

# Design Model of Poverty Reduction Policy by using a Joint Business Group Approach

## (Case Study: Implementation of the Joint Business Group Program at Gadung Village, Gresik Regency)

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**ABSTRACT**—*This study aims to identify and analyze the implementation of the Joint Business Group (called KUBE) program policies and its impacts to the poor people, as well as to find a design model of poverty reduction through a Joint Business Group approach. This research was conducted at Gadung village with the object of research: KUBE Sejahtera and KUBE Hasyanah. The results showed that the fundamental reason of the formation of KUBE is actually to find a way out of the economic problems by the poor. KUBE Sejahtera in its management have diverged in the utilization of aid received, while KUBE Hasyanah has been able to run the management and business development prospectively. Mentoring process on both KUBE is just a media formality, which only run at the beginning of the KUBE formed. The implementation of the policy program at KUBE Sejahtera has become stagnate where policy holders can't drive the growth of creativity of the beneficiaries, especially the issue of skills development of members, and only rely on a fellow worker. This has an impact on the implementation impact both socially and economically. The social impact on both KUBE look optimal, but none on its economic impact. The design model of poverty reduction policies obtained from the implementation of the program, is the improvement of KUBE program itself which uses mapping potential targeting of the poor and changes in budgeting allocation.*

**Keywords**—The poor, Policy implementation, Poverty reduction, Design Model

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### 1. INTRODUCTION

Poverty has become the world's problems since centuries ago. But the reality today poverty is still a part of the toughest and most crucial issue in the world. The technology may be advanced, states increasingly independent, and rich countries getting more and more rich but the number of poor people in the world never diminished, even poverty can be described as being transformed into the face of terror that haunts the world.

Developing countries are in parts of Asia and Africa, it is dealing with poverty alleviation agenda. Most of the people in the region still bears poverty. As for developed countries, they were very interested in discussing poverty. The attraction was due to poverty in developing countries have an impact on their economic and political stability, in turn poverty into the affairs of all nations and the main enemy (common enemy) people in the world.

Until now, various ways have done the Indonesian government in tackling poverty, ranging from compensation programs such as Direct Cash Assistance, Rice for the Poor, Medical Assistance and Education Aid, Presidential Instruction for Backward Village, Social Safety Link, Artificial Insemination, Urban Poverty Alleviation Program and so on, others to dynamically control programs is the development of productive business with institutional support and mentoring. But there is still a lot to achieve success. Ironically, while every year the poverty program has been implemented, it is very difficult to come to a conclusion poverty reduction as a consequence of the policies that have

been carried out. For the sharpening of poverty alleviation programs forward a more serious note, in particular efforts to increase the income of the lower class and job creation.

One thing that needs to be addressed in the poverty reduction strategy is a strategy that leads to a joint venture group, which is able to deliver the poor out of the poverty circle. Kartasmita (1996) states that one of poverty reduction policies are policies that directly lead to increased economic activity of the target group. This is supported by Sajogyo (1997) that the most appropriate approach in the economic development of the people is through a group approach in the form of a joint effort carried out gradually, continuous and integrated based on self-reliance is to improve the ability of poor people to help themselves.

One model of poverty reduction policies through community interventions, based on Presidential Regulation number 15/2010 on the Acceleration of Poverty Reduction, is to approach Business Group (KUBE). KUBE is the set formed, grow and develop on the basis of their own initiative, interacting between one member with other members, and stay in units of a particular region with the aim to improve social relations harmonious, meeting member needs, solve social problems through and into the container development of joint ventures.

Initially this model was introduced by the Ministry of Social Affairs as the responsible policy of poverty alleviation and empowerment, with the name of Poor Empowerment Program through Social Empowerment Direct Aid. The program is conducted by the Ministry of Social Affairs to support the success of the National Program for Community Empowerment to provide capital guarantee business, which can facilitate the poor who have been accommodated in the Business Group to manage the Productive Economic Enterprises.

Gadung village as one of the villages in the district of Gresik, also a target implementation KUBE program. Where in the implementation of the program has formed two KUBE, namely: KUBE Sejahtera and KUBE Hasyanah. From both KUBE opposite conditions occur in the development of management. KUBE Sejahtera until now still in the growing stage, with only one kind of productive economic activities. Otherwise, KUBE Hasyanah are in an advanced stage/standalone with some kind of productive economic activities.

The purpose of this study are: 1) to analyze and interpret the extent of the implementation and impact of policies and programs on KUBE Sejahtera and KUBE Hasyanah; and 2) to find and develop a design model of poverty reduction policy based joint business group along with a case study approach.

## **2. LITERATURE REVIEW**

The state policy is a set of actions are defined and implemented by the government which has a specific purpose for the sake of all the people. According to James E. Anderson (1979), public policy includes everything stated and done or not done by the government. Besides, public policy is also policies developed/created by agencies and government officials.

Van Meter and Van Horn (1978) gives the meaning that policy implementation is the actions carried out by individuals (and groups) government and the private sector aimed at achieving the goals and objectives that have been set. These actions, at a time trying to transform decisions into operational patterns, as well as the continuing efforts to achieve changes, both big and small, which is mandated by policy decisions.

The approach in public policy implementation by Peter deLeon and Linda deLeon (2001) are grouped into three generations. Which are:

- The first generation, in the 1970s, to understand the policy implementation as problems that occur between policy and execution. Using this approach, among others: Graham T. Allison with the Cuban missile case studies (1971, 1979). In this generation of policy implementation studies coincide decision-making in the public sector.
- The second generation, in the 1980s, a generation that developed the approach to implement the policy that is "top-down" (top-downer perspective). This perspective is more focused on bureaucratic tasks to implement policies that have been decided politically. Social scientists who developed this approach is Daniel Mazmanian and Paul Sabatier (1983), and Paul Berman (1980). At the same time, emerging in a bottom-upper perspective developed by Michael Lipsky (1971, 1980), and Benny Hjern (1982, 1983).
- The third generation, in the 1990s, developed by social scientist Malcolm L. Goggin (1990), introduced the idea that the variable behavior of actors implementing a more decisive policy implementation successful implementation of policies. At the same time, emerging contingency or situational approach in policy implementation suggests that implementation of the policy is supported by the adaptability of the policy implementation. The scientists who developed who developed this approach is, among others, Richard Matland (1995), Helen Ingram (1990), and Denise Scheberle (1997).

The model developed by Daniel H. Mazmanian and Paul A. Sabatier (1983), which suggests that implementation is an effort to implement a policy decision, called the framework for implementation analysis model. Classified in three variables, namely:

- 1) Characteristics of the problem, including: a) degree of technical difficulty of the problem in question; b) the level of

the complexity of the target group; c) the proportion of the total population of the target group; and d) scope changes expected behavior.

- 2) Characteristics of the policy, including: a) clarity of the policy; b) how far the policy has theoretical support; c) the amount of financial resources allocated to the policy; d) how much there is linking and supporting among various implementing agencies; e) the clarity and consistency of the rules; f) the level of commitment to the objectives of the policy officials; and g) the extent of access to outside groups to participate in policy implementation.
- 3) The policy environment, including: a) socio-economic conditions and the rate of technological progress; b) public support for the policy; c) the attitude of the electorate (constituent groups); and d) the level of commitment and skills of officers.

According to Sugiana (2012), poverty is a condition of unmet demand for basic or essential as human beings. These basic needs include the need for substitution, affection, security, cultural identity, protection, creativity, freedom participation, and free time. There are three kinds of poverty concepts which are most often used as a reference, namely: absolute poverty, relative poverty and subjective poverty.

- Absolute poverty is formulated to make concrete a certain size (a fixed yardstick). The size is typically oriented to the minimum subsistence needs of community members (clothing, food, and shelter).
- Relative poverty is formulated based on the idea if relatively standard, namely by showing the dimensions of space and time. The basic assumption is poverty in a region different from other regions, and poverty at any particular time is different from any other time. The concept of this kind of poverty is typically measured by the consideration (in terms of judgment) members of a particular community, is oriented to the degree of viability.
- Subjective poverty is defined by feelings of poor people themselves. This concept does not recognize a fixed yardstick and does not take into account the idea of relative standard. A group that is below the poverty line may not consider themselves poor and vice versa. Therefore, the concept of this kind of poverty is considered more appropriate when used to understand poverty and formulate effective ways or strategies to overcome them.

Sugiana(2012) also said, the causes of poverty can be analyzed from the consequences that occur. Poverty in urban and rural areas have the typical causes. Rural areas tend to be dominated farming so that the main cause of poverty is most predictable of the sector. The lack of equitable development today participated in an emergency.

Poverty in the countryside led to the welfare of society is low. Low income communities and high unemployment led to increased flow of migrants to cities (urbanization). It is precisely to create new problems in the village and especially in the city. Generally, rural poverty is caused by: a) poor education factor; b) the occurrence of the inequality of ownership of agricultural land, agricultural land is only controlled by the landlord while the poor only became a laborer; c) not equitable investment in agriculture; d) low government's focus on agriculture (so far always been marginalized agriculture development-oriented government in which the industrial sector while agriculture was still fragile foundation to agricultural policy has not supported agriculture); e) development policy rests in a city where traffic flow of money and goods was more pronounced in the city; f) cultural bad government (bad governance), this resulted in bad government services to the public so that the system is becoming a long and complex bureaucracy; g) farming systems that still use the traditional way; h) the level of worrying health; i) the low productivity of the agricultural community in the field; and j) culture people who are not disciplined, less hardworking, and tends to agriculture.

Empowerment is a process and a goal. As a process, empowerment is a series of activities to strengthen the powers or the empowerment of vulnerable groups in society, including individuals who have poverty experiences. As a goal, the empowerment refers to circumstances or results to be achieved by a social change; namely the poor are powerless, have power or have the knowledge and ability in meeting their needs whether physical, economic, social and like to have the confidence, able to convey the aspirations, having livelihoods, participate in social activities, and independent in carrying out the duties life tasks.

The empowerment strategy by Suharto (1997), where there are five development aspects of empowerment strategy: enabling, strengthening, protecting, supporting and maintaining.

- Enabling, creates an atmosphere which allows potential developing community operates optimal. Empowerment should be able to liberate public insulation (cultural and structural insulation) that hampers.
- Strengthening, to strength the knowledge and ability is possessed hearts communities to solve problems and to meet their own needs. Empowerment must be able to cultivate all the ability and confidence the poor for supporting their self-reliance.
- Protecting, to protect the public especially vulnerable groups from being oppressed by powerful groups, avoid unequal competition (especially unhealthy) between the strong and the weak, and to prevent the exploitation of the strong against the weak groups. Empowerment should be directed at the elimination of all types of discrimination and domination unprofitable small people.
- Supporting, to provide guidance so that the poor are capable of running the role and tasks of life. Empowerment should be able to support the poor from falling into a state and a position increasingly weak and marginalized.
- Maintaining, to maintain conducive conditions to keep a balance in the distribution of power between different

groups in society. Empowerment should be able to ensure harmony and balance that allows everyone the opportunity of trying.

### 3. DATA AND METHODOLOGY

#### 3.1 Sample data

The research is located at Gadung village of Driyorejo district, in Gresik regency. The research focused on: a) the dynamics of KUBE Sejahtera and KUBE Hasyanah; b) KUBE program policy implementation; and c) KUBE's impact to the poor, especially for its members.

Technical determination of informants in this study is purposive, intended to obtain accurate information in accordance with the characteristics of the informer as stakeholders in the program. The informants are six persons, consist of: one person from Gresik social service officers, two persons as members of KUBE Sejahtera, two persons as members of KUBE Hasyanah and one person as a program assistance. As for data collection, first, by conducting in-depth interviews to obtain primary data from informants. Second, by holding of observation to complement and cross-check the data obtained from interviews with informants at the sites. And third, by doing documentation or data collection are arranged in the form of documents, such as: monograph of Gadung village, the number of poor families in the study site as a supporting argument in determining the location of the study, several other supporting data from the Internet such as the conditions of poverty in East Java, according to the Statistic Office poverty data, and others.

**Table 1.** Number of Raskin Recipients in the Driyorejo district (households)

No.	Village	Year of 2014	Year of 2015	No.	Village	Year of 2014	Year of 2015
1	Krikilan	259	276	9	Sumput	535	569
2	Driyorejo	332	353	10	Tanjungan	399	424
3	Cangkir	214	228	11	Banjaran	531	565
4	Bambe	193	205	12	Karangandong	416	443
5	Mulung	153	163	13	Mojosarirejo	462	491
6	Tenaru	238	253	14	Wedoroanom	372	396
7	Petiken	306	325	15	Randegansari	307	327
8	Kesamben wetan	385	410	16	<b>Gadung</b>	<b>271</b>	<b>288</b>

Source: Gresik Bureau of Public Welfare Administration

From table 1 can be explained that the number of poor family at Gadung village in 2014 is quite high, but not the highest in Driyorejo district. When viewed in 2015 increased compared to 2014. The criteria of Raskin recipients based on: a) household with many dependents; b) household who do not work (unemployed); and c) the poor who are already elderly, lived and stayed alone in the house.

#### 3.2 Methodology

The method used in this research is a case study method with qualitative approach. The case study method used in this research is a plural case study (multiple case study), where researchers analyze each case on both KUBE and conclusions made by examining each cross-referenced research results from each of these cases. The results of the analysis and conclusions used to design poverty reduction policy models based on earlier models built in the early stages of research.

The data analysis also embraces methods used in qualitative approach. Interactive data analysis techniques proposed by Miles, Huberman, and Saldana (2014) which includes three concurrent activities, namely: condensation, data presentation, and draw conclusions/verification. In principle, qualitative data analysis performed in conjunction with the data collection process.

### 4. RESULT AND DISCUSSION

Gadung is a village located in the district of northernmost Driyorejo district and about 35 km from the Gresik city. Most of the area in the form of rain drained, the rest of the moor/dry, yards, and public facilities. Road infrastructure mostly pavement with paving stone masonry and the rest are still in the form of the original soil (without pavement). The village population in 2013 as many as 4,804 peoples or 1,177 families, with the proportion of the population aged 26-40 years dominated. Figures natural population growth reached 5.05 percent per year. The education level of people in this village dominated by primary school, so to some extent will affect the mindset of the people. Judging from the condition of the economy, most of the villagers including Prosperous grade III (typology of BKKBN). Because it is predominantly an immigrant population which have economies rate better than the natives, many villages that once inhabited the land degraded land has now turned into a residential area. But behind it all, Gadung village holds the potential social problems. Among them: the number of poor people by 288 families (24.47 percent), social welfare issues 234 votes (4.87 percent), and the number of uninhabitable house by 239 (29.65 percent).

#### **4.1 The dynamics of KUBE living**

The dynamics of life on KUBE Sejahtera and KUBE Hasyanah in Gadung village when viewed from the identification of the problem:

1. Initial formation of the KUBE Sejahtera from promotion business assistance program for poor families to improve the economic welfare of their families. Since its establishment until now, the efforts of KUBE Sejahtera still not gone according to plan. This is related to the uncertain outlook for the type of business you have. Assistance received funds are not entirely used for working capital. Management of the business is still run individually, not in groups. Mentoring process runs only as a formality media, and even then only run during the beginning of the KUBE was formed.
2. Early establishment of KUBE Hasyanah is not much different from KUBE Sejahtera, from promotion business assistance program for poor families to improve the economic welfare of their families. In the course of its business since established until now, the business has been running optimally according to plan. This is related to the development of business and the certainty of the market prospects. Management of the business has been run as a group. But not matched with the mentoring process runs only as a formality media.

The fact that happened on the dynamics of both KUBE life is not in line with expectations, due to various constraints. Which are: a) the initial process of formation of KUBE is an idea or initiative outside parties concerned. Resulting in managing also involving external parties; b) limitations on the skills of facilitators highly unfavorable trends KUBE management; c) assistance benefits received is not intact, apart from the assistance provided is held by a third party; and d) Marketing products business is still difficult to do, do not support the marketing agency that is weak in the market competition.

#### **4.2 The implementation of KUBE program**

The results of the analysis to determine the successful implementation of KUBE program policy is based on a theoretical model of public policy implementation with a top-down perspective (Mazmanian and Sabatier, 1983):

1. Characteristics of the problem

Poverty is the basis for the formation of this policy. Poverty is one of the social problems that are hard to solve. The problem of poverty and then developed into a holistic problem that includes economic, social, educational, and other problems. KUBE program policy in Gadung village is a form of Gresik government efforts to minimize poverty. Many factors that cause poverty in Gadung village, including: the low productivity of the people in the fields of agriculture, education factor is low, agricultural systems are still using traditional methods, and a high level of urbanization.

Increasing the number of people who work primarily absorbed into the industrial sector, agriculture, and services, as well as some other sectors such as construction, trade, transportation, and others. Among residents who work in these sectors it turns out there are a number of people who are not absorbed, this happens in addition to the limited capabilities of low educational factors. Eventually leading to high unemployment in Gadung. This condition eventually causing other effects worse. Poverty is basically a condition where there is an inability to meet basic needs such as food, clothing, shelter, education, and health. Poverty is a situation which is both the process and the result of the inability of individuals to interact with their environment to meet their needs. From these explanations clearly said their inability to meet basic needs. The impact of poverty on society ultimately led to their inability to meet their needs such as education and housing.

The population pyramids in 2013 showed that Gadung village has a young population structure. It is marked with the number of productive age population, i.e. those aged between 17 and 59 years old. Productive age population includes 63.95 per cent of the population. The most productive age population is in the age range 26 to 40 years to reach 30 percent. With the number of productive age is quite high, the numbers dependency or dependency ratio is relatively small. This means that every 100 people of productive age population should account for about 30 people age population is unproductive.

2. Characteristics of the policy

KUBE program as a form of government policy in reducing poverty through community groups have been noted in some good regulations issued by the government or from the relevant ministries, in this case the Minister of Social Affairs. For this program was written in a few rules: a) Government regulations number 42 year 1981 on Social Welfare Services for the Poor; b) government regulations number 10 year 2000 on Financial Management and Accountability De-concentration and Tasks; c) government regulations number 39 year 2002 on Implementation of De-concentration; d) presidential decree number 124 year 2001 and number 8 year 2002 on Poverty Reduction Committee; e) ministerial of social affair decree number 50/PENGHUK/2002 on Poverty Alleviation and number 82/HUK/2005 on Organization and Administration the Indonesian Ministry of Social Affairs.

In the regulations lowered again become a guideline issued by the Ministry of Social Affairs. These guidelines clearly written in their definition of KUBE, aims and objectives of this program and how these activities are made to be developed. Empowerment is an effort to provide a variety of resources, opportunities, knowledge and skills to a person or group of people to determine their future and to be able to participate in affecting the life of their communities. His form by providing a variety of sources that form the tools needed to start this business. For Gadung village itself, the assistance provided in the form of sewing tools because most of KUBE formed is in the field of needlework.

Each KUBE was given a grant of two million at the beginning of its formation. These funds are given freely by the social services as a form of support. Assistance is provided in the form of money must first be included in the BRI account, then each member is authorized to use the money in accordance with the proposal and the needs they have proposed previously. In addition to funds from the ministry, the funding can be sourced from members of KUBE itself. The name of the fund is the Social Solidarity Contribution (IKS). IKS payment is done every day by KUBE members to the treasurer.

The results showed that the lack of training given to the assistant. They served as an escort only based on their experience and abilities over the years. If training is not there, it may be an alternative to do is hire people who are more experienced or professional in accordance with the field. Training sessions are very limited and not touching the substance should be given. Training only form of socialization. The impact of skills and their commitment to be less than the maximum. Likewise, the training of the escort was not given at all, although they are a local resident who limited ability and experience. Training is only given to a companion with a grace period of two months. Each member then received training from the training companion.

The problem of corruption becomes one of the main causes of low level of commitment of forces in the course of his employment or programs. Ministry of Social Affairs as having this program has been delegated authority to the relevant social services to be able to go straight to meet with people in need. This commitment takes the form of mentoring and training to members of KUBE are willing to join this activity. However, some groups are formed is not motivated by the needs of the community the business. Some groups formed by those who abuse so that the funds can go out and used incorrectly or in other words do not correspond to its original destination.

A comprehensive program that provides opportunities for people to engage in it, will be relatively support than programs that do not involve the community. The public will feel alienated if only a spectator of the program in their area.

The involvement of poor people in Gadungvillage felt great. This is due to the existing activities are not socialized in a sustainable manner and only certain parties who know about the program. It is undeniable too that this program is a new program and they should be encouraged so that the public can be more active. During this time, the social services of local government was the one who is active in the absence of feedback from the community quickly. Need a process for others so that they feel confident that this is a program that can answer their questions during this time.

### 3. Environmental policy

The economic condition of the village Gadung views of Number of Stages Family Welfare in 2013, showed that the vast majority are in Stage III Family Welfare (72.21 percent). Nevertheless, there are still amounted to 14.53 percent at the stage of Pre-prosperous family. Here we can see that the actual level of welfare of rural communities Gadung have started to grow, with the development of the economic sectors that exist. In the observational study showed that almost all families are included in Pre-prosperous family contributed by the agricultural sector. So the policy is supposed to be run by the government as policy maker should come into contact with agricultural issues itself. Instead of directing or shifting agriculture as the trade sector. Maybe it becomes a problem when the business activities carried on by KUBE there are linkages with the agricultural sector.

Companion is a person appointed or assigned by the authorities, both government and society, to provide assistance to groups in the community. Form partnerships with synergistic companion KUBE is done in a planned, purposeful, and ongoing to solve the problems in realizing the goal KUBE. Assistants are community leaders, religious leaders, youth leaders, women leaders who can take the time for the benefit of society, especially in mentoring program KUBE. The weakness of this implementation arises both from members and other parties concerned. Training sessions are very limited and not touching the substance should be given. Training only form of socialization. The impact of skills and their commitment to be less than the maximum. Likewise, the training of the escort was not given at all, although they are a local resident who limited ability and experience. Differences of opinion within the group became one of the weaknesses in the implementation of KUBE in Gadung village, such as empowerment in the management of individuals or groups. Most want the management of individual and most requested in groups. KUBE actually expected not only to manage one business type, can be developed with other

types of businesses that can increase family income. In addition, the expected success less in line with expectations and desires especially family members' needs very urgently, so they are difficult to get out of the existing problems.

#### **4.3 Monitoring and evaluating the implementation of KUBE program**

Monitoring is the act of monitoring by stakeholders, which include: regulation, control and supervision of the activities organized by each KUBE related process management and development of the group in accordance with the instructions contained in the general guidelines KUBE program. Where in the groove reporting, social workers, assisted companion KUBE take full responsibility for the results of this monitoring, which then made the recapitulation to be submitted to the Ministry of Social Affairs as an evaluation program in the future. Instrument monitoring program includes: a data KUBE (name, address, board of management), activity (regular meetings, fundraisers IKS and UKS, gathering, savings and loans, the initial amount of cash, goods inventory, utilization of assistance be realized according to the proposal, the role of facilitator, manufacture utilization reports help).

Evaluation is an attempt to measure the results or impact KUBE program by comparing the stated goals and how to achieve them. Input KUBE program elaborates on the idea underlying the establishment of KUBE, KUBE material and human resources. The study process KUBE program include: the preparation phase, the implementation phase, phase Enterprises guidance, phase of business partnerships, and phase control. Output (result) on the implementation of the program KUBE.

#### **4.4 The impact of KUBE program implementation**

The impact of KUBE program in question is related to the socio-economic impact of the program's existence KUBE itself to a poor family in Gadung beneficiaries. The criteria to measure the socio-economic impact KUBE used the success criteria listed in the Guidelines Development of KUBE.

The social impact from the implementation of the KUBE program: a) both KUBE members has conducted regular monthly meetings, the impact of the members have been able to raise awareness for each other to provide accurate information, especially the availability of information relating to all the problems that hinder the development of KUBE; b) the main job owned by KUBE Prosperous before the program, making them unable to focus on the activities involved in the management and development of KUBE. The impact they have not been able to raise awareness and willingness to change the condition (state) towards a better life; c) both KUBE members has pioneered the implementation of the Social Solidarity Contribution (IKS), the impact they have been able to foster a sense of camaraderie in everyday life, so that with these funds at any time when (emergency) there are members who need them can easily get help; and d) the addition of knowledge and improvement of skills acquired through training KUBE Hasyanah members were given a companion, the impact will create conditions increasing economic resilience KUBE members.

The economic impact from the implementation of the KUBE program: a) a typical of productive economic activities that are managed by KUBE Sejahtera has not been able to improve the welfare of its members, in addition to only one type of business just also exacerbated weak management capabilities administrators. Thus earning members who are still below the poverty line; and b) KUBE Hasyanah have had some kind of productive economic activities supported by the ability of prospective explore its potential and training given companion, thereby earning member is able to rise above the poverty line.

#### **4.5 Design model of poverty reduction**

The design model of poverty reduction policy through a joint business groups approach based on the results of the implementation and the impact of KUBE program in Gadung village is a refinement of KUBE program that has run before, consist of: input, process, output, and outcome.

As the input: Very Poor Households database based on National Data Collection of Social Protection Program 2011, which then re-verified by using the determination of poor people and opportunities based on Participation Rural Appraisal methods. As the process: in the first year is a preparatory phase, consisting of: identification of prospective members of the group, socialization programs, and group counseling. And in the second year onwards is the implementation phase, the business development stage, and the stage of business partnerships, and phase control. Including the allocation of budgeting to be: 50 percent of the national budget, 30 percent of provincial budget, and 20 percent of regency budget. As the output: he realization of the family economic empowerment to build and maintain the viability based on its own strength (standing on their own feet). And finally as the outcome: their poverty reduction as one measure of the success of development today.

The analyzes design model that had been developed above, using Analysis Strategic of Empowering (Suharto, 1997): a) Enabling; KUBE program will create an atmosphere or climate that allows the potential of the target empowering especially the poor to be able to develop optimally. The working principle is that institutional communities could be self-empowerment targets, useful, and powerful. The analysis results, the KUBE program accompanied by the principle of empowerment is expected to allow everyone to have equal opportunities in the business, so it can then

build up the confidence of the poor that they are actually able to build itself. The one way is through active participation.

- b) Strengthening; KUBE program strengthen the knowledge and capabilities of the targets for empowerment in order to solve problems and meet their needs. Expected targets for empowerment may be stronger on the internal aspects of the group. The analysis results, the KUBE program to support the strengthening of targets for empowerment in terms of the internal aspects such as: organizational skills, social skills, and technical skills, so that the poor can increase capacity and can participate in establishing itself and the environment.
- c) Protecting; In this case to protect the public, especially vulnerable groups from being oppressed by powerful groups, avoiding competition is not balanced, and also preventing exploitation strong against the weak groups. The analysis results, the KUBE program is designed to be able to protect the poor. As namely technical assistance and establish institutional networks against the poor and with the poor themselves so that they have the ability to grow and increase revenue. Mentoring is done by applying 'Business Development Services' in the process of institutional assistance to the poor.
- d) Supporting; KUBE program can provide guidance and support so that targets for empowerment especially the poor were able to carry out the role and duties as a community. The analysis results, the KUBE program expected the poor can participate and be directly involved in poverty reduction process, from planning, implementing, monitoring and evaluating, even in the decision-making process.
- e) Maintaining; Necessary needed the group for supporting community empowerment and self-empowered citizens in order to be sustainable. The analysis results, the KUBE program is expected to support the poor in order to have independence, powerless continuity. For a more sustainable, one component of the program KUBE is monitoring and evaluating which in the long run this function also can provide comprehensive monitoring of the development of the situation of the poor who receive some assistance.



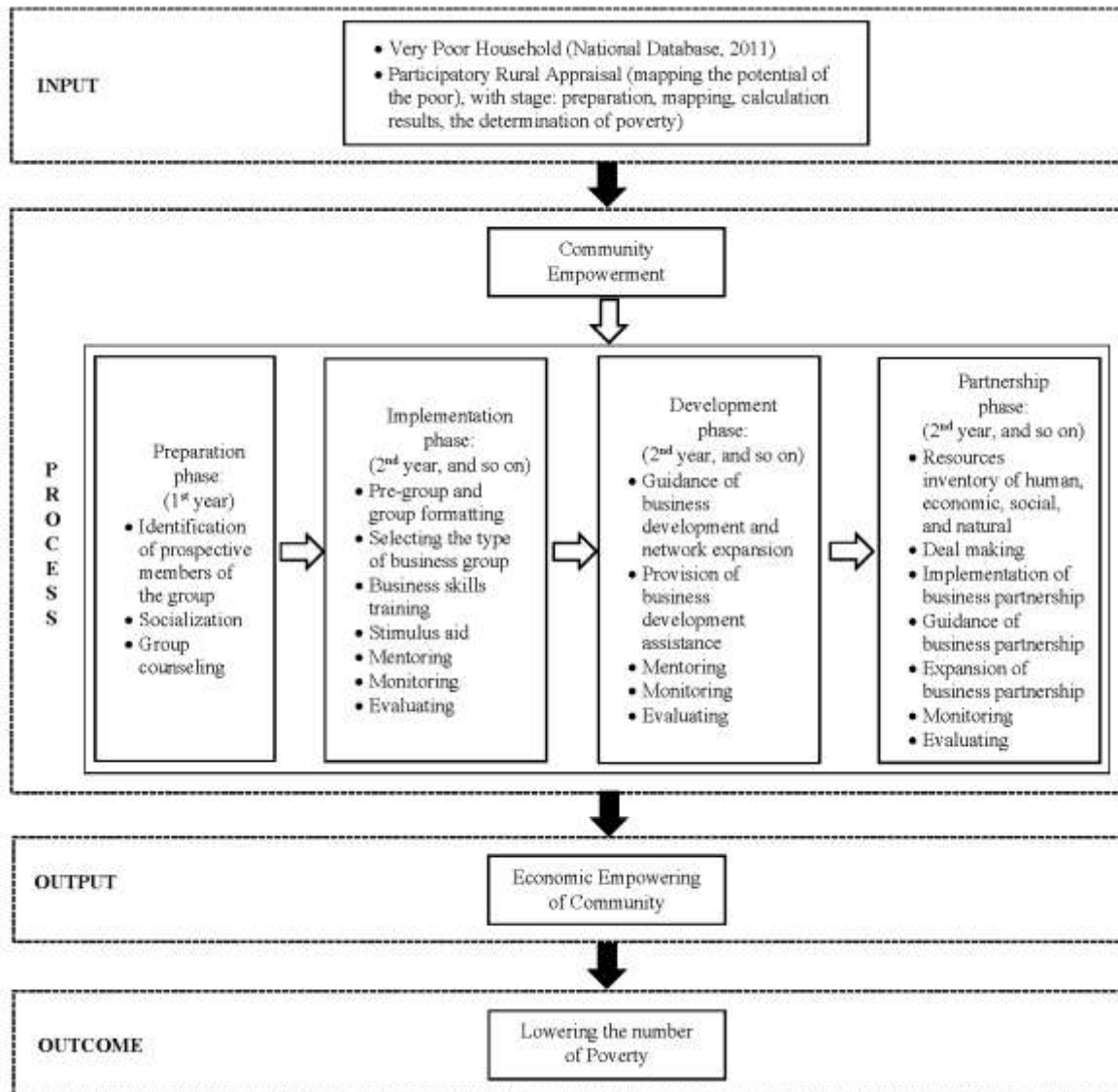


Figure 1. Design Model of Poverty Reduction Policy by Using A Joint Business Group Approach

#### 4. CONCLUSIONS AND RECOMMENDATIONS

##### 4.1 Conclusions

KUBE program is a top-down policy form of government efforts to reduce poverty. The factors that cause poverty in rural: low productivity in agriculture, low education levels, agricultural systems are still using traditional methods, and the level of urbanization is high. Besides, overcoming the problem of unemployment has also become the target of the policy program.

Basic reason for establishment of both KUBE in Gadung village is actually to find a way out of the economic problems faced by poor families. But in the progress, KUBE Sejahtera irregularities in the management of the business in which the business activity as if it is not run as a group, but is run individually. Some members only use it as a means of fulfilling their own needs of business. Also, their typical of business productive is still not developed and has no prospects. Meanwhile KUBE Hasyanah has been able to manage and develop businesses in clusters and funding benefits of the program are actually utilized for the purposes KUBE. Their typical of business productive has been growing and having clear prospects.

The impact from implementation of KUBE program policy in Gadung village: a) social impact, by growing awareness to each other to provide accurate information to all problems that hamper the management and

development of KUBE, and also by growing the feeling of camaraderie with each other in everyday life members; and b) economic impact, by increasing the households income, by developing the typical of business productive, and by adding individual skill capabilities

Designmodel of poverty reduction policies by using a joint business group approach which was generated from the implementation of the KUBE program in Gadung village is a refinement of KUBE program itself, by sharpening on: input and process. The input phase is a goal setting by using the mapping potential of the poor through the method of Participatory Rural Appraisal, with the following phases: preparation, mapping, calculation results, the determination of poverty. And the process phase divides into the first year and the second year. The firstyear is preparatory phase, namely: identification of groups, socialization and group counseling. The secondyear consists of: the implementation stage, business partnerships stage, monitoring and evaluating stage. Including in the process phase is the changing in budgeting allocation from 50 percent of state budget, 30 percent of provincial budget, and 20 percent of regency budget.

#### 4.2 Recommendations

KUBE should be on good terms with the Social Microfinance Institutions so that the synergies between these two institutions to be sustainable and thrive. Dissemination of this program should be submitted to the entire community in the environment the program will be given, so that society can know which program is launched. Before the empowerment given the important thing to do as an assessment of the needs of the target group, what needs required urgent. Mentoring of KUBE needs to be improved and developed so that the KUBE effectiveness in improving the skills of the members to be higher and could ultimately increase revenue target is greater. Management of a pretty successful business without marketing does not mean anything. Production is already produced must be marketed so that gets hit. Therefore, before any kind of determined effort needs to be consideration in a mature market. The model of KUBE program policy should be shifted from a top-down policy model into bottom-up with the participation of the poor recipient KUBE program, from planning, implementation, business development, and business partnerships. Characteristics of recipients of social assistance and social policy program KUBE other poverty alleviation, should be clear determination of Target Households. Other social policy just like poverty reduction programs, beside KUBE program, is not expected to overlap, so it really a program that takes the poor and not just be a project that is only achieved through budget absorption for itself.

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