Selection of Poverty Reduction Program through Community-Based Economic Empowerment in Madiun City

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Dwi Nila Andriani¹, Ramadhan Prasetya Wibawa², Liana Vivin Wihartanti³

¹,²,³PGRI Madiun University, Madiun, Indonesia  
dwinila@unipma.ac.id

Abstract

Madiun City is one of the cities in East Java Province and is known as a city of trade and industry. Madiun community, in general, is a picture of modern society even though it is far from economic development in the capital city. Madiun is a city that has the potential to become an advanced economic center in the city of Madiun. Current conditions indicate that the unemployment rate and the quality of human resources in the city of Madiun are still low. Data from the Manpower Office of the city of Madiun noted that the number of unemployed people in the local area reached 5,700. Besides, people's economic strength has not developed optimally, and the index of public purchasing power is still low. In 2018 data from the Central Bureau of Statistics illustrates that poverty in Madiun City reached 4.49% or as many as 7,92 thousand people. One way to alleviate poverty in the city of Madiun is through community-based economic empowerment. This study aims to formulate a strategy to alleviate poverty through community-based economic empowerment and to improve the living standards of people in the city of Madiun. The method used in this study is qualitative by using primary and secondary data. Data collection is done by interviews, documentation, and field observations. The findings of the study are that the existence of community-based economic empowerment in Madiun city can increase economic income and increase the community's insight into becoming more open to the economy of the community, as well as the newly formed community. The efforts of fostering and empowering have been carried out by the government and the local community through business dissemination, small and medium industry counseling, strengthening community participation in training, and providing community training, namely how to build a robust community, management training, and marketing system training.

Keywords: community-based; economic empowerment; poverty alleviation

1. Introduction

Poverty is a complex and multidimensional problem. Poverty is one of the problems that must be considered in development because one measure of the success of the development is reducing poverty. Economic development is a process that causes per capita income in a region to increase in the long run. Economic activities are carried out by the regional government together with the community, processing and utilizing existing resources to stimulate regional economic development and community welfare, including the level of meeting the needs of the community derived from the various products produced. In the opinion of Nugroho & Dahuri (2012), poverty is an absolute or relative condition in an area where a person or community group is unable to fulfill their basic needs according to the values or norms that apply. This can be seen from the economic aspect, namely poverty, which is shown in the weak purchasing power and the desire to fulfill basic needs. In March 2017, the number of poor people in

¹ Corresponding Author: PGRI Madiun University, Madiun, Indonesia  
Email: dwinila@unipma.ac.id
Indonesia reached 27.77 million people (10.64%), an increase of 6.90 thousand people compared to the conditions in September 2016, which amounted to 27.76 million people (10.70%) (Central Bureau of Statistics of Madiun Regency, 2018). So far, the empowerment of small and medium enterprises carried out by the government is still lacking. Whereas when the monetary crisis resulted in large companies having to lay off thousands of their employees and 16 national private banks closed on November 1, 1997, microfinance institutions grew rapidly (Mubyarto, 2002). Small business units have sprung up as a result of a large number of laid-off employees (Termination of Employment). These small business units are proven to be able to support the economic needs of small people in the face of the monetary crisis.

The application of community-based economic empowerment in Indonesia has been limited to specific groups, especially indigenous people. In the system of governance of indigenous peoples, a family atmosphere is still felt. Chiefs, customary leaders, or group leaders have a considerable influence on the life of the tribe or group. This is where the potential for developing a community-based economic system is evident.

Until now, it seems that the government, both the central government and regional governments (Pemda), has not been interested in developing a community-based economic system. Community empowerment through a community-based economic system in Indonesia has been carried out by several non-governmental organizations. Some non-governmental organizations that play an active role in developing community-based economic systems in Indonesia include the Institute for Research and Empowerment (IRE), Tabitha, Telapak, Austcare, Merah Putih Foundation, and several other NGOs both from within and outside the country.

Some large companies also empower communities by fostering community-based economic systems as a realization of Corporate Social Responsibility (CSR). Examples of companies that carry out community-based economic system development are PT Carrefour Indonesia. PT Carrefour Indonesia succeeded in fostering at least 45 people from Ngagel Surabaya, to produce home-scale scale packaging soap with the brand Java Soap.

The phenomenon in the city of Madiun shows that the unemployment rate obtained from data from the Manpower Office of the city of Madiun recorded the number of unemployed people in the local area reaching 5,700 people. Most unemployment comes from high school graduates who have not been able to continue their studies. The people’s economic strength is deemed not to have developed optimally. In 2018 data from the Central Statistics Agency showed that poverty in Madiun City reached 4.49% or as many as 7.92 thousand people.

Community-based economic empowerment is a program that aims to improve the economy of the community and overcome poverty by developing the potential within the community itself. In other words, the community is educated to be economically independent with their potential, without any intervention from outside parties. The economic approach of this model needs to be applied to the Indonesian people so that they can cultivate their potential.

In addition to empowering small and medium enterprises, the government needs to develop other methods and strategies used in strengthening the economy of the community. One method of community economic empowerment is through community-based economic empowerment. This method emphasizes economic development by optimizing local resources that are collectively managed, which are based on the strength of community members with the principle of mutualism and freedom.

Research conducted in Indonesia related to Community-Based Economic Empowerment on the Coast conducted by Arieta (2010) shows that the empowerment and community-based tourism will be able to maximize the creativity of all components in coastal communities, creating new job opportunity, preserve local culture and environment, and also improve the income of the community in order to establish economic independence. This exploratory type of research has data collecting technique through a survey of literature and experience. The community-based tourism concept is expected to be effectively applied in coastal regions of Indonesia. Supported by both government and private sectors, community power is generated as capital to expect autonomy establishment in order to meet the needs of coastal communities, improve the quality of life without ignoring local wisdom in the environmental management.

Other research conducted by Machibya (2010) is related to the contribution of community-based wildlife management to poverty reduction: the case of Mpimbwe and Inyonga divisions, Rukwa Region, Tanzania It examined the contribution of community-based wildlife management (CBWM) to poverty reduction. Specifically, the study intended to assess actors, benefit-sharing systems of CBWM, the contribution of CBWM to local livelihoods and poverty reduction, the role of illegal use of Katavi National Park in poverty acceleration or deceleration and to identify strategies that would contribute to poverty reduction. Socio-economic data were collected through direct observation, questionnaire surveys, and interviews. The household survey involved 120 households. The assessment was done regarding the use of natural resources, accessibility, and use of park products, livestock reared, crops are grown, and their contribution to livelihoods. Socio-economic data were analyzed using the SPSS 12 program, content analysis tools and structural-functional analytical tools. Types of crops grown amount consumed and cash obtained were analyzed using Microsoft Excel 2007. Chi-square test at a 5% level of significance was employed to test if there was a significant change in the utilization of resources by communities. The study revealed that CBWM actors had roles that contributed to poverty reduction. The central government formulates rules and policies. Local government acts as a bridge between the central government, residents and non-governmental organizations. Mpimbwe WMA authority provided advice to residents on the protection of wildlife resources while local communities acted as participants in environmental
conservation programs. The existence of CBWM activities around Mpimbwe WMA facilitated land use planning. CBWM practices contributed to decreased poaching and illegal harvesting of forest resources. It was revealed that the implemented poverty reduction strategies were effective through increased agricultural outputs. It is recommended that communities should be facilitated to access capital for developing more income-generating activities. Moreover, there is a need to monitor regularly and evaluate the performance of CBWM activities by scaling up to other areas.

One of the areas that helped achieve the process of economic development was the City of Madiun. The city of Madiun is a small city of approximately 300,000 people. Madiun is in the middle of a position as a region with a link that connects between the provinces of East Java-Central Java-Yogyakarta, as the connecting city 3 of Madiun province is a transit city for a number of important activities in 3 provinces, especially in trade and industry, dubbed the "KOTA GADIS" means the City of Trade and Industry. In addition to having a relatively consumptive population, the Madiun community, in general, is now a picture of modern society in the city even though it is far from economic development in the capital city. From the opinion above, it can be said that Madiun is also a potential area to be developed into an advanced economic center in the territory of Madiun's ex-presidency.

Related to this, Madiun City needs to continue to improve and identify every problem that can be transformed into solutions and innovations. Lagging will result in deterioration in the economy and welfare of the people in the City of Madiun. Competition risk must be addressed wisely and intelligently, able to see various opportunities and potential to be developed into a creative and have high competitiveness. For this reason, community-based economic empowerment needs to be arranged in order to formulate and create a variety of innovative ideas and appropriate strategies, aimed at shaping the economy of the reliable and highly competitive Madiun City and reducing poverty.

2. Methods

This study uses a qualitative approach. According to Moleong (2007) and Poerwandari (2007), qualitative research is research that produces and processes data that is descriptive, such as transcription of interviews, field notes, images, and others. In qualitative research, it is necessary to emphasize the importance of closeness to people and research situations, so that researchers gain a clear understanding of reality and real-life conditions (Poerwandari, 2007). The research location is the city of Madiun. This research was conducted in the community of Madiun. The object of analysis in this study is the people who live in the city of Madiun, where interactions between individuals and structures occur. The informant for this study was the Madiun community. The identity of the informant used only initials to replace the actual informant's name. Data collection is done through participatory observation, in-depth interviews with informants and documentation. Documentation is used to reveal the social reality that occurs in a document.

2.1 Research Preparation Stage

Interview guidelines arranged based on the problems faced by the subject. This interview guide contains basic questions that will later develop in interviews. The next preparatory stage is that the researcher makes observational guidelines that are prepared based on observations on the subject's behavior during interviews and observations on the environment or interview settings, and their influence on the subject's behavior and direct recording when the researcher observes. However, if it is not possible, the researcher will record it as soon as possible after the interview is complete.

The next researcher looked for subjects that were following the characteristics of the research subject. After the subject is willing to be interviewed, the researcher agrees with the subject regarding the time and place to conduct the interview.

2.2 Research Preparation Stage

The researcher agrees with the subject regarding the time and place to conduct an interview based on the guidelines made. Next, the researcher conducted data analysis and interpretation of data following the steps outlined. After that, the researcher made psychological dynamics and conclusions made, the researcher gave suggestions for further research.

2.3 Analysis Data

In analyzing qualitative research, some steps need to be done (Marshall & Rossman, 2010) including:
1. Organizing Data
   Researchers get data directly from the subject through in-depth interviews (independent interviewer). The data that has been obtained is read repeatedly so that the author understands correctly the data or results that have been obtained.
2. Grouping by Category, Theme and answer pattern
   At this stage, it takes a deep understanding of the data, full attention, and openness to things that arise beyond to explore. Based on the theoretical framework and interview guidelines, researchers compiled an initial framework of analysis as a reference and guideline for coding. With this guideline, researchers then re-read interview transcripts and coding, selecting data that is relevant to the subject.
matter. Relevant data are coded and briefly explained, then grouped or categorized based on the analytical framework that has been made.

In this study, an analysis was carried out on a case studied. The researcher analyzed the results of the interview based on an understanding of the things expressed by the respondents. The data that has been grouped by researchers is tried to be understood in its entirety and found important themes and keywords. So that researchers can capture the experience, problems, and dynamics that occur in the subject.

3. Test Existing Assumptions or Problems with Data

After the data pattern category was clearly illustrated, the researcher tested the data against the assumptions developed in this study.

4. Finding Alternative Explanations for Data

After the link between the categories and patterns of data with assumptions is realized, the researcher enters the clarification stage. Moreover, based on the conclusions that have been obtained from the relation, the author feels the need to find an alternative explanation about the conclusions that have been obtained. Because in qualitative research, there are always other explanatory alternatives. From the results of the analysis, it is possible that some things deviate from the assumptions or not thought before. At this stage, other alternatives will be explained through references or other theories. This alternative will be beneficial in the discussion section, conclusions, and suggestions.

5. Writing Research Results

Writing subject data that has been successfully collected is a matter that helps the author to re-check whether conclusions made have been completed. In this study, the writing used is the percentage of data obtained, namely, writing research data based on in-depth interviews. The process starts from the data obtained from the subject, repeatedly read so that the author understands the problem correctly, then analyzed, so that there is an overview of the experience of the subject. Furthermore, the whole interpretation is carried out, which includes the overall conclusions from the research results.

3. Result and Discussion

Community-based economic empowerment in the Madiun community must be sustained from the people, where the people in a participatory manner have an active opportunity in economic activities that can be self-sufficient, self-empowering, sourced from the people, and managed by the people of the community itself to achieve economic added value and social added value (Chin Hoe, Wahab, Bakar, & Baker, 2017; Osei-Kufuor & Koomson, 2014). Community-based economic empowerment is a program that aims to improve the economy of the community by developing the potential within the community itself. In other words, the community is educated to be economically independent with their potential, without any intervention from outside parties. Community-based economic empowerment in Madiun City is implemented through the following steps.

3.1 Empowerment of the Barokah Tofu community

Based on the interview with the Barokah Tofu Community, the community had been established since 1960. Barokah was established in 1990 with a membership of 23 members. The distinctive features of Barokah are traditional, making tofu without preservatives, which last for 2-3 days. Barokah was established in collaboration with the Industrial, Trade, and Tourism Agency of Madiun (Dinas Perindustrian, Perdagangan, Koperasi, dan Pariwisata/Disperindagkoppar) of Madiun city. The community got the continuous socialization of Barokah products as part of the promotion of the product. Thus, the community still wants to buy the product even though it sells at high prices. In addition to tofu production, Barokah also makes tofu chips, Tahu pong for tofu contents, and the waste from tofu production sell as an animal feed.

3.2 Empowerment of the Tofu Center Community in the Banjarejo, Taman Subdistrict

Based on the interview with the Sentra Tahu Mekar Sari Community Leader in Banjarejo, Madiun City, the empowerment has been done through a tofu processing program. The mechanism of empowerment is to involve 25 family members of residents around the Banjarejo area. Every day the community has its mandatory work in planning, manufacturing processes, results, and utilization of tofu waste. The implementation was carried out in two different locations in the Sentra Mekar Sari I and Mekar Sari II Communities. The work has been applied for 20 years with the community, resulting in the increasing of the daily community salary of IDR 60,000 per day as well as bonuses given at their respective job desks. Governments from the regions and outside the regions have also helped in the socialization of handling tofu waste so as not to smell around the Taman Subdistrict. Community Empowerment Agency (Lembaga Swadaya Masyarakat/LSM) helps in marketing tofu in Madiun and its surroundings. Based on the results of interviews, with the existence of the Mekar Sari center, people's lives are prosperous, comfortable; their daily needs are fulfilled. Waste from tofu is used by pig farm partners in Madiun for animal feed. For the results obtained, the car is given to the community, and the pig farmer receives the remaining waste of the tofu for each day taken.

3.3 AABI Community Empowerment (Agus Agus Bersaudara Indonesia)

Based on the interview with the chairman of the AABI Dewan Agus Community, the Madiun Branch have formed with the initials Agus. Members have formed in all walks of life Madiun. The empowerment
that has been implemented by AABI in Madiun includes:

A. Field of Organization

1) Procurement of AABI attributes
   Arrange the concept of the DAP letter regarding the technical implementation that regulates organizational attributes, production and profit-sharing allocations for DAP/DAD/DAC, and others, which will then be submitted to the related/relevant fields to be determined. Production / Available AABI attributes: Uniforms/shirts, stickers, hats, calendars.

2) Information on employment, employment opportunities for AABI members in need
   Agus-Agus Human Resources Improvement, through Mendota SaudaraAgusAgus AABI members who have businesses and need manpower and/or have excellent relations with company leaders from small to large scale, new info on labor needs.

3) Increase the source of funds for the economic empowerment of members through the web.
   a) Product/service information, mutual need, mutual benefit: Arrange the concept of the DAP letter on the technical implementation that regulates the advertisement and its contribution to AABI, which will then be submitted to the related/relevant fields to be determined.
   b) Together with related fields, provide a means of information on products/services that can be accessed by all members and the community in general.

4) Fishing Competition
   Together with the related fields held a fishing competition at the DAC level. The purpose of the activity in addition to establishing friendship between members (and the community), recreation, family members, and profit-sharing to increase cash DAC.

B. Community Social Sector

1) Carry out community organization activities as a form of AABI's concern for the environment and society by collaborating with relevant agencies and company partners Implementing "AABI Care" with activities:
   a) Bulk Blood Donor at each DAC with the DAC social service implementer in the area
   b) City/District Cleanliness Movement
   c) Disaster Response (and if a Disaster Task Force is needed)
   d) Following community activities in their respective regions and do collaboration/synergy with companies that have CSR

2) Social Care programs (Social Development)
   a) As a provider of information and responsiveness of assistance based on ability.
   b) Box Heaven, in the form of Obligatory Contributions based on ability in the context of efforts to alleviate and care for natural disasters that occur in the region, both routine and/or conditional.
   c) Cooperating with the Provincial and District/City Disaster Management Agencies in each DAD and DAC, regarding disaster management, evacuation, public kitchens, disaster relief management, etc.

3.4 Community Empowerment of Sambel Pecel Cokroaminoto (Sri Tanjung)

Based on the interviews, empowerment in the form of Sri Tanjung Pecel Sambel food products that had been established since 1990. This product has had trademark rights since 2016. The number of members consists of 17 members who are around Jln. Hos Cokroaminoto Madiun City. The community empowerment model that surrounds the youth involves the process of production, sales, parking of visitors. Marketing is carried out with tart in the area of Madiun and its surroundings and has reached overseas, for example, America. The community in the production process has agreed to make a unique recipe for the Sri Tanjung pecel sauce so that it cannot be replicated with other pecel sauce products. The community was helped by the needs of the Pecel Sambel community at Jln.Hos Cokroaminoto.

3.5 Empowering the Madiun Plate Community "Surya Jaya"

Based on the interview with the chairman of the plate community Mr. (SH) plate on Ji Gajah Mada called "Surya Jaya," there were not too many members who were initially 10 members in 1990 now in 2018 only 7 members still make the plates still with communities that are characterized by organizational structure. The community empowerment is carried out by 7 members who made plates in their own homes by involving family members and communities around their homes in producing plates, but the materials for making these plates were concentrated in the house of the chairman of the Surya Jaya community. Marketing that is done is still in the city of Madiun because it is still inferior to other similar products, for example, products with the name Wallet, which are located close to the Surya Jaya Plate. Training and mentoring in 2014 had been from the local government and had donated cutting machine tools but from a political element. The problem that has been experienced until now is that one of the materials for making plates is alleged to contain formalin, but on the tin, the ingredients are labeled by the Ministry of Health. Until now, socialization related to these materials has not been submitted again from the local government to the communities in Madiun.

3.6 Empowerment of the Mulyo Farmer Group Community

Based on the interview with the chairman of the Tani Mulyo Group Community, the Mulyo Farmers group accommodated two areas, namely the Gedongan area and the Mangunharjo area. The implementation of empowerment to the community are as follows:
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a. Land rent for community empowerment for agriculture
The community was given the opportunity to rent land used as farming livelihoods and seeds prepared by the head of the farmer group distributed to farmers in the Gedongan, and Mangunharjo areas.

b. Program for making organic fertilizer from straw, bran, and drops.
At the beginning of the month, social gathering (arisan), training, and mentoring were carried out to utilize an unused straw to be used as organic fertilizer, which would later be sold to the community.

c. Excellent rice product
The prepared rice seedlings are bandits and attack. The seeds given to the surrounding community adjust the season because the two seeds have advantages in certain seasons. Marketing to regions. Marketing in the residency area of Madiun.

3.7 Empowerment of UD Madu Mongso Tawon
Based on the interview with the chairman of UD Madu Mongso Tawon. The establishment was only madumongo. Mongso honey recipe from the first founder Ibu Harti. Whereas the forestry was done by Mrs. Sugihartini along with 15 members. For the making of recipe pecel sauce from Mrs. Sugihartini along with its members 5 people who specifically pursue the recipe. Empowerment of the community is the surrounding community used as employees for the production of mongso honey and pecel sauce with ingredients that have been explicitly prepared by the business owner. The surrounding community is empowered as local security.

3.8 Community Empowerment of ENEFKA Madiun
Enefka Madiun under the leadership of Mr. Zainuri was established in 2009 to have a community empowerment program among them which has been running is the Madiun Art Festival (pencak silat accompanied by Javanese gamelan and dragons) which is able to become an international festival the art of Pencak silat that has long been a personal and national pride. The potential developed is a handy car by utilizing the potential of natural resources around the residency of Madiun. Empowerment involves the government, banks, schools, universities, the general public with various activities, for example in collaboration with work partners and tourists, working in different environments, following health, safety and security procedures in the workplace, dealing with conflict situations, Develop and update tourism knowledge about popular Outbound guide places visited by tourists, Manage resources for programs, Implement recreational activities programs, Analyze risks, Help victims, and Communicate verbally in English at the basic operational level.

3.9 Empowering the youth community "Kadnezart Adventure."
Kadnezart Adventure is a camping tool rental business in the city of Madiun. This business was established in 2015 with 3 people empowered — empowerment of this young man under the leadership of Irdan Kadnezart Prayuda (23 years). Starting from activities often climbing the mountain, this young man finally opened a business, namely renting camping equipment when he wanted to climb the mountain. The form of empowerment from this business is to empower young people to become guides during climbing activities. Empowered youth are young people who are still at school or college. Until now, the number of members empowered is as many as 25 people. Before becoming a guide, these young men were taught ways or tricks when in climbing conditions. With the empowerment of these young people, they could add knowledge related to climbing; besides that, the guides could also get additional income from these activities.

4. Conclusion
Conditions prior to community-based empowerment, community conditions are still not economically independent. This is evidenced by the existence of poverty data that can be seen from BPS, after the application of community-based economic empowerment has a significant contribution in alleviating community poverty, namely increasing community economic independence and reducing urbanization lane from village to town. The superiority of community-based economic empowerment is to provide provision for life skills to the poor so that they can be economically integrated. The application of community-based economic empowerment in the City of Madiun can be carried out in various fields, namely agriculture, livestock, social, and home industry. The forms of community-based economic empowerment in the city of Madiun consist of Empowerment of the Barakah Tofu community, empowerment of the tofu center community in the Banjarejo district of Taman, AABI Community Empowerment (Agus Agus Bersaudara Indonesia), Community Empowerment of Sambel Pecel Cokroaminoto (Sri Tanjung), Empowering the Madiun Plate Community “Surya Jaya”, Empowerment of the Mulyo Farmer Group Community, Empowerment of UD Madu Mongso Tawon, Community Empowerment of ENEFKA Madiun, Empowering the youth community “Kadnezart Adventure”.

The findings of the study, namely the existence of community-based economic empowerment in the city of Madiun, can increase economic income and increase the insight of the community to become more open and the economy of the community, as well as the newly formed community.
Efforts to alleviate poverty and community empowerment in the city of Madiun should be made more intensively by involving the government in relation to new rules, NGOs as community developers, and the general public as reinforcement of other regional communities that have not yet implemented it. The government should adopt community-based economic empowerment as an alternative method of community empowerment in order to strengthen people's economy in other regions/regions. In addition, community-based economic empowerment can also be applied in other areas such as Central Java, because there are still many communities that have the potential to develop more ways to overcome poverty. Community-based empowerment will be maximized if there is community cooperation, related agencies, and local government.

References