

GOVERNMENT POLICIES IN ALLEVIATING POVERTY PROBLEMS IN URBAN AREAS THROUGH THE JOINT BUSINESS GROUP EMPOWERMENT PROGRAM

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ABSTRACT

Poverty in urban areas is one of the most urgent problems faced by governments in various countries, including Indonesia. Although the government has made various efforts to alleviate poverty, none has provided a definite answer. Therefore, this qualitative research aims to determine government policies in alleviating poverty problems in urban areas by implementing the joint business group empowerment program. Data were collected through interviews from the needed sources. The results showed that community empowerment policies are associated with problem characteristics, policy characteristics, and policy environment. Meanwhile, the determining factors include individual characteristics, empowerment patterns, and policy environment.

Keywords: Policy, Poverty Alleviation, Empowerment, Joint Business Group (KUBE).

INTRODUCTION

The physical growth of cities, both in developing and developed countries, is usually accompanied by a particular problem, which is the decline in public services (Duflo et al., 2012). This is evident in the level of poverty that occurs in urban areas. Poverty is a national issue that needs to be handled urgently by adopting a systemic, integrated, and comprehensive approach. Furthermore, poverty alleviation requires the integration of programs and policies spread across various sectors (McKague et al., 2015). They are intended to empower the community as a whole and do not categorize the poor as development objects. However, efforts adopted to tackle poverty need to involve the poor, as the subject of development, to empower them. The government has implemented various poverty alleviation programs to adequately meet the basic needs of its citizens (Singh & Chudasama, 2020), improve the welfare of the poor, strengthen the community's socio-economic institutions, and accelerate the growth of underdeveloped areas to achieve a prosperous, democratic and just Indonesian society. However, the overall effort is only maximized by other stakeholders' support (Zhang et al., 2020; Jaafar et al., 2016). To support comprehensive poverty alleviation programs and achieve effective acceleration, four main strategies namely (1) improving social protection programs (Adji & Rachmad, 2018), (2) increasing access to basic services, (3) empowering poor community groups, and (4) creating inclusive development (Gunarsih et al., 2018) was formulated. Gorontalo City in Indonesia is the target of poverty alleviation programs carried out by the Gorontalo Provincial Government. Apart from being the provincial capital, it also serves as a pilot project for community empowerment programs through the Joint Business Group (KUBE) involved in poverty alleviation. Joint business groups are generally implemented in other countries to help small

businesses, particularly micro, small and medium enterprises, in reducing poverty levels in these regions.

This research offers novelty in terms of the implemented community empowerment policies through the Joint Business Group (KUBE) in accordance with poverty alleviation, however this is centered on the characteristics of the problems, regulations, and environments. Furthermore, this research contributes to the determination of government policy by analyzing its determining factors.

LITERATURE REVIEW

Poverty Alleviation Policies, Issues of Participation, Empowerment and Policy Implementation

The government's policy to alleviate issues associated with poverty is carried out by directing it to the target, which is poor, and this is realized by (1) Determining target groups to accept programs with an emphasis on labor absorption and increase in income, particularly business groups that have the potential to develop and create employment opportunities in the local community, (2) Increasing community participation, specifically in the delivery of basic social services, (3) Assistance programs that stimulate self-reliance or empowerment process through the involvement of NGOs or universities that specifically design and implement developmental programs for the poor or local business groups as well as cooperatives that have the potentials and influences the participation of the poor.

In principle, policy implementation is a way of achieving certain goals. Conversely, the implementation of public policy is centered on two choices or steps, namely directly implementing it in the form of programs or through the derivative of its formulation (Goodin et al., 2009). Several variables affect policy implementation success individually, in groups, or in institutions. Numerous theories tend to illustrate the role of variables that influences its success as stated by George C. Edward III (Edwards & Peabody, 1980). Edward III reported that policy implementation is influenced by four variables, namely (1) communication, (2) resources, (3) disposition, and (4) bureaucratic structure.

RESEARCH METHOD

Based on the background and research focus, this study was carried out for three months in Gorontalo City, the provincial capital, with a complex problem related to urban poverty. A qualitative approach was adopted to resolve the issue (Agee, 2009). Furthermore, the main research instruments were obtained in the field. Primary data sources include the results obtained from interviewing the key informants. Meanwhile, secondary data sources include other important documents and information concerning poverty alleviation programs in Gorontalo City. Some of the techniques adopted during data collection are 1) Observation, 2) Interview, and 3) Documentation. The data analysis technique used is qualitative data analysis is carried out interactively through data reduction, display, and verification (drawing conclusions).

RESULTS AND DISCUSSION

Analysis Implementation of Community Empowerment Program Policies through Joint Business Groups (KUBE) in Poverty Alleviation in Gorontalo City

Mazmanian and Sabatiers' theory was used to analyze the implementation of community empowerment programs and policies to alleviate poverty (Sabatier & Mazmanian, 1980). It is concerned about the Framework for the Implementation Analysis model. Furthermore, this theory stated that there are three groups of variables that need to be considered during policy implementation, namely the problem (Trackability of the Problem) and policy characteristics (Ability of Statute to Structure Implementation), including environmental policies (Non-Statutory Variables Affecting Implementation), the following is the description. 1) The characteristics of the problem (Trackability of the Problem) include: the level of technical difficulty of the problem, the level of plurality of the targets, the proportion of the target group to the population. 2) Policy Characteristics (Statute Capability for Structure Implementation) which includes: Clarity of Policy Content, Amount of Allocation of Financial Resources to Policy, Level of Apparatus Commitment 3) Environmental Policy (Non-Legal Variables Affecting Implementation) which includes: Socio-Economic Conditions of the Community and Commitment and Skills of Apparatus and Implementers.

Analysis Process: Determining Factors in the Implementation of Community Empowerment Program Policies through Joint Business Groups (KUBE) in Poverty Alleviation in Gorontalo City

As previously stated, several factors influence the community empowerment program through the Joint Business Group (KUBE) in Gorontalo City. Generally, the individual characteristics of KUBE members are divided into four, namely (a) education level, (b) initial capital, (c) training, and (d) motivation of the members. The educational level of group members influences their way of thinking when carrying out their businesses (Simpson et al., 2004). Irrespective of the mediocre economy, it does not imply that education is unnecessary. This is evident in several Joint Business Groups (KUBE) that can properly carry out their businesses because their members and administrators possess a high school education. Apart from the education level, initial capital in carrying out business is one of the inhibiting and determining factors for implementing a community empowerment program through the Joint Business Group (KUBE). Capital has always been a classic problem that occurs in every business (Strýčková, 2015). In a growing Joint Business Group (KUBE), the government's initial capital needs to be utilized properly. Members that are able to spend all the initial capital as expected realizes greater outcome compared to those that spent only a part or half or even less because they need to take care of other needs. Furthermore, each member's training by understanding all the materials provided by the Service or Institution directly influences and motivates members in carrying out their business. The motivation to improve family members' welfare to be better than the previous day has a positive impact on businesses, policy implementation, and vice versa. The second factor that affects the community empowerment program through the Joint Business Group (KUBE) is the empowerment pattern, which includes (a) the mentoring process, (b) the assistance received, and (c) the initial process of establishing KUBE. In mentoring activities, the mentor's resources greatly influence the growth and development of the business group (Nippa et al., 2007). Mentors sometimes carry out their tasks when collecting data as material for reports in order to get monthly incentives only. Furthermore, the large number of groups that were

accompanied by each mentor caused the process to be ineffective and inefficient. Apart from mentoring, the type of assistance greatly influences group development. Several Joint Business Groups (KUBE) need assistance in obtaining additional capital or goods, and some others want to meet the secondary needs of their family. This led to the primary objective of establishing a Joint Business Group (KUBE) far from the government's expectations because the assistance provided was not intended for the right purpose.

The third factor is the social environment of Joint Business Group (KUBE), which includes (a) cultural norms and values prevailing in society, (b) opportunities or availability of existing markets, (c) linkages and relationships between formal and informal figures in society, (d) cooperation networks, and (e) political intervention, which is the most influencing factor and extremely inhibits community empowerment programs through the Joint Business Group (KUBE). However, a political intervention also determines its success, and the reason it is not a target is that politicians prefer to fulfill promises made to their constituents. Meanwhile, the target of any social assistance, particularly the Joint Business Group (KUBE), is extremely clear, it is only for the poor and those that are extremely poor. Conversely, not all politicians' constituents are poor or extremely poor, however, with the promises initially made during their political campaigns, the program was not implemented as expected. This occurred not only in Gorontalo City or its Province, it also took place in all Indonesian regions. The awareness seriously created by every political actor regarding the community's welfare is a determining factor for the success of programs and policies initiated for poverty alleviation. These factors are the basis for determining the success of a business group. In addition, assuming these factors are illustrated in accordance with the established rules, assistance, mentoring, monitoring, and evaluation are bound to function effectively. In accordance with its formation, the management of members or officers is divided into two types, namely the Joint Business Group (KUBE), which is purely managed by members, and that which involves external parties due to interests and other problems. However, the success and failure of the Joint Business Group (KUBE) are not only perceived from one side, such as blaming the external parties involved. However, internal problems also need to be studied and analyzed, namely nature and elements that exist in groups, including membership, group structure, etc. KUBE is a community empowerment program related to providing access to funds and for the community to become aware of their rights for improved economic, social, and political lives (Santi & Septiarti, 2019). Therefore, it is extremely important to overcome inadequacies caused by limited access, lack of knowledge and skills, the issue of poverty experienced by some people, as well as reluctance to share government authorities and resources with the public. Therefore, it is deemed necessary to further develop the potentials for self-reliance, particularly community involvement in various activities that trigger social resilience and public awareness in solving certain problems.

CONCLUSION

Based on the research results and discussion, it was concluded that: 1) The implementation of community empowerment program policies through the Joint Business Group is measured through a) the characteristics of the problem, including technical difficulty level, plurality level of the target, and proportions of target groups, b) Policy characteristics, including clarity of its content, amount of resource allocation, level of apparatus competence, and access of external groups to policies, and c) Policy environment, including community socio-economic conditions as well as apparatus commitment and skills. 2) Several factors determine the community empowerment program through the Joint Business Group (KUBE) in Gorontalo City,

namely a) individual characteristics which include education level, initial capital, training, and motivation of members, b) empowerment patterns namely mentoring, assistance received, and the initial process of establishing a Joint Business Group, as well as c) social environment which includes cultural norms and values that apply in society, opportunities or the availability of existing markets, linkages and relationships between formal and informal figures in the society, the built cooperation network, and political intervention. This research serves as a reference for government policy-making agencies through community empowerment programs, particularly the Joint Business Group. The practical implications of this research contribute to the determination of government policies by looking at the determinants of the implementation of community empowerment program policies through the Joint Business Group (KUBE) in poverty alleviation in urban areas. In addition, in terms of managerial implications, the results of this study can be used as material for consideration and evaluation for the government in formulating policies that have a maximum impact on the effectiveness of community empowerment through joint business groups. Due to this research as an alternative to empowering business groups through government policies, future research can identify empirically or from a different perspective for solutions to empower business groups in overcoming poverty in urban areas in general.

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