*

(There is no difference in the treatment of the villages. However, the approaches depend on the mapping of each area such as local customs, local wisdom, and religious level, the daily routine of society, culture, customs, and characteristics of the community.)

This is supported with the statement from Kar, M, 50. He said that:

*“Peran faskel sangat berarti karena mereka selalu mendampingi dan mengawal pelaksanaan PNPM-Mandiri mulai dari perencanaan program sampai dengan teknis dan pelaporan.”*

(The roles of village facilitators are very significant because they always accompany and oversee the implementation of the PNPM - Mandiri from planning to technical and program reporting). (Interview on 5 March 2013).

The Regency Coordinator also has many responsibilities. The roles of Regency Coordinator are;

- (1) mentoring and controlling the Village Facilitators in their assisted areas for the implementation of PNPM - Mandiri,
- (2) facilitating and controlling PNPM – Mandiri implementation and channeling program,
- (3) facilitating the implementation of PNPM - Mandiri Urban,
- (4) strengthening the role of the Urban Study Group dialogue forum as an effort of poverty reduction in the city / regency involving local government, communities and other stakeholders,
- (5) controlling the facilitators in socialization and training at the community level of the city / regency,
- (6) strengthening monitoring and facilitating activities to BKM by local government,

- (7) strengthening the accounting system capacity of BKM to get the accounting principles generally simple, and
- (8) providing recommendations to KMW (Regional Management Consultant) and SNVT (Non Vertical Unit Specific for PNPM - Mandiri) for payment or delaying in payment of salary or fix costs of village facilitator and recommendation of payment or delay in disbursement of BLM budget.

Besides, the role of PJOK (Responsible Person for Operational Activities) was supported by Gebog Sub-District Mayor also important in accompanying the implementation of the program.

This is evidenced by the statement from Sho, M, 48:

*“BKM Besito makmur itu maju dan berkembang karena kreatifitas pengurusnya sendiri dan didukung oleh pemerintah desa dan masyarakatnya.”*

(BKM Besito makmur developed by their own creative managers and supported by the village government and its community. Interview on 6 March 2013)

The role of Gebog Sub-District Mayor and Kudus Regency to the public are to support the program, such as delivering announcement of the program, and facilitating the coordination with the related agencies. The Kudus Regency also appreciated the efforts of BKM awarded as the best BKM. BKM Besito Makmur won the Kudus Regency Awards in year 2008, 2009, and 2011.

As for monitoring activity to the project, the Development Planning Agency at Kudus Regency jointed the monitoring team consisting of several related institutions, such as the Infrastructure and Spatial Agency, Social and Transmigration Agency, Community Empowerment, Women and Family Planning Agency, and The Regional Secretariat of Social Welfare. These institutions always support and oversee the implementation of the PNPM - Mandiri.



Figure 4.11 Monitoring Activity of Kudus PNPM - Mandiri Urban Monitoring Team



Source: Bappeda Kudus (Kudus Development Planning Agency)

From the picture above, it can be seen that Kudus PNPM - Mandiri Monitoring Team monitored the BKM Besito Makmur to oversee the implementation of the program. The evaluation result by monitoring team was quite good in terms of administration order.

When the researcher interviewed about the implementation of PNPM-Mandiri in Besito, Dew, F, 34 stated that:

*“BKM Besito Makmur merupakan salah satu BKM terbaik di Kudus. Selama ini, administrasinya selalu tertib jika dibandingkan dengan BKM yang lain. Sudah tiga kali memenangkan BKM Award dari Bupati Kudus, yaitu tahun 2008, 2009 dan 2011. Jadi, jika dibandingkan dengan desa atau kelurahan lain, memang pelaksanaannya sudah cukup baik.”*

(BKM Besito Makmur is one of the best BKM in Kudus. So far, the administration is always orderly compared with other BKM. BKM has three times won the Award from the Regent, in year 2008, 2009 and 2011. So, when it compared to other villages, the implementation of the program running smoothly. (Interview on 3 March 2013)

The role of private sector is also important in supporting program implementation. BKM Besito Makmur was channeled with NGO. IPNU (The

Youth Nahdhatul Ulama NGO)was invited this program especially in publishing announcement through media for socialization of activities of BKM to the public.

It is in line with the statement from Aff, M, 40 stated that:

*“BKM telah melakukan channeling dengan LSM seperti IPNU dalam menyebarkan informasi kepada masyarakat tentang aktivitas BKM dan dengan pihak swasta dalam kegiatan sosial.”* (Interview on 7March 2013 with Aff,M,40)

(BKM has been doingthe channeling with NGOs such as IPNU in disseminating information to the public about the activities of BKM and with the private sector in social activities)

BKM Besito Makmur also did a channeling with some private sectors available in the area. Sukun Cigarette factory gave aid such as infrastructure fund and Muamalat Bank gave Social Fund. The budget from private sectors hared with government and community fund in implementing PNPM - Mandiri.

#### 4.3. Constraining Factors

In researcher’s study, several constraining factors were observed which caused negative impacts to the program.

##### 4.3.1. Structural Factors Evaluated

The low education acquiring level of the community in Besito was one constraining factor in the understanding and implementation of PNPM-Mandiri.

The data of the level of education as the following:

Table 4.6 Education Level in Besito Village Year 2010

No.	Education Level	Number of Men	Number of Women	Total
1.	Illiterate	0	0	0
2.	Not complete elementary school	731	574	1.305
3.	Elementary School	1.950	1.875	3.825
4.	Junior High School	450	435	885
5.	Senior High School	1.210	1.190	2.400
6.	Higher Education	350	473	823
<b>Total</b>		<b>4691</b>	<b>4550</b>	<b>9.241</b>

Source: Besito Village Profile Year 2011

The data shows that the biggest number of education level is elementary school at 41.4 percents. Moreover, the second place is Senior High School at 26 percents. On the contrary, the number of people with higher education is only 9 percents.

Besides the low level education of the community, the limited time of the community member to participate in the PNPM-Mandiri was another constraining factor because most of the livelihood of the population is construction worker and mostly living in Jakarta or outside of Java. And the community leaders seemed always busy because they also have their own business as entrepreneur.

These factors are proved by the statement from Kar, M, 50 said that:

*“Rendahnya tingkat pendidikan menjadi faktor kendala dalam melaksanakan program karena masyarakat kurang memahami tentang program tersebut.”*

(The low level education becomes constraining factor in implementing the program because they do not understand well about the program. Interview on 8 March 2013).

Furthermore, Mas, M, 51 said that:

*“Kebanyakan pekerjaan penduduk desa Besito adalah pekerja bangunan di luar Kudus dan yang lain punya kesibukan masing-masing sehingga waktu untuk mengikuti kegiatan PNPM-Mandiri memang sangat terbatas.”*

(Most of the livelihoods in Besito Village are construction workers outside Kudus and the others have their own business so the time to participate in the program is very limit. Interview on 1 March 2013)

#### 4.3.2. Operational Factors Evaluated

The problems in revolving loan are lack of budget, miss targeting, and the limited number of loans (50 US \$ - 200 US \$ per member). These caused limited and not effective result in revolving loan operation.

Another constraint is stated by Roz, M, 50 that:

*“Kendala yang dihadapi dalam mengentaskan kemiskinan di Besito adalah usaha masyarakatnya yang tidak seragam sehingga memerlukan penanganan yang berbeda-beda, dan hal ini tidak mudah, perlu waktu.”*

(Obstacles encountered in alleviating poverty in Besito Village are the diversity of business community so require different handling, and it is not easy, it took time to overcome the problem. Interview on 5 March 2013).

Furthermore, Lack of socialization of the program was another constraining factor. It is in line with the statement from Rin, F, 33:

*“Selama ini saya tidak pernah mendengar ada pengumuman atau pemberitahuan secara terbuka tentang kegiatan PNPM-Mandiri di Besito. Saya hanya tahu tentang kegiatan pinjaman bergulir karena saya sebagai debitur dan saya dua kali diundang untuk mengikuti rapat tentang pinjaman bergulir tersebut. Untuk kegiatan lainnya, saya kurang tahu.”*

(So far, I never heard of any public announcements about the activities of PNPM Mandiri in Besito Village. I only knew about the activity of revolving loan because I am debtor, and I was twice invited to attend a meeting of the revolving loan. For other activities, I do not know exactly. Interview on 1 March 2013).

## **CHAPTER V**

### **DATA ANALYSIS**

#### 5.1 Principles of Community Empowerment for Poverty Reduction

PNPM-Mandiri is a national community empowerment program to alleviate the poverty. In this regard, the community is expected to play an active role starting from the planning, implementation, monitoring, to evaluation, whole through project cycle. The existence of community funds is an evidence of public attention to the program.

The empowerment in PNPM - Mandiri has implemented by three pillars: social development, economic development and infrastructure development.

##### 5.1.1 Social Development

The social activities done in the village were computer skill training and social assistance in the form of goat breeding and catfish breeding. However, most of the livelihoods in Besito Village are construction workers and factory workers. The activities should be closely related to their needs, such as training in using modern machines / tools for the construction workers or managerial skill training for them. Furthermore, the computer skill training must be related to, such subjects as computer design training in building the construction or in marketing of the community products or services.

Moreover the socialization of the program especially computer training activity was not open and transparent so not all members of the community can participate to the activities. It is not accordance with basic principle of empowerment in PNPM - Mandiri inclusiveness. Communities must have access

adequately for all information, recruitment process and decisions so that the management of the project can be implemented in responsibility for transparency.

It is contrary to Narayan (2002: p.18) that one of the core of empowerment of the poor is access to information. Accesses to information have two-way information flows from governments to citizen and from citizens to governments, which are critical for responsible citizenship and accountable governments. Informed citizens are better equipped to take advantage of opportunities, accessing services, exercising their rights, and hold state and non-state actors accountable.

It is also contrary with Chambers (2007,p.1) suggests that while poverty may never be made history, a sharp reduction can be achieved if powerful professionals become more participatory and get closer to and learn more from those who live their lives in poverty; and then act on what they experience, learn and feel.

The social activities failed in reducing the poverty because there is no open selection in recruitment of the beneficiaries, the activities mismatched with local needs and community livelihood, and no professional guidance supports.

### 5.1.2 Economic Development

Because of the strict rule of the revolving loan in economic development, some problems have occurred in running this, which were the limited amount of loan (small loan volume), and the too short length of time to return the loan. Therefore, the rule should be more flexible and simpler, in line with the basic principle of empowerment in PNPM - Mandiri. All arrangements, mechanisms and

procedures in PNPM - Mandiri implementation should be simple, flexible, easy to understand, and easily managed by the community.

The beneficiaries of the revolving loan should be on target to the poor and women. Indeed, the rich also become the beneficiaries of the revolving loan so that the poverty reduction cannot be accomplished. This is a mismatched problem in economic activities.

### 5.1.3 Infrastructure Development

As a main concern, infrastructure development has large share of program budget among other activities, but still limited. It is supported by Kartasasmita (2008) stated that the community empowerment has three main activities;

- (1) Train the communities in identification, analysis, and decision making process to tackle their poverty problem,
- (2) Create / expand small scale infrastructures and community economic productivities, and
- (3) Increase community capability and self-help to achieve better standard of living.

Small scale infrastructure development is important for poverty reduction. Unfortunately, the community assumed that the participation in infrastructure development is limited due to the shortage of community fund. Community wide participation could not be achieved due to the limited gathered budget. They should be involved in the program from the planning, decision making, implementing, monitoring until the evaluation of the activities.

#### 5.1.4 Stakeholders Analysis

Community as key stakeholder is focused for the poor and women because one of the basic principles of PNPM - Mandiri is empowering the poor and women. Administratively, the poor participated in implementing the PNPM - Mandiri. Furthermore, it is recorded that more than 20 (twenty) women participated in PNPM - Mandiri in Besito.

However, when it was confirmed about the community participation, it is very revelation that the community participation, mostly only as the debtor of the revolving loan. The communities do not understand well about PNPM - Mandiri. They only know that BKM give them revolving loan.

Furthermore the ideal of universal participation according to Redford as cited by Denhardt (2007:p.51) take various forms:

- (1). access to information, based on education, open government, free communication, and open discussion;
- (2). access, direct or indirect, to forums of decision;
- (3). ability to open any issue to public discussion;
- (4). ability to assert one's claims without fear of coercive retaliation; and
- (5). Consideration of all claims asserted.

So, the community participation in implementing PNPM - Mandiri in Besito Village as Organization for Economic Cooperation and Development (OECD) as cited by Denhardt (2007:p.97) is information level of involvement. It is a one-way relationship in which government produces and delivers information for citizens. It covers both "passive" access to information upon demand by citizens and "active" measures by government to disseminate information. Examples include, access to public records, official gazettes, government websites.



It should be active participation. It is a relation based on partnership with government, in which citizens actively engage in defining the process and content of policy-making. It acknowledges equal standing for citizens in setting the agenda, proposing policy options and shaping the policy dialogue although the responsibility for the final decision or policy formulation rests with government. For examples are consensus conferences and citizens' juries.

The role of the community in implementing the program in order to empower the community should be self-governing. According to Pierre (2000, p.148), self-governing can be viewed as a starting point for theorizing on self-governing in modern societies. There are three important aspects;

- (1) Self-governing principle in modern societies, what are strengths and weakness of exiting self-governing principles,
- (2) The consequences of continuing societal differentiation for the closure tendencies to external influences connected with this, and
- (3) The research for alternative governing modes in light of the (apparent) limitation of traditional command and control system and the way which self-governing can be part of these modes of governance mixes.

The program is very strategic for preparing the ground independence of community and to prepare medium-term community programs in poverty reduction in partnership with local communities and local care group. It should become social capital activity, involving the community as the actors.

The table is about some definition and basic elements of social capital:

Table 5.1 Some Definitions and Basic Elements of Social Capital

Name, Year	Definition and Basic Elements of Social Capital
Coleman (1988)	Social capital consist of some aspects of social structures, and they facilitate certain actions of actors--whether persons or corporate actors--within the structure
Putnam <i>et.al</i> (1993)	Features of social organization, such as trust, norms (or reciprocity), and networks (of civil engagement), that can improve the efficiency of society by facilitating coordinated actions
Narayan (1997)	The rules, the norms, obligations, reciprocity and trust embedded in social relations, social structure and society's institutional arrangements which enable members to achieve their individual and community objectives
World Bank (1998)	Social capital refers to the institutions, relationships, and norms that shape the quality and quantity of a society's social interactions
Uphoff (1999)	Social capital can be considered as an accumulation of various types of intangible social, psychological, cultural, institutional, and related assets that influence cooperative behavior
Dhesi (2000)	Shared knowledge, understandings, values, norms, and social networks to ensure the intended results

Source: Subejo (2004, p: 3)

Based on some definition and elements of social capital as mentioned in the table above, it can be a generalization and simplification of the main elements of social capital. A simple and general conclusion about the main elements of social capital includes norms, reciprocity, trust, and network. The fourth element is a significant influence on the behavior of co-operation to achieve the desired results, which could accommodate the interests of individuals and groups to cooperate collectively.

Subejo gave example of the social capital in Indonesia, such as *gotong-royong* (mutual cooperation). It has mutually agreed rules (norm), respecting the principle of reciprocity in which each party contributes and within the specified

time will receive a compensation / reward as a form of system of reciprocity, mutual trust among the actors that each will comply with all forms of the agreed rules of the game, as well as collaborative activities are strongly bound by the specific relationships between other, the linkages between actors (network).

While there are many definitions and interpretations of the concept of social capital, there is a growing consensus that “social capital stands for the ability of actors to secure benefits by virtue of membership in social networks or other social structures (Portes, 1998, p. 6).

The program also practice the mutual cooperation among society especially the poor and women. They helped by the rich implement the program in order to empower the poor and reduce their number.

The role of local citizens especially the poor and women have to be improved. The BKM managers have to encourage the poor, women and community leaders to be more active in participation of the program. Those primary stakeholders have to be involved in each activity from plan, do, and check (PDCA cycle).

Community leaders as volunteers should have strong motivation and improve their knowledge to participate in implementing the program. The village mayor and BKM managers have to discuss everything related to the program with community leaders, the poor, and women so each role from each stakeholder can be improved. Moreover, the transparency should be achieved especially for the poor.

The local government officers have to improve the support to the local citizen. The coordination, facilitation, and controlling from local government, village facilitator, and regency coordinator are very important due to the

betterment of program implementation in Besito Village. Besides, the participation from NGO and private sector also give significant role in supporting the program. By optimized each role of stakeholders, the goal of the program will be achieved so that the number of poor family will be reduced.

#### 5.1.5 Constraining Factors Analysis

There are structural and operational constraining factors causing the poverty level remain high. The low education acquiring level was one constraining factor in the understanding and implementation the program. Besides, the limited time of the community member to participate in the PNPM - Mandiri was another one. The community leaders seem always busy because they also have their own business as entrepreneur. Moreover, the most crucial failure is the project mismatched with local needs and community livelihoods so that the poverty reduction cannot be achieved.

The problems also come up from revolving loan such as small budget of revolving loan, limited number of loan per person, miss targeting and so on. Another constraint is the diversity of community livelihoods so that it requires different approaches in handling the problem. Furthermore, lack of socialization and transparency of the program caused limited community participation especially from the poor.

#### 5.1.6 Overall Analysis

The evaluation of the program was done by macro approach of empowerment and OECD evaluation method. The macro approach has four elements such as access to information, inclusion and participation, accountability, and local organizational capacity. While, the evaluation projects by

DAC OECD has five criteria such as effectiveness, efficiency, relevance, sustainability, and impact.

(1). Macro Approach of Empowerment

This approach is often called a strategy of market systems (large-system strategy), because the target system changes directed at the wider environment. Formulation of policy, social planning, campaigns, social action, community organizing and community development are some of the strategies in this approach.

The results analyzed by four elements of macro assessment are following:

(a) Access to information

The program has been implemented using two-way information, flows from governments to citizen and from citizens to governments as critical for responsible citizenship and responsive and accountable governments, but still limited. Since the socialization is not open and transparent to the public, so the citizen has limited access to the information of the program. So, it needs to improve better information access for citizens to take advantage of opportunity, access services, exercise their rights, and so on.

(b) Inclusion and participation

As an empowering approach needs participation, the poor people acts as a subject or co-producer with authority and control over decisions and resources (particularly financial resources) devolved to the lowest appropriate level. But in Besito Village, it seems lack of participation from the poor especially in the planning stage. Inclusion of poor people and other traditionally excluded group in priority setting and budget formation at the local level has to be implemented to ensure that limited public

resources build on local knowledge and priorities, and build commitment to change. But it also needs to be improved since some activities mismatched with local needs and community livelihoods.

(a) Accountability

The accountability has been done in implementing the program. The public officials, private employers, or service providers were called to account, requiring that they were answerable for their policies, actions, and use of funds. The local government, private sectors, NGO, and volunteers from community leaders joined the program, but it still needs to expand the channeling with private sectors and NGOs.

(b) Local organizational capacity

Local organizational capacity is still dominated by BKM Managers and Village Officers in implementing PNPM - Mandiri. It should be more likely to have their voices heard and their demand met from local community. In fact, it still lack of capacity from the poor and women. If it will be developed, these processes will enable local community to be self-sufficient in fulfilling their needs.

The elements have to be fulfilled in implementing PNPM - Mandiri for building the community empowerment. The implementation of those four elements have to be comprehensive, it cannot be separated each other in order to achieve the goal of the program.

(2). Project Evaluation by OECD Method

As explained above, the project evaluation method of DAC by OECD has five criteria:

a. Effectiveness

The objectives of the program will be achieved if stakeholders work together and give their best effort in implementing the program by empowering the poor and women. Without cooperation and coordination from stakeholders, it will be difficult to reach the goal.

b. Efficiency

The PNPM - Mandiri is cost-efficient program since the budget is not only come from government, but also those from community itself and private sector. By combining top down model and bottom up approach, empowerment as the basic of the program is the most efficient way for poverty alleviation. Although it seems difficult to reduce the poverty become a half in the year 2015, it still ongoing process to make betterment in implementing the program.

c. Relevance

The PNPM - Mandiri program is still valid to be implemented in Gebog sub district especially Besito Village because many poor live in the village. The activities and output of the program adapted the social, economic and culture of the village, although still need some improvement in implementing the program. To reach the goal of the program, all stakeholders have to be encouraged in participating to the program start from planning, implementing, monitoring and evaluation. Although the program did not yet give significant reducing number of

poverty in the village, some improvement can be seen from the program activities, especially infrastructure. Since most of the populations are men as construction workers and women as factory workers, so the activities of the program should be related with the two main jobs.

d. Sustainability

After the budget of the program from government has stopped, it is expected the poor were already empowered, so they can solve the problem by themselves. The sustainability of the program will be achieved if all the stakeholders do their own roles focused on poor empowerment by poor participation.

e. Impact

The infrastructures developments of the program are not only give benefit for the poor but also the rich. However, the poor and the rich can participate in the activities base on their capability, for instant, the rich give material things in this activity and the poor give their time and physically work. Furthermore, both of them can give their idea in order to reach the goal. Before the program to be implemented, it seems difficult to make infrastructure development in the village because of limited budget and so on. Eventhough the program did not reduce the significant number of poor; at least people learn how to solve the problem by themselves. It will make them start to participate in every community activities and empower them to be part of development itself.



The result of the evaluation will be described in the following table.

Table 5.2 OECD Evaluation Method

Project	Effectiveness	Efficiency	Relevance	Sustainability	Impact
<b>Social Development</b>					
Computer training	X	X	X	X	X
Goat Breeding	O	O	O	O	O
Catfish Breeding	X	X	X	x	x
Health service for pregnant women	O	O	O	O	O
<b>Economic Development</b>					
Revolving Loan	partially	O	partially	O	partially
<b>Infrastructure Development</b>					
Asphalt/ Concrete/ Paving Road	O	O	O	O	O
New drainase/ repair	O	O	O	O	O

The data above shows that some social projects were failed but goat breeding and health service for pregnant women have positive impact for the poor and women as main target of the program. Computer training failed due to the curriculum mismatch with local needs and the recruitment of the beneficiaries was not open to the public. The catfish breeding also failed due to lack of expert trainers and again mismatched with local needs and community livelihoods.

The economic development through revolving loan project was efficient and sustainable but partially effective because of miss targeting of some beneficiaries, so that did not fully impact for the poor. However, the infrastructure development showed good result among others from the evaluation.

From the analysis above, it can be described that the social and economic development activities were partially effective, efficient, relevance, sustainable and gave positive impacts. The elements in social development should be improved due to the transparency of the program, and matched the projects with local needs and community livelihoods. However, the economic development can improve the elements by making the rules simpler, easier, and more flexible to be implemented.

Moreover, the infrastructure development activities seem mostly the successful in Besito Village. Since it was main concerned project, it expected to have a positive impact on poverty reduction. Although each project was small scale, it contributed to the local community.

## **CHAPTER VI**

### **CONCLUSIONS AND RECOMMENDATIONS**

As a result of evaluation stated in former chapters, this PNPM - Mandiri Urban Program seems to be failed in terms of poverty reduction, final goal. The causes of failure can be summarized as below. There are several constraining factors found. Some are due to small scale (a kind of pilot project for experiment) and mismatches to local needs. However the researcher could identify lessons learned from this failure. Researches' conclusions below are based upon that.

#### **6.1. Conclusions**

Based on the research finding and the data analysis above, several conclusions can be drawn as follows:

- (1) The poverty reduction in Besito Village cannot be achieved although the BKM won awards because the implementation of the program only good in administration. Indeed, it still lack of community participation due to the delivery of information about the activities of BKM is not fully transparent. It caused not all elements of community can participate to the program, especially in the social development activities.
- (2) The roles of stakeholders were not optimal, since the poor, women, and community leaders were not involved in all activities especially in the planning stage.
- (3) The constraining factors observed were divided into two categories such as structural problems as low level of education and job structure of workers, and operational problems as low participation of the community to the program, the project mismatched with local needs

and community livelihoods, and other constraining factors were strict rules, and limited budget for the revolving loan.

- (4). The poverty alleviation program needs some improvement to be more effective, efficient, relevant, sustainable and give positive impact in reducing the poverty. To cope with, the poor should be centered in implementing the program.

## 6.2. Recommendations

- (1) The information of the program by socialization should be more transparent to involve the community in each activity of the program.
- (2) The role of each stakeholder in implementing the program should be enhanced. The BKM managers and the village officers should share the responsibility in implementing the program to the poor.
- (3) The problems in the community should be handled base on the community local characteristics, such as customs, local wisdom, religious level, the routine of society, and culture. Program should be matched to the local needs and community livelihoods.
- (4) For further researches, it needs comparative analysis of success and failure cases in same PNPM - Mandiri Implementation to clarify the causes.

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