

**EMPOWERMENT OF POOR PEASANTS THROUGH COLLECTIVE
ENTERPRISE GROUP (KUBE)
IN SUMBERAGUNG VILLAGE, BLITAR REGENCY, INDONESIA**

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ABSTRACT

KUBE is one of the poverty alleviation programs under the Ministry of Social Affairs implemented through the empowerment approach. In implementing it, the government has spent a large budget to encourage KUBE development all over Indonesia mainly to reach peasants as they are the majority of poor in Indonesia. As a concept, KUBE's objective to raise the economic and social welfare of the poor seems suitable to rural areas. However, the low sustainability of KUBEs in the field indicates inappropriate approaches at the implementation level.

This study aims to describe and analyze the process of poor peasants empowerment through KUBE, its impact on the poor peasants' welfare and what factors affect the sustainability from the peasants' perspectives. The study used a case study of empowerment of poor peasants through KUBE in Sumberagung Village, Blitar Regency. For data collection, the researcher conducted fieldwork and used multiple sources of evidence namely, documents, observations, group discussion and open-ended interviews with relevant subjects from KUBE's members, village administration, the village social assistant, and Blitar Regency Social Services officers.

The findings show that the implemented empowerment processes do not meet the characteristics of empowerment. The implementation of the program is still based on the government interest, not based on the poor peasants interest as the program targets. As a result, the poor peasants do not feel engaged in the program leading to their poor participation. In addition, the impact of KUBE on their economic and social conditions has not their expectations. KUBE does not impact on their economic condition since their major incomes are from other part time jobs. At the societal level, KUBE members can feel the benefit of the social activities. KUBE members identify factors affecting KUBE sustainability as related to program clarity, support from external parties, leadership and members' behavior.

Keywords: KUBE, empowerment, peasants

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LIST OF ACRONYM AND ABBREVIATIONS

BIMAS	<i>Bimbingan Masyarakat</i> , Community Coaching
BLPS	<i>Bantuan Langsung Pemberdayaan Sosial</i> , Social Empowerment Direct Aid
BRI	Bank Rakyat Indonesia
BRSS	Blitar Regency Social Services
DEP	Directorate of Empowerment of the Poor
GRDP	Gross Regional Domestic Product
ha	Hectare
IDT	<i>Inpres Desa Tertinggal</i> , President Instruction on Backward Village
IFAD	International Fund for Agricultural Development
IKS	<i>Iuran Kesejahteraan Sosial</i> , Social Contribution
KUBE	<i>Kelompok Usaha Bersama</i> , Collective Enterprise Group
MoSA	Ministry of Social Affairs
PFFS	Poor Family Fostering Section
P2FM	<i>Program Pemberdayaan Fakir Miskin</i> , Empowerment of The Poor Program
PNPM	<i>Program Nasional Pemberdayaan Masyarakat</i> , National Program of Community Empowerment
PPK	<i>Program Pengembangan Kecamatan</i> , Sub-district Development Program
Raskin	<i>Beras untuk Rakyat Miskin</i> , Rice for The Poor
UNCDF	United National Capital Development Fund
VSA	Village Social Assistan

CHAPTER I

INTRODUCTION

1.1. Research background

Poverty is a multidimensional social problem in the world. Poverty is a central issue in most developing countries. Poverty is not only the lack of material possessions, but also the lack of access, capacity and opportunities to improve one's capability to do economically productive activities (UNCDF, 2003:16). Therefore, the effort to reduce poverty should give access to the poor and develop their capability to meet their basic needs and aspirations.

World Development Report (2001) advanced the importance of empowerment as a key to reduce poverty. Empowerment can be a sustainable solution to replace the static system of poverty alleviation, namely the direct assistance of food, minimum health services and education. All such efforts only solve the poverty problem in the short term (World Development Report, 2004). Through empowerment, the poor can enhance their ability to have power, independence, self-sufficiency and participation (Chamber, 1983).

According to Kartasmita (1996), empowerment of the poor should use group approach to empower the poor effectively and efficiently since poor people have a lot of shortfalls, namely access or capacity to empower themselves individually. Group empowerment can be a medium to learn together and develop their ability. Three principles should be implemented for successful empowerment. *First*, the characteristic of the program must empower people and

build self-sufficiency. *Second*, the poor themselves must do the program. Social workers may only play a role as facilitators to help them in solving the problem. *Third*, the program must be sustainable (Kartasasmita, 2006:3).

In Indonesia, such efforts to empower the poor in rural areas were implemented during the last decade. Rural poverty still dominates as a national poverty problem, of the total 32.53 million poor, 64% live in rural areas (Central Agency of Statistics, 2009). Out of the total poor people, more than 57% live on Java Island and represent 20% of the rural population. The poor people in rural areas tend to be farm laborers and smallholder farmers living on less than 0.5 ha land (IFAD, 2007). For this reason, appropriate empowerment strategies for farmers will help them move out from poverty.

With regard to the empowerment of the poor in rural areas, the Indonesian government has allocated large budgets to conduct empowerment programs under related departments and institutions. In the Soeharto Era, group approach-empowerment such as BIMAS (*Community Coaching*), IDT (*President Instruction on Backward Village*), P3DT (*Infrastructure Development Program for Backward Villages*), PPK (*Sub-district Development Program*), JPS (*Social Safety Net*), PMDKE (*Program for Solving Economic Crisis Impact*), KUBE (*Collective Enterprise Group*), among other thrived in rural areas as strategies to tackle poverty. Nevertheless, most of the programs failed due to improper implementation.

The government implemented top-down approach with the programs not meeting the needs of beneficiaries. The programs treated the poor as objects rather

than as actors of empowerment. Some schemes could not run well leading to their unsustainability (Swastika and Supriyatna, 2008). Poor people became dependant on the government. They lost the sense of organizing themselves. They were homogenized and co-opted by government in order to be controlled easily with any bureaucratic procedure (Suparjan, 2003). As a consequence, centralistic bureaucracy systematically extinguished people's initiatives to resolve their problems (Korten, 1987).

Some programs have continued up to now with some improvements. They have become part of the consequence of the enactment of local autonomy, which passes responsibility to local governments on implementing empowerment programs in their areas. KUBE is one of the programs under the Ministry of Social Affairs (MoSA) widely implemented to reach the rural poor. Implemented from 1982, KUBE schemes have evolved with the policy changes in Indonesia.

MoSA uses KUBE as a major strategy to alleviate poverty. KUBE is viewed as giving a double advantage to the poor, in term of economic and social assistance. In KUBE, the poor are organized, trained and coached to conduct economically productive activities and to build social interaction, social solidarity, and social cohesion among themselves. KUBE stresses on the power of groups in creating a better change. Within groups, the poor can develop their capability, share experiences and build mutual relationships with each other. The group also unites individual enterprise activities into group enterprises, so that the benefit can be multiplied. The final objective is to make the poor free from aid dependency

using their enterprise activity, to create jobs, raise their income and have savings for their future (Ministry of Social Affairs, 2005).

Such a vision has made KUBE a priority program that fits rural characteristics dominated by agricultural activities and social values. Accordingly, MoSA tries to form more KUBE projects to reach more poor people in rural areas. The empowerment of the poor data 2003 – 2011, reported KUBE to have reached 1,449,214 households financed by National Budget and De-concentration budget¹ (Table 1).

Table 1. Empowerment of The Poor Data in 2003 – 2011

Fiscal Year	<i>National Budget (APBN)</i>		<i>De-concentration Budget</i>	
	Households	KUBE	Households	KUBE
2003	135,090	13,509	135,090	13,509
2004	43,650	4,365	156,149	15,615
2005	31,930	3,193	165,990	16,599
2006	22,805	2,280	128,766	12,876
2007	24,523	2,444	108,990	10,899
2008	37,200	3,720	79,490	7,949
2009	32,280	3,328	92,841	9,284
2010	39,600	3,960	88,330	8,833
2011	33,140	3,314	93,350	9,335
TOTAL	400,218	40,113	1,048,996	104,899

¹ De-concentration budget is a budget derived from national budget, which is executed by the Governor as a representative of government. It includes all revenues and expenditures within the frameworks of the implementation of deconcentration except budget allocated to central government agencies in the area (www.depsos.go.id)

Source : www.depsos.go.id

Table 1 shows the steady increase of KUBE projects under the two budget support systems. They represent KUBE's reach over the poor. However, the effectiveness of KUBE is still debatable. The conclusion from some evaluation studies report that KUBE program has not solved poverty in Indonesia since some KUBE schemes, including *BLPS*² are considered as having failed. The sources of failure were low competence of social workers who assisted KUBE projects, limited co-working facilities, inappropriateness in choosing enterprises, the low ability of the poor people in managing the enterprises and the lack of control at every level of government (Ahmad, 2008; The Social Welfare Research and Development of Ministry of Social Affairs, 2009).

Despite the negative findings, the government still keeps promoting KUBE in all over Indonesia with improved schemes considered to be more effective to be implemented in rural areas. Nevertheless, the large budget spent is not followed by the sustainability of KUBE. The formation of thousands of KUBEs in Indonesia appears to waste the national budget without significant impact on poverty reduction.

Conceptually, KUBE is an appropriate approach for rural people. In practice, however, there are many obstacles that hinder the successful implementation. As a result, the majority of the poor living in rural areas as

²*BLPS* (Social Empowerment Direct Aid) is a new KUBE scheme launched in 2007 as a conditional cash transfer through bank mechanism to facilitate the development of KUBEs, which get difficulties in obtaining funding from banks and other financial institutions during this time. This aid requires the existing KUBE as recipients, not the new-formed one.

peasants remain poor. This study is about the peasants in Sumberagung Village, Selorejo Sub-district, Blitar Regency. The Peasants represent 60% from total population in the village. The majority of peasants are poor and some of them are very poor (The Monograph of Sumberagung Village, 2009).

KUBE is one of the poverty alleviation programs implemented in Sumberagung Village beside other programs such as *JPS* (Social Safety Net), *Raskin* (Rice for The Poor), and Scholarships for The Poor. The KUBE program is financed from national, local, and de-concentration budgets. The entire program, however, is not sustainable due to inappropriate program approaches. Hence, the programs cannot really empower the poor except to make some obtain individual benefit from the implementation of the project.

Inevitably, the case represents a tremendous challenge for every layer of government to find the root cause of the problem of unsuccessful KUBE implementation. This study examines how empowerment of the poor peasant through Collective Enterprise Group works in Sumberagung Village Blitar Regency.

1.2. The research problem and its relevance

Poverty reduction efforts in rural areas need serious effort from every layer of government. The great numbers of the poor living in rural areas depend on the agricultural sector. The success of poverty alleviation programs among them will contribute to the reduction of poverty. Even though many poverty alleviation programs have been implemented in rural areas, most of the programs are not sustainable. The peasants continue to remain poor.

KUBE is a community empowerment program widely implemented in rural Indonesia. It is planned and implemented to the peasants' aspiration, potential, and need of their communities. However, even after the enactment of local autonomy the implementation of the program still uses top-down approach in which the community is seen as an object of development that should follow government instructions.

The practice and concept can be much different in KUBE's planning and formation. Government does the planning without involving the beneficiaries so that the identification of the problem and resources become inappropriate. In KUBE formation, officials and facilitators do all the preparation. The beneficiaries do not get involved. The selection of beneficiaries is only for formality because the beneficiaries have no bargaining power in policy. Consequently, those circumstances have led to KUBE's un-sustainability. This is a classic problem that has not been resolved despite of government's ambition to disseminate KUBE all over Indonesia.

Social Empowerment Direct Aid Program for the Poor through KUBE was implemented in Sumberagung Village, Selorejo Sub-district, Blitar Regency in 2007. This program was initiated by the formation of three enterprise groups. Each group consisted of 10 households. The collective enterprise groups formed could not grow well as expected. Therefore in this case the researcher wants to understand more deeply peasant empowerment through collective enterprise group by examining three questions:

1. Does empowerment of the poor through KUBE meet the characteristic of empowerment?
2. What is the impact of KUBE on poor peasant's welfare?
3. What factors are affecting the sustainability of KUBE from the peasants' perspectives?

In order to examine the above three questions, the following research strategies were used.

1. To describe and analyze the empowerment process through KUBE.
2. To identify and analyze the impact of KUBE on poor peasant's welfare.
3. To identify and analyze factors affecting the sustainability of KUBE from peasants' perspectives.

The research findings would provide practical solutions to poverty alleviation project in Blitar Regency. The research findings can be a reference used as consideration for policy makers in social welfare especially by local governments in order to improve the weaknesses in the implementation of empowerment projects for the poor through Collective Enterprise Group projects in Blitar Regency. It will be useful in recommending for better framework of Collective Enterprise Group projects in order to be an effective program in alleviating poverty.

1.3. Plan of thesis

This research will be divided into six chapters. The introductory chapter comments on the research background, the research problem, the research objectives and the relevances of the research. Chapter 2 will describe the geography of Blitar Regency, Sumberagung Village and the Collective Enterprise Group project in Sumberagung Village. Chapter 3, will present some previous studies regarding Collective Enterprise Group and Empowerment of The Poor and relevant theories such as poverty, peasant's poverty, empowerment, group approach, collective enterprise group, participation and social capital to analyze the findings of the research. The methodology of research in Chapter 4 describes the design of the research, data collection process, sources of data, fieldwork, the limitation of fieldwork and data analysis. Chapter 5 will discuss the findings of the research and the last chapter will provide the conclusion and recommendations.

1.4. Summary

Empowering rural poor is an essential thing in poverty alleviation efforts since most of the poor in Indonesia live in rural areas. Collective Enterprise Group (KUBE) can be a sustainable solution for poor peasants since it empowers them through social and economic activities. It is expected that through this program the poor can raise their incomes and build social solidarity among them. Consequently, it can help them move out of poverty.

This research attempts to describe and analyze the empowerment process through KUBE. It attempts to identify and analyze the impact of KUBE on poor

peasant's welfare, and to comprehend factors affecting the sustainability of KUBE in Sumberagung Village Blitar Regency.

This research hopes that the findings would provide a practical guide for policy makers in the local government to improve the implementation of empowerment of the poor through Collective Enterprise Group in Blitar Regency. It will also recommend for a better framework of Collective Enterprise Group in order to be an effective program in alleviating poverty. Theoretically, this research is expected to enrich the scope of Public Administration science especially related to Indonesia's policy on poverty reduction through empowerment of the poor.

CHAPTER II

RESEARCH SITE

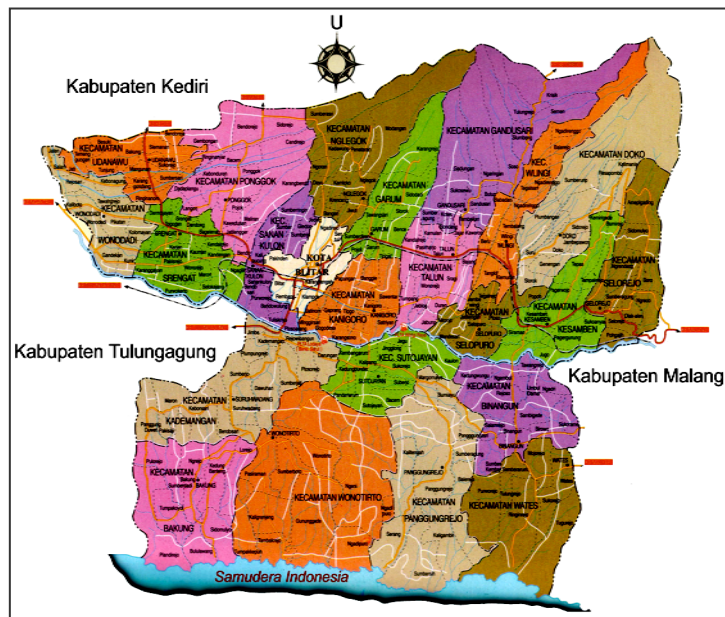
This setting for the research is the program of poor empowerment through Collective Enterprise Group (KUBE) at Sumberagung Village in Blitar Regency. The chapter will provide an overview of Blitar Regency as well as provide the background socio-economic characteristics of Sumberagung Village.

2.1. Blitar Regency

2.1.1. The Geography and Demography

Blitar is an area in the southern part of East Java Province. The total area of Blitar is 1.588.79 km² divided into 22 sub-districts, 248 villages and 24 wards. The location of the regency can be seen in figure 1.

Figure 1. The location of Blitar Regency



Source : *Blitar in Figures, 2010*

The geographical condition of Blitar regency consists of mountain ranges, plains, basins, and *pesisir* (coastal area). Mountain areas located in the northern include the Mount Kelud, an active volcano, and on the East Mount Kawi. While limestone mountains are located on the south by the coastal zone south. Plain areas are located in the middle and west in which the Brantas River watershed divides the Blitar district into two parts, namely the northern and southern parts. Brantas River is also at once an estuary of the major rivers flowing from the north of Blitar district, such as rivers Lekso and Putih, etc. The southern border from east to west is the 45 km length coast of Blitar district, facing the Indonesian Ocean. The northern part of Blitar, has higher rainfall.

Having those geographical conditions, the Blitar district for a long time is known as the area that relies on agriculture. Land used for rice cultivation, reached 19.9% of the total area, not including fisheries, livestock, plantation and forestry. Commodities produced from this region include the plantation commodities such as coffee, cloves, tea, pineapples, and rambutan.

The main agricultural commodities are food crops that include rice, maize, cassava, vegetables and so forth. Fishery commodities consist of freshwater fish, ornamental fish and marine fish that include carp, Tilapia, Catfish, Koi, and other ornamental fish. In coastal region there are also several sites for shrimp farming. Livestock commodities consist of Layer Chicken, Broiler Chicken, Dairy Cattle and Beef *Kereman* (beef fattening).

The total population of Blitar Regency at the end of 2009 was 1,261,303 people with a population growth of 0.12% per year. More than 70% of the

residents depend their livelihood on agricultural sector. Generally they are poor because most of them are farm laborers and not land owners. The population is distributed in 22 sub-districts with a higher density in the middle of the regency, which is geographically easier for transportation, communication and other facilities (table 2).

Table 2. Population Density Based on Sub- districts

Sub-district	Total area (Km²)	Number of Population	Density (people/km²)
Bakung	111.24	29.954	269.27
Wonotirto	164.54	41.107	249.83
Panggungrejo	119.04	46.084	387.13
Wates	68.76	33.980	494.18
Binangun	76.79	48.822	635.79
Sutojayan	44.2	51.975	1.175.90
Kademangan	105.28	72.272	686.47
Kanigoro	55.55	77.557	1.396.17
Talun	49.78	65.946	1.324.75
Selopuro	39.29	45.555	1.159.46
Kesamben	56.96	58.678	1.030.16
Selorejo	52.23	42.787	819.20
Doko	70.95	44.836	631.94
Wlingi	66.36	59.946	903.35
Gandusari	88.23	75.726	858.28
Garum	54.56	67.816	1.242.96
Nglegok	92.56	76.382	825.22
Sanankulon	33.33	56.975	1.709.42
Ponggok	103.83	103.947	1.001.13
Srengat	53.98	66.492	1.231.79
Wonodadi	40.35	50.739	1.257.47
Udanawu	40.98	43.727	1.067.03
Total amount	1.588.79	1.261.303	925.31

Source : Statistics of Blitar Regency 2010

2.1.2 Local Economy

The primary sector dominates the regency's Gross Regional Domestic Product (GRDP). Based on constant prices, the agricultural sector contributed 45.85% to the GRDP in 2009. The second largest contributors are trade, hotels and restaurants contributing 28.91% to the GRDP.

The economic structure in Blitar Regency consists of agriculture and trade, hotels and restaurants. There has been a shift in the role of these two sectors to the GRDP of Blitar Regency. In the five years from 2005 – 2009, the agricultural sector representing the primary sector, tended to decrease in its contributions.

In contrast, trade, hotel and restaurants sector, as the backbone of the tertiary sector, continues to increase its contribution. The decrease of agricultural sector is affected by the decline of food crops and the fluctuation of animal husbandry sub-sector. While during this time, Blitar Regency is known as a central area of poultry farm. Retail trade contributes to the contribution of trade sector. It means that purchasing power has increased in the community.

The increase in trade is represented in the purchasing power index 68% in 2009, or 0.86% increase from the former year. The distribution of GRDP in Blitar Regency in 2005 – 2009 period can be seen in the Table 3.

Table 3. Distribution of GRDP based on business sectors 2005 -2009 (%)

<i>Sector</i>	<i>2005</i>	<i>2006</i>	<i>2007</i>	<i>2008</i>	<i>2009</i>
1. Agriculture	49.01	48.59	47.28	46.57	45.85
2. Mining	2.48	2.49	2.44	2.38	2.36
3. Industry and manufacturing	2.45	2.46	2.45	2.43	2.36
4. Electricity and clean water	0.95	0.99	0.95	0.91	0.90
5. Building	2.12	2.10	2.11	2.15	2.19
6. Trade, hotel and restaurant	26.74	26.81	27.57	27.99	28.91
7. Transportation and communication	2.15	2.22	2.18	2.07	2.05
8. Bank and other financial institution	4.42	4.38	4.36	4.31	4.39
9. Services	9.69	9.96	10.65	11.19	11.00
T o t a l	100.00	100.00	100.00	100.00	100.00

Source: Statistics of Blitar Regency 2010

2.1.3. Social Problems

Poverty has become the root cause of social problems in Blitar Regency causing other social problem such as vulnerability of women in social economics, disable people, unemployment, juvenile delinquency, being the poorest of the poor, and so on. All social problems, Blitar Local Government has thus taken poverty alleviation programs as a priority.

The poor population spread through in all the 22 sub-districts is highly concentrated in the southern part of Blitar. This region is geographically arid and less fertile. In Blitar Regency, poor population is categorized into two: poor and very poor. The data about the categorization of poor population recorded by Blitar Regency Social Service as follows:

Table 4. Poor Population Based on Category in Blitar Regency

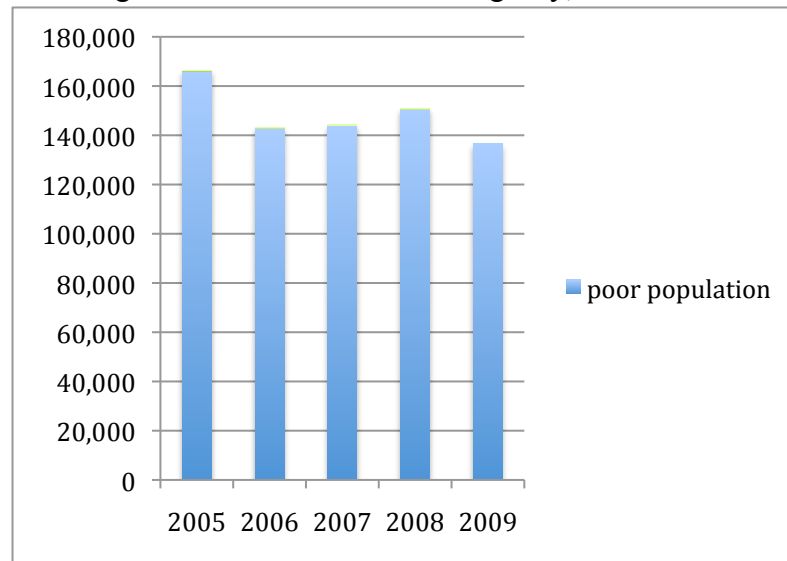
Sub District	Total Number	Poor Families	Very Poor Families	% Poor	% Very Poor
Bakung	11,126	714	5,027	1.05	45.18
Wonotirto	11,318	547	7,388	3.82	51.60
Panggungrejo	10,152	1,333	5,756	13.13	56.70
Wates	19,539	1,075	11,990	5.50	61.36
Binangun	10,530	349	5,372	3.31	51.02
Sutojayan	19,306	1,865	3,973	9.66	20.58
Kademangan	12,564	203	6,446	1.62	51.31
Kanigoro	22,444	202	4,910	0.90	21.88
Talun	16,848	1,016	6,680	6.03	39.65
Selopuro	18,667	551	8,724	2.95	46.73
Kesamben	15,735	458	6,781	2.91	43.10
Selorejo	19,642	638	7,755	3.25	39.48
Doko	16,979	608	7,717	3.58	45.45
Wlingi	12,279	380	5,153	3.09	41.97
Gandusari	18,274	2,082	1,864	11.39	10.20
Garum	15,016	1,059	7,113	7.05	47.37
Nglegok	13,969	778	4,213	2.31	51.66
Sanankulon	13,279	1,052	6,236	14.95	35.44
Ponggok	10,328	288	8,944	2.79	29.96
Srengat	11,181	617	5,547	5.52	49.61
Wonodadi	15,591	723	4,477	7.40	45.80
Udanawau	9,972	357	3,423	3.58	34.33
Total Number	327,739	16,895	135,489	5.16	41.38

Source: Blitar Regency Social Service Report. 2007

The efforts to alleviate poverty are implemented by the Blitar Regency Social Service (*Dinas Sosial*) in coordination with related institutions namely the Local Development Planner (*Bappeda*), Department of Husbandry (*Dinas Peternakan*), Department of Agriculture (*Dinas Pertanian*), etc. So far the programs have reached the poor by distributing social aid such as RASKIN (Rice for The Poor), BLT (Cash Aid), and encouraging empowerment programs in rural areas. As a result, the number of people in poverty decreased within five years

(2005-2009). In 2009, poor number reached 136,760 people. It has decreased 17.7% from 2005 to 166,354 people. The dynamics of change in the number of people in poverty is depicted in the figure below.

Figure 2. The Poor of Blitar Regency, 2005-2009



Source: Statistics of Blitar Regency 2010

2.2 Sumberagung Village

Sumberagung village is located in the eastern area of Blitar Regency in Selorejo Sub-district. and is 42 km from the capital of the regency. The total area of Sumberagung Village is 508.63km². The village is surrounded by:

Northern side : Sidomulyo Village

Eastern side : Boro Village and Olak Alen Village

Southern side : Selorejo Village

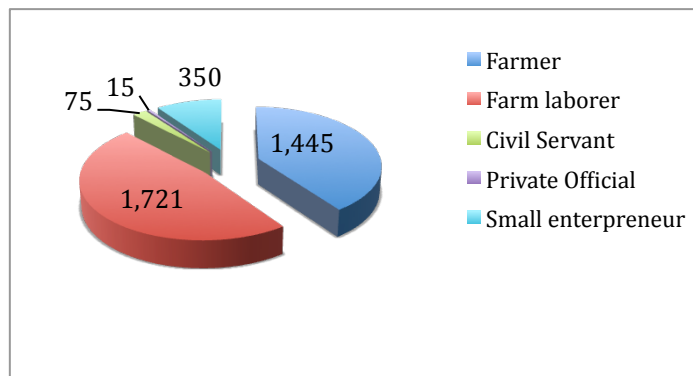
Western side : Ngrendeng Village and Banjarsari Village

The population of Sumberagung village is 5.316 people (2.661 males and 2.655 females) with 1.476 households spread in three hamlets: *Sumberagung*, *Kepel*, and *Sumberwader*. The hamlets are close to one another and the condition

of the country road is quite good. There is no barrier to access to the nearest market or to reach the capital city of the regency.

Most residents depend for their livelihood on agriculture. The rest are traders, civil servants, bricklayers, and temporary laborers. The composition of their livelihood is shown in Figure 3.

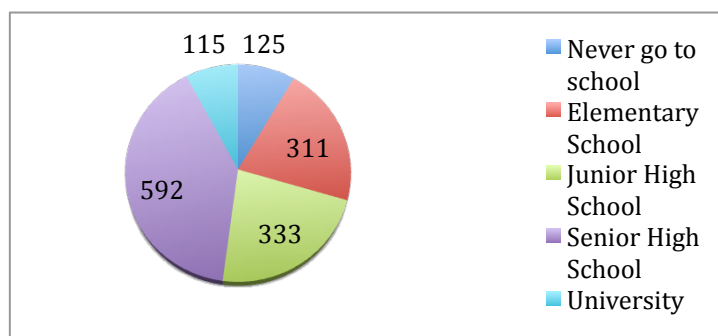
Figure 3. Population Based on Livelihood



Source : *The Monograph of Sumberagung Village. 2009*

The composition of livelihood above also indicates the education level of residents, which varies from ‘never go to school’ to ‘higher education’. This is shown in Figure 4.

Figure 4. Population Based on Education



Source : *The Monograph of Sumberagung Village 2009*

People in Sumberagung Village have different welfare. The term welfare reflects people's economic condition that can be seen from land ownership, house condition, livelihood, and also belongings. Based on economic welfare level, households in Sumberagung Village can be categorized into three types: rich, middle and poor. From 1,476 households, 126 households can be categorized as rich, 539 households can be categorized as middle and 536 households can be as categorized poor.

2.2.1 Peasant Life

Land Ownership

Peasant life in Sumberagung Village cannot be separated from land ownership. Land is peasant's capital to generatw income. The larger the land ownership the larger income gained. Total number of landowners in Sumberagung Village is 658 people. From the number 406 people own less than 0.5 ha land, 179 people own 0.5 ha – 1.0 ha, 40 people own 1.1- 1.5 ha, 25 people own 1.6 – 2.0 ha, and 8 people own more than 2.0 ha. It is depicted in table 5.

Table 5. Land Ownership in Sumberagung Village

Ownership	Number of Owner	Percentage
< 0.5 ha	406	61.7
0.5 – 1.0 ha	179	27.2
1.1 – 1.5 ha	40	6.1
1.6 – 2.0 ha	25	3.8
>2.0 ha	8	1.2
Total	658	100

Source : The Monograph of Sumberagung Village 2009

Based on the data above, the average land ownership of peasants in Sumberagung Village is less than 1.0 ha. Meanwhile, 70 % farmland in the village is arid. This contributes to the peasants' low productivity and low income.

On the other hand, the few people owning more than 2.0 ha land (can be called large holder farmers), show striking difference from the economy of the peasants. Land ownership of large holder farmers can reach up to 10 ha. Most of them plant sugar cane. They represent the upper class in Sumberagung Village. They show the symbols of prosperity such as cars and big houses.

Income

The source of income of peasant families in Sumberagung Village comes from many activities, either from farming or off farming. Farming income is gained from crops they cultivate in their lands. Their farming activity pattern is rainfed in which they only plant once a year. After they harvest their paddy, well suited to arid conditions are planted other plants such as corn and cassava to earn more income.

The source of off farm income comes from raising livestock namely goats and cows, breeding chicken, ducks, working from someone's else field as wage laborer, and working as sugar cane leaf peeler in the large holder farmers' field. Livestock for most peasants functions as savings that they can sell after a certain period as well as means to support their farming activities like for ploughing their field or fertilizing their fields from its waste. Breeding chicken and ducks can also give cash for their families. It is also common for peasants to work in someone's else field with a wage Rp.15,000.- per day (6 hours work). Now when farming

activities cannot provide lucrative work, most landless peasants work as sugar cane leave peelers in the large holder farmers' field. This work is advantageous for them because for 4 hours of peeling they can bring home as much Rp. 13,000. Sometimes they can bring home also sugar cane leaves for their livestock. Total income for peasants with small plot ranges between Rp. 300,000.- and Rp. 600,000. Landless peasants' incomes may be uncertain, depending on the activities they do. But in average they can earn money around Rp. 300,000.- per month (equal to 3000 yen).

Since farmland is unable to yield as expected, now peasants in Sumberagung Village rely more on off farm income to meet their daily needs. Farm income often has become an additional income.

The Role of Women

Women play important role to support peasants' household income. Peasant women have double burden. Despite domestic rules, they commonly earn some money as farm laborers in other households or become sugar cane leaf peeler along with their husband. They also help their husbands search for grass for their cattle and manage their family's finance. Some women even become head of households due to being widows. They have 2 – 4 children. They usually work very hard in some places as wage laborers. They earn lower income than men since people in Sumberagung Village differentiate man and women's wage in farm work. With the same working hours, women laborers receive a wage of Rp. 5000.- lower than men. As a result, they become the poorest of the poor in Sumberagung Village.

Expenditure

The average peasants' spending in Sumberagung Village is Rp. 300,000 – Rp.600,000. The amount is only for daily need expenses. It does not include the expense for education and unpredictable occurrences such as medication, traditional ceremonies or other expenses. In certain times, they have to spend more money. Such times include school enrollment in July, *Hari Raya* (feast day in Islam) and month *Besar* in Javanese calendar during which people commonly have marriage celebrations. At those times some people may sell their livestock to cover their expenses, some may obtain loans from BPR (rural bank).

2.3. Summary

Sumberagung Village in the Selorejo Sub-district of Blitar Regency is dominated by agriculture. The majority of the people in Sumberagung Village work as peasants. Peasants' average land ownership is less than 0.5 ha making them unable to meet their basic needs from farmland. Besides farming, peasants also do many off-farm activities to earn additional income. The off farm activities have now become the main source of income since their fields yield less. In average peasants' monthly income ranges between Rp.300,000,- and Rp.600,000.-.

Women get involved in searching for additional income. Some of them are head of households having 2 – 4 children. They work as wage laborers in many places and become the poorest of the poor in Sumberagung Village. Peasants' average spending is from Rp. 300,000.- to Rp.600,000.-. At times they

spend more money, which may surpass their income. They sell their livestock to cover such expenses.

CHAPTER III

PREVIOUS RESEARCH, CONCEPTS AND DEFINITION

This chapter provides a review of previous research on the research topic. We also discussed theories about poverty, empowerment, group approach, participation, KUBE (Collective Enterprise Group), and social capital to get a better understanding of the research. Lastly, we use the literature review to build the conceptual framework and analyze the empirical data from the field

3.1. Previous Research

Dahlan (2003) in his research on the extent of success of Youth Neighborhood Association fostering through Collective Enterprise Group (KUBE) in Alleviating Poverty found the characteristic of successful KUBE and some factors affecting the success of KUBE. The characteristic of successful KUBE are: 1) group capital development in one year > 34 percent, 2) the benefit of the enterprise to pay the wage work is saved for expanding enterprise and shared to KUBE members, 3) the implementation of task division is based on the members' skills, 4) there is a group regular meeting to discuss KUBE's plan and management, 5) KUBE members actively participate in the community services. He identified factors affecting the success of KUBE as follow: 1) members' actively participation and motivation to run KUBE mechanism, 2) there is an even task division among members making all members cooperate each other to run KUBE, 3) organization and management is well done and the administrators' working experience background fit the KUBE enterprise, 4) production input

from the available resources is abundant, 5) easiness to sell KUBE product, and 6) fostering from related institutions.

Hermawati et.al (2005), conducted an evaluation study on Collective Enterprise Group (KUBE)'s effectiveness to empower poor families in local autonomy era. This research focuses on the extent of the effectiveness of Collective Enterprise Group in empowering poor families. It also examines the factors that contribute to the level of Collective Enterprise Group effectiveness. The findings showed that the difference between KUBE programs before and after local autonomy is on the type of assistance, while the implementation stage remained the same. The implementation of local autonomy brought change in the type of assistance. The type of assistance was more numerous and appropriate to local needs, resources and abilities. Input, process, and output variables affected the effectiveness of KUBE. The projects studied were from three areas, in Jambi province, South Kalimantan province and East Nusa Tenggara Province. Only East Nusa Tenggara Province was categorized as ineffective since a lot of distortions occurred in the implementation of the program, which led to the failure of KUBE.

In analyzing Collective Enterprise Group as empowerment of the poor with group approach, Joyakin Tampubolon (2006) focused his research on factors affecting the dynamics and the success of Collective Enterprise Group. Group's goal, group structure, group function, supervision and development of the group, group cohesiveness, leadership, the effectiveness of the group and members satisfaction affected the dynamics of a group. These factors are interconnected

and determine group's performance. It is said that the level of success of a Collective Enterprise Group is closely related to social and economic aspects.

Dewa K.S. Swastika and Yana Supriyatna (2008), conducted a research about the characteristics of poverty and poverty alleviation programs in Indonesia. They found that most of the poor were living in rural areas. They lived on marginal lands, low quality of human resource, low access to source of cash capital and poor condition of infrastructure. They were highly dependant upon agriculture. Poverty alleviation programs implemented by government never solved the problem of poverty since it is curative action and was not preventive. Consequently poverty alleviation programs should address the creation of jobs for poor people in order for them to be independent to solve their social problems.

Ali Asadi, Morteza Akbari, Hossain Shabanali Fami, Hoshang Iravani, Farahnaz Rostami and Abolhasan Sadati (2008), in their research on Poverty Alleviation and Sustainable Development: The Role of Social Capital, found that social capital enhancement appears to have direct links with farmer education. Community development was generally defined as a social learning process which served to empower people and to involve them as citizens in collective activities aimed at socio- economic development, poverty alleviation and sustainable development. Based on World Bank experience, they offer strategies such as promoting opportunity that included facilitating empowerment and enhancing security to reduce poverty and to achieve sustainable development.

Edi Ariyanto and Yulia Anas (2009) in their research concerning Reconstruction on Collective Enterprise Group (KUBE) Modelling of Poverty

Alleviation Program. Case study: Empowerment of The poor Program Through Social Empowerment Direct Assistance, found that KUBE can not function optimally as an empowerment strategy to alleviate poverty since the KUBE was formed by external aid not due to poor people's will.

Asnarul Khadi Abu Samah and Fariborz Aref (2009), attempted to explain how the process of empowerment takes place in community development within local communities is their research on Empowerment as an Approach for Community Development in Malaysia. They concluded that empowerment through participation is a continuous process by which people develop and use their ability to act in response to shared problems and to achieve expected needs in an effort to bring some changes to community life.

3.2. Concepts and Definition

3.2.1. Poverty

Poverty has become multidimensional. A number of initiatives in poverty alleviation programs address the importance of defining poverty to meet the need of the target within the program.

In a general sense, poverty is often conceptualized as the deprivation of well-being with myriad causes. National Development Planner Agency (2004) in Suharto (2008:3), defined poverty as a condition in which a person or a group of people, men and women, are not able to meet the basic rights to maintain and develop a decent life. The basic rights of rural communities, among others, is to fulfill needs of food, health, education, employment, housing, clean water, land,

natural resources and environment, safety from threats of violence, and the right to participate in socio-political life, both for women and men.

Poor people can be described as powerless in meeting their basic rights as they do not have assets and also because of social economic structure does not open opportunities to the poor to get out of the vicious circle of poverty (Maskun, 1997).

Friedman (1996) argued poverty as inequality of opportunity to accumulate a social power base. Social power bases include productive capital or assets (land, housing, medical equipment, etc.); financial resources (income and adequate credit); social and political organization that can be used to achieve common interests (political parties, syndicates, cooperatives, etc.); networks or social networks to obtain employment, adequate knowledge and skills and information that is useful for promoting life.

World Bank (2009:1) stipulated basic needs approach in defining poverty. The minimum standard of living known as *the poverty line*, is the minimum level of income deemed necessary to achieve an adequate standard of living in a given country. Someone is categorized poor if he or she earns below 1 dollar per day. Central Board of Statistics (2009), also used basic needs approach in determining *the poverty line*. Someone is categorized poor if he or she is unable fulfill his or her food need equal to 2,100 calories per day. At the same time, he or she is unable fulfill his or her need for housing, clothes, health, education, transportation, and others.

Chambers (1983:111) used an integrated poverty concept to understand poverty problems in developing countries. Chamber saw poverty experienced by people in developing countries, especially in rural areas, was caused by disadvantages interconnected with each other. He proposed the disadvantages of the poor as follows:

- a. *Poverty*, is marked by inability to fulfill the need of clothes, food, housing and low income.
- b. *Physical Weakness*, is high dependency among family members for living.
- c. *Vulnerability*, poor families have no reserve in the form of money or food to deal with emergency situations.
- d. *Powerless*, poor people have no power against powerful people who often exploit them (Chambers, 1983:109).

Furthermore, Kartasmita said that poverty can be caused by at least four of the following:

1. The low level of education creates limited ability for self development and causes narrowness of employment opportunities.
2. The low level of health leads to low physical endurance, cognitive, and initiative.
3. Limited employment opportunities.
4. Isolation and difficult conditions, which cannot be reached by educational service, health service and movement of progress that can be enjoyed by other communities (1996: 240-250).

While various poverty indicators are used in measuring poverty, generally, poverty refers to two concepts: absolute poverty and relative poverty. Absolute poverty is based on inability to fulfill basic daily need such as food, clothes, health, housing and education. While relative poverty refers to conditions in which development has not reached all people causing disparity in income distribution (Ministry of Social Affair, 2003:5).

Based on the definitions above, we can say that poverty happens due to internal and external factors. Internal factors refer to causes from within a person meanwhile external factors refer to factors that come from the environment outside the person.

3.2.2. Peasant's Poverty

Existing research differentiate people relying on agriculture: farmers and peasants. Farmers represent those whose agricultural production allows investable profit. Otherwise, peasants represent those whose agricultural production is for daily consumption (subsistence). Wolf in Satria (1997:464 – 509) described the characteristics of peasants as follow:

1. Peasant yields agricultural products by farming
2. Peasant is an owner and a cultivator who has authority over his land.
3. The main objective of peasants is for subsistence.

Based on Wolf definition above, poor people in Sumberagung Village are categorized as peasants. Peasants constitute a community with low income (Arsyad, 1986:90). The low income is mainly caused by low productivity. Factors contributing to the low productivity are quality and quantity of farmland. A small

farmland (less than 0.5 hectare), which is cultivated by unskilled labor, cannot yield enough income or cannot meet the food intake 2,100 calorie per day (Central Agency of Statistics, 2008). Therefore, most peasants are categorized poor.

According to Khudori (2004), the agriculture census in 2003 found that the number of landless peasant households with land ownership less than 0.5 hectares increased 2.6 percent per year, from 10.8 million households in 1993 to 13.7 million households in 2003. The percentage of landless peasant households to land user households also increased from 52.7 percent to 56.5 percent. This increase indicates increased poverty of peasant. Many of them are only part-time agricultural laborers and they survive with off-farm income (Khudori, 2003). Due to their poverty, peasants' position is low in the eye of society and they become powerless socially, politically and psychologically to access any kind of assistance (Chambers, 1988: 146).

In the context of peasants' impoverishment, some scholars proposed different perspective. Aries and Sasono (1981) explained how the process occurred. Firstly, peasants' farming products switched to free rider group in the village namely rich farmer, landlord, and village elites. Consequently, from the free rider group in the village, the farming products went to capitalist traders (including bureaucrats) who hold the distribution chain of seeds, fertilizer, pesticide, etc. Afterward, the products reached the producer of agricultural tools and machines. Inevitably, this process is called an exploitation process of people in the agricultural sector.

The circumstance is in a line with Gramsci's idea (in Sutomo, 1997) that tries to understand it as supremacy of social class through intellectual and moral leadership. Social control as hegemony is implemented by forming beliefs into norms. Group's supremacy in hegemony is gained from consensus, which psychologically brings out acceptance of socio political aspects and certain conformity. The final objective is to lead people to view the existing problem with group's or social class' perspective. In this context, peasants' consensus is very weak due to intellectual subordination and inability to read critically options offered by the outsiders.

Consequently, the attitude of peasants that tend to be submissive on adverse occurrences toward them is seen as the moral economy of subsistence ethic in the peasant life (Scott, 1976). Peasants who are so close to subsistence level prefer to take the safety-first principle rather than trying something new to maximize their profits. The violation of the moral economy subsistence ethic by the elite may impose peasants' resistance either openly or closely. According to Soekartawi (1993:102) this condition happened because peasants always face uncertainty risk in every decision making process.

On the other hand, Popkins (1979) views the peasant's attitude as essentially coming from rational principles. He refused the moral economy perspective by arguing that the peasant is an actor instead of being risk-averse. The peasant is capable of assuming risk and calculates cost-benefit against the moral and cultural fabric of the community. Beyond debate of both views,

Hayami and Kikuchi in Mazali (1993) argued that moral and rational principles are empirical realities in the field and both of them may run together.

It is not enough to understand peasants' poverty only from their shortages in understanding modern knowledge in agriculture, yet structural injustice also contributes to their powerlessness. De Vries (1985) as noted by Sosialismanto (2001) contends that the main problem of Javanese peasant is the lack of farmland. This leads to an uneven growth between populations with available agricultural land. Exacerbated by division of land into small plots and the decrease of farm production, the poor are vulnerable to food shortages and lack of cash.

Land ownership contributed to poverty and economic polarization in rural areas to some extent. Generally, land ownership transfer is through sale or inheritance. Smallholder peasant cannot afford to buy land, and it gives more chance for the rich farmer to acquire the land through sale. The transfer of land ownership through inheritance will lead to the fragmentation of agricultural land ownership. This happens because the heirs include all children both male and female. In the other words, the inheritance process boosts the downsizing of agricultural land ownership for most households of the farmer's next generation (Amaluddin, 1987).

Budijanto (2000) concluded that the Green Revolution in Indonesia with all the tools of institutional and technology has created a gap within the class group of farmers at the village, those who benefit and those who were eliminated by the Green Revolution. There has been a stratification of social groups, those

who are excluded become farm laborers and landless peasants while those who benefit are farmers who own land more than 0.5 hectares and those who have large land ownership. The mechanism of achieving access to capital, intake, processing and distribution has become a mechanism for splitting and sharpening social and economic inequality of farmers in the villages.

According to Hakim (2004) the government has made some poverty alleviation programs since Soekarno's era, however, the poverty rate as represented in the statistics is more permanent and structural. The poverty alleviation programs for rural areas as follows:

1. Presidential Instruction Program for Remotes Village (IDT). Through this program government created database in a simple format list of villages that are unreached by development. Even though this program gave benefit to the villages, yet in overall most villages still could not get out of the poverty trap.
2. Kecamatan Development Program (PPK). Through this program, each sub district was modernized by providing infrastructure and encouraging small economic activities. However, the effectiveness of this program was questionable since rural poverty number remains high.
3. Efficiency Credit Program for Appropriate Technology in The Framework of Poverty Reduction (KP-TTG-Taskin). This high-tech program got failed since only a few people could operate it. Then the technology became useless because people were not ready with the applied technology.

4. Revolving Microcredit Scheme for Economic Business Village Program (UED-SP) and Farm Credit (KUT). This was favorite program during the new order because the target of the program was the people who earn income from productive economic activities and farming in remote villages. But a lot of distortions during the implementation of the program and also non-performing loan due to villagers did not pay credit installment led to the failure of the program.

Sumodiningrat (2004) argued that in addressing poverty and overcoming it, the government established Poverty Reduction Committee (KPK) as coordinators in each department as a poverty alleviation strategy. One of the strategies is to reduce the poor's spending burden and open job opportunities for productive age population through productive economic enterprise development programs.

Those poverty eradication efforts should be sustainable in order for a poor community to get out of poverty trap. One of the efforts to solve the poverty problem is poverty alleviation program based on poor community empowerment relying on the strength of poor communities.

3.3. Empowerment

The term empowerment basically comprises of two aspects, "to give authority and to give abilities or enable" the peasant. In the first sense, empowerment means giving power, transferring power and delegating authority to other parties. Meanwhile, the second perspective defined empowerment as an effort to give ability or power (Friedman, 1992).

In other studies cited by Mardiniah (2003), Friedman said that empowerment is defined as gaining strength and linking it with the ability of the poor to gain power access to resources as the foundation of the power in an organization system. The access is used to achieve independent decision-making. Thus the poor can organize capabilities and potentials to define, plan and execute their collective decision.

Empowerment has a broad understanding and perspective. Andrew Pears and Michael Stiefel said that respect for diversity, local distinctiveness, de-concentration strength and self-reliance improvement as forms of participatory empowerment. On the other sense, Samuel Paul stated that empowerment means a fair power-sharing heading to raise political awareness and the vulnerable group's power and enhance their role in the development process and results. From environmental perspective, Borrini viewed empowerment as a concept related to the security access of natural resources and its sustainable management (Priyono and Pranarka, 1996).

Shardlow (1998) argued the essential thing in empowerment is how individuals, groups, or communities seek to control their own lives and seek to their expected future. Empowerment process must prevent the powerlessness of the vulnerable groups against the powerful. The main thrust of empowerment is to protect the vulnerable groups. Protecting does not mean to isolate and shut them up from interaction, but prevent unfair competition and exploitation of the powerful over the vulnerable. While the definition of community empowerment is an effort and to strengthen community capacity in accordance with

community resources, to encourage community self-reliance, in order to be able to meet basic needs such as food, clothing, housing, health, education, employment, wishes, spirituality, social relations, culture and justice (Bastaman, 2000).

Empowerment can also be seen as a program or as a process. As a program, empowerment is viewed as activity stages to achieve goals that are usually time lined. Consequently, when the program was finished it was deemed empowerment has been completed. As what happened in project based development system built by government institution in which one project to other project was lack of coordination (Adi, 2002). Empowerment as a program should be seriously planned by focusing on efforts that make a society more intelligent, able to develop communication between them in order to build their ability in discussing and resolving the existing problems. So when an agent of change from outside community namely government or non-government organization has completed its program, empowerment as a process continues in the community.

In the context of social welfare, empowerment is associated with efforts to improve living standards from a level heading to a better level. By examining factors that cause a community to be powerless, Adi (2002) argued stages of empowerment as follows:

a) Preparation. It includes preparing community worker and field assessment.

At this stage the community worker makes initial contact with the program target. This contact should be kept in order the community worker as an

agent of change can get close to the target community. Good communication in this stage will affect community's engagement in the next phase. This phase is called engagement phase.

- b) Assessment. This is implemented by identifying felt needs, expressed needs, and local resources. At this stage the community is actively involved to feel their problems from their perspectives. Agents of change facilitate the community to arrange priority of the problems to be followed up in the next stage.
- c) Planning on alternative program. At this stage agents of change engage the community participation to think about their problems and how to resolve its. In this process agents of change play role as facilitators helping people to discuss and think about programs and activity they will implement.
- d) Formulating action plan. At this stage agents of change help groups to formulate and determine programs and activities they will implement and how to resolve it. It is expected that the community can imagine and write their short-term goals and how to achieve the goals.
- e) Program Implementation. This stage is the most important stage in community development process since something well planned can distort in the field if there is no cooperation between agent of change and the community and people among community. Program development urges the role of community as cadres to sustain the program has been developed.
- f) Evaluation. Evaluation as a supervision process from the community and community worker on the running program. By involving the community in

supervising the program, they will conduct internal supervision, which in the future they can create an independent community system by utilizing available resources.

- g) Termination. At this stage agents of change terminate a formal relationship with the community by assuming that the community can stand on their feet.

3.4. Peasant Empowerment Through Collective Enterprise Groups (KUBE)

One of the initiatives to alleviate poverty is through the formation of Collective Enterprise Group (KUBE). KUBE is dedicated to alleviating poverty of the poorest of the poor (*fakir miskin*). The poorest of the poor is a person who has no livelihood at all and has no skill in meeting their basic needs to have a decent life (Government Act Number 42 Year 1981).

KUBE Fakir Miskin (KUBE FM) is a community of poor families categorized as the poorest of the poor, in which they set up, grow and develop KUBE by their own initiative, interact with each other, and live in the same area. The objective of KUBE is to improve member's productivity, enhance harmonic social relationship, fulfill member's needs and resolve their social problems and become a medium for developing collective enterprise (Ministry of Social Affairs, 2003:6).

KUBE is a social and economic institution. KUBE's objective does not only emphasized on economic aspects but also social aspects namely social solidarity and care, by involving community around KUBE to participate in

production process done by KUBE members. Thus, KUBE does not only raise KUBE's members' income but also gives benefit to people around it.

The existence of KUBE for the poor can be a medium to enhance economic productive enterprise (especially in raising income), provide things needed by the poor, create harmony among community, solve social problem, self development and as a medium for experience exchange among them.

The target of KUBE are those who have deprivation in many things such as income, housing, health, education, capability, skills, capital acquisition, communication, technology, etc. In KUBE system, individual enterprise activities are developed into group activity so each member can improve knowledge and skills in economic productive enterprise activity (UEP), social welfare effort and also organizational capability. In spite of this, group member can more easily cooperate each other rather than if they work separately (Information Media, 2002).

Activities related to social welfare effort such as charity management, social solidarity contribution (IKS), social gathering, etc in term of preventing the emergence of social problems. While activities related to UEP can be trade, service, agriculture etc. and activities related to organization can be financial management, registration and report.

Through KUBE, members are expected to enhance knowledge and perspective because they are demanded to have managerial ability to manage enterprise they run, explore and harness available resources for the success of the group. KUBE management obliges the poor to revolve fund in the form of capital

aid to KUBE's members. The objective of this revolving scheme is to guarantee repayment of loan principle plus debt service payments and then to channel it to other KUBE's members as an accessible productive economic capital in a simple mechanism (Sumodiningrat, 2001:128-129). The revolving system is considered effective if beneficiaries and people around KUBE can harness benefits from this activity. The benefits can be seen from improvement gained by beneficiaries compared to the condition before they get the aid such as social welfare improvement, social solidarity enhancement, and problem solving skills improvement (Hermawati, et.al., 2005).

KUBE as a Community Based Development Approach uses group approach to make the program more effective and efficient in management. As said by Elfindri (in Ariyanto and Anas, 2009 :13) group has some strengths can be a reference for the success of the program as follows:

1. Group is one of the media to unite the community in many communities, because the group differences and the interpretation of a program can be eliminated, thus the implementers in the field need to develop communication and build a network among existing groups in the target area.
2. The groups consist of individuals as a part of the community members who are classified as the target program.
3. Groups represent the desires and goals that are expected by their members in making changes and improvements.

KUBE development for community poverty alleviation is based on several principles. The principles can be described as below:

1. Self-determination, KUBE members should determine their own destiny. Other parties such as supervisor, government or facilitator role only as facilitators.
2. Kinship, KUBE is built upon kinship spirit among KUBE members and their environment.
3. Mutual cooperation, togetherness spirit should be built by undertaking equality principles.
4. Member potential, KUBE management and operational should be based on members' ability and potentials.
5. Local resources, enterprise development should be based on local resources.
6. Sustainability, KUBE's operational and activities are implemented in sustainable program, not only for short term.
7. Market oriented, KUBE's enterprise should have good prospect and appropriate with market demand.

According to the Ministry of Social Affairs (2004) the success of KUBE can be measured from criteria as below:

1. KUBE members can develop based on the need in the field, local condition and group agreement. Because of the characteristic of specific activities KUBE can grow to be a big group.
2. Management and task division are working as their function.

3. Enterprise development in which KUBE can be a main enterprise include two kinds of enterprises
4. Social responsibility among members is good and it is shown by willingness of members to help other members who have calamities and difficulties.
5. The ability to raise capital that can be known from the amount of capital owned by KUBE. Capital rising can come from any ways such as subsidized credit.
6. Partnership, the ability to build network with many parties.

The success of KUBE is also strongly affected by the performance of facilitator namely Kecamatan Social Official (PSK), Community Social Worker (PSM), and other parties who are appointed and trained by Local Social Affairs. Facilitator are obligated to give alternative solution to KUBE under their supervision to conduct economic productive (Saman and Sayogyo, 2000:6).

In a line with this, Dahlan (2003), proposed several factors contribute to the success of KUBE such as; First, members are active and have strong will in managing their business and also have skills or job experience based on enterprise they run. Second, members have high motivation because of equal job distribution among members so mutual cooperation and management can function well. Fourth, production input from local resources is abundant. Fifth, KUBE's product marketing can run well because of easy access and transportation. Sixth, there is an integrated supervision from related agencies.

In the implementation context, even though KUBE is not a special program addressed to peasants but it reaches the peasant for its focus in rural areas. Hence, it should understand peasant's characteristic in order the target of empowerment could be achieved. Mosher (1987) proposed four actions to enhance peasant's cooperation within group: (1) organizational assistance, to understand and analyze their problems and what type of organization fits to their needs, (2) provide special materials, the peasant group may realize their need of improvement, but they do not know the tools and how to get it, (3) technical and managerial assistance, since an effective group may have hindrance because they do not have technical knowledge and skill to manage activities, (4) financial assistance, this can be a stimulant to combine local people's resources with fund provided by government.

In contrast, peasants are seized by their farming activities, thereby if there is no one to encourage them to engage in collective activity for new goals, and help them prepare their needs, they will not cooperate effectively for their own goodness. Therefore, systematic encouragement from facilitator to group's activity will contribute to the successful implementation of the program (Mosher, 1986). The facilitator or agent of change is a stimulator to raise peasant's participation by viewing the potential of the community, enhance the potential and prevent them from powerlessness (Kartasmita, 1996). Furthermore, group's facilitator can play role to raise peasants' awareness of their powerlessness situation by motivating peasants' potential so that they can develop themselves to respond their own problems. Vitalaya (1996: 45) affirmed that the role of

facilitator is more as “a nurse” in a process of bearing the peasants’ power, thus the transformation and innovation would be useless if it could not grow motivation to change. In this context, peasants are willing to change if an empowerment process is based on knowledge they have and needs they feel (felt-need).

KUBE as a Community Based Development Approach is considered appropriate to empower the peasants because there is a participatory learning and action from defining problems to resolving its. Consequently, the facilitator can play role as a catalyst to help the peasants achieve their expectation that collectively they can do something for what they feel. In addition to this, empowering peasantry should use approach from their opinion, culture and knowledge, not from the outsider’s.

3.6 Social Capital

Social capital can be considered an asset contributing to the development of other forms of community capital-human, financial, physical and environmental (Green & Haines, 2002). Social capital also may directly affect individual well-being through its effect on health and happiness, safe and productive neighborhoods, education and children’s welfare (Putnam 2000).

According to Nasdian and Utomo (2004) social capital emphasizes on social relationship and social organization patterns created to gain potential power for economic development. Then, social capital is linked to micro, mezzo and macro analysis. At macro level, social capital include institution namely government, legislation, civil and political freedom. At micro level, social capital is linked to individual and family analysis, while at mezzo level, social capital is

linked to community approach. Social capital closely related to values and norms regulating individual, family and community interaction manifested in any tradition, custom with its rationality.

Putnam also (2000) defines social capital as connections among individuals. Individuals connection means social networks and the norms of reciprocity and trustworthiness that arise from them. He presumed that the more people connect with each other, and the better off they are individually and collectively, because there is a strong collective aspect to social capital: The social and economic system as a whole functions better because of ties among actors that make it up (Briggs, 1998 in Gittel and Vidal, 1998:15).

Social capital (World Bank, 1998) refers to the institutions, relationship, and norms that shape the quality and quantity of a society's social interaction. Fukuyama (1999:16) pointed it out as an instantiated set of informal values or norms shared among members of a group that permits them to cooperate with one another. If members of the group come to expect that others will behave reliably and honestly, then they will come to trust one another. Trust acts like a lubricant that makes any group or organization more efficiently run.

3.7. Participation

In the community empowerment, public participation is one of the most important things in obtaining the empowerment goals. A definition of public participation is a process in which individual takes part in decision making in the institutions, programs, and environments that affects them (Heller, 1984 in

Dalton, 2001). Public participation is not simply volunteering time or resources, but occurs when citizens take part in making decisions for the community. Muhajir (1980) suggested that participation can be defined as community participation, involvement and togetherness in a certain activity either directly or not and it is done consciously without any force. Based on the level, participation consists of four kinds:

1. The individual involvement in the decision determination process
2. The individual involvement in the program implementation
3. The individual involvement in enjoying the result of the activity
4. The involvement in the evaluation

Participation is defined not only as physical involvement, but also as non-physical involvement as said by Davis in Harahap (2001), that participation is involvement of individual mental, mind and feeling in a group situation that encourage him to give donation or assistance to the group in order to obtain the goal and also get responsible to the related activities. Besides that, participation is defined as donation in an activity done in the level of planning, actuating and program evaluation.

Participation is differentiated into three kinds: (1) Voluntary participation, (2) Induced participation, (3) Forced participation. Voluntary participation is participation, which comes from the initiative of the community itself. Induce participation is community participation after getting directions from other parties. Forced participation is community participation done because there is a force from other parties.

Nevertheless, it is really important to realize that there are several factors that may affect community participation. According to Sutrisno (1995), the factors are:

1. Poverty causes time and energy limitation in attending meetings and ignoring environmental sustainability
2. Lack of knowledge and ability which is effective in encouraging community in a certain environment
3. A weak feeling of togetherness
4. No enthusiastic feelings toward community participation since there are disappointing experiences in the past
5. There is difference in interest
6. There is no self-awareness that both community and individual have to take part.

Some experts relate participation and effort in supporting government's programs, such as stated by Raharjo (1985) that participation can be defined as community participation in government programs. Whereas Mubyarto (1984) said that participation is the willingness to help the success of each program that is compatible with an individual's ability without sacrificing himself.

To know the quality of community participation in development, Sumarto in Sembodo (2006) stated several criteria as standard. They are as follow:

1. Very active, if: a) The majority of the rural community (more than 70%) takes part in the planning and implementation, b). Each individual feels

free to speak and participate and c). Women and poor people take part in each stage

2. Active, if: a) the majority of rural community (51 - 70%) involve in planning and implementation stage, b). Most of the people involved feel free to speak and actively take part and c). Rural community are asked their opinions during the meeting or discussion
3. Average, if: a) Participation is still limited to certain people or minority of rural community b). The elites of the village and some of the community members take part in the planning and decision making c). Only few people feel free to talk and take part, d). Women and poor people less participated
4. Less, if: a) Participation is limited to one or two people and elites of the village who have influence and power b). There is almost no participation from women and poor people in planning and decision making c). Nobody feels free and takes part, d). The benefit of the program is only felt by a certain people.

Through high participation and active role of community, the strengthening of the program target can be reached. As such the KUBE can enhance the poor's ability to improve their welfare.

3.8. Summary

The high number of people in poverty, especially in rural areas needs sustainable solutions that can empower the poor to develop their capabilities in fulfilling their needs. Collective Enterprise Group (KUBE) is a group approach

having two main functions of creating economic and social institution. As an economic institution, KUBE is directed to income generating efforts, while as a social institution, KUBE stresses on mutual relationship and social solidarity among members and the community around them.

By using group approach, KUBE encourages social capital enhancement, which can be the glue for KUBE's economic activities. It also helps solve problems within the group. KUBE's functioning as a medium for empowerment should be supported by government pro poor policies and facilitation in order it to be an effective tool to alleviate poverty.

CHAPTER IV

RESEARCH METHODS

This chapter illustrates how the research was carried out. It includes the type of research, the approach of the research, the location of research, research sampling, sources of data, data collecting processes, data collecting techniques, design of data analysis, fieldwork, limitation of fieldwork and summary.

4.1. Type of research

This research is a qualitative research. According to McNabb (2002: 267), qualitative methods describe a set of non-statistical techniques and processes used to collect data about social phenomena. Qualitative method can be used to understand what has not been known yet about any phenomenon. This method usually includes observation and interviews and also includes documents, books and other data. According to Neuman (2006:35), descriptive research presents a picture of the specific details of a situation, social setting or relationship.

Consequently, this research is carried out to describe a detailed social phenomenon in order to give a picture of a specific social condition. The researcher uses this type of research because it will answer and describe the empowerment process through KUBE (Collective Enterprise Group), the impact of KUBE on the poor peasants' welfare and factors affecting KUBE's sustainability of the three KUBEs in Sumberagung Village Blitar Regency.

4.2. Focus of research

Molleong (2006) stated that research focus plays an important role as a means in directing research in order to ensure relevant and useful data collected. To describe the empowerment process through KUBE, its impact on the peasants welfare and factors affecting its sustainability, the focus of this research includes the following:

- (1) The implementation of KUBE in Sumberagung Village
- (2) Empowerment Process through KUBE, which covers selection of productive KUBE, Socialization, KUBE Management Training, and Productive Economic Enterprise.
- (3) The impact of KUBE on the peasant's welfare comprising economic and social conditions.
- (4) Factors affecting KUBE's sustainability from the perspective of KUBE members.

4.3. The location of the Research

This research took place in Sumberagung Village Blitar Regency, which is located in East Java Province. The researcher chose Sumberagung Village as the location of the research due to two supporting factors:

- a. Sumberagung Village is one of 10 villages in Blitar Regency, which received Social Empowerment Direct Aid for Poor Empowerment Program (P2FM BLPS) from Ministry of Social Affairs in 2007. The project was a national pilot project and was aimed at encouraging the development of existing KUBE in Blitar Regency. The activities of the KUBEs remained up to

present even though Blitar Regency Social Services had terminated fostering it. Blitar Regency Social Services needs to know the latest condition of the KUBEs as there was no evaluation on the KUBEs financed by P2FM-BLPS in Blitar Regency.

- b. Compare to other KUBEs supported by P2FM-BLPS in Blitar Regency, the implementation of KUBEs in Sumberagung Village has more potential to be developed further. Sumberagung Village has good otential and local resources that will support the development of enterprise related to agriculture.

4.4. Sources of data

According to the research focus and problems, the researcher uses both primary and secondary data. The primary data were gained from informants during the fieldwork. The secondary data were collected from documents related to the research.

The informants were selected through snowball sampling. It aims at identifying problems related to empowerment from key informant about those who can provide information about the research problem. The informants interviewed were KUBE members and administrators in Sumberagung Village. While, the executor agencies interviewed were the Chief of Poor Family Fostering Section of Blitar Regency Social Services, Village Social Assistant, Village Head and Village Officers. The choosing of informants from beneficiaries and executor agencies is meant to compare information from both sides.

The secondary data are documents. Documents used in this research include Local Regulations about KUBE and Empowerment of The Poor Program, archives of Blitar Regency Social Service relating to KUBE activities in Blitar Regency, documents from KUBE such as enterprise development report, yearly report and other reports, local potential and resources data, the Monograph of Sumberagung Village and related documents.

4.5. Data collection techniques

Data collection techniques in this research include interview, observation, and group discussion. The data collection can be described as follow:

a. Interview

The researcher conducted interviews with the informants by using in-depth interview techniques. The interviews were implemented directly in an informal situation to give the informants discretion on their experiences, knowledge and perspectives about the implementation of KUBE (Collective Enterprise Group) in Sumberagung Village. The interviews were unstructured and open ended in which the answers were not limited on one response.

b. Observation

Observation was conducted on the location related to object, occurrence, process, relationship or community condition and their natural resource. This technique included observing peasants' activities in raising their cows, and their responses in group discussions and group meetings.

c. **Group Discussion**

Group discussion according to Sumardjo and Saharudin (2004) is a forum formed to share experiences among discussion participants in a group to discuss problems have been defined before. The discussion was conducted in one session to identify factors affecting the sustainability of KUBE from the perspective of KUBE members. The researcher as a facilitator used this technique to evaluate and complement the information attained from the interviews before. The participants here included members of the three KUBEs and the Village Social Assistant. The informal group discussion atmosphere was created to encourage subjects to speak freely and completely about behaviors, attitudes, and opinion they possess as the actors of KUBE (Berg, 2007:145).

4.6. Data analysis

In the qualitative method, there are two parts to the design of data analysis. The first is data management. Data management has two steps, first, managing data begins with organizing the collection process and second, designing the system for storage of the gathered data (McNabb, 2002). The second part of the design is analysis of data. Miles and Huberman (1994) describe the qualitative data analysis as three activities lines: data reduction, reporting/display and conclusion (drawing and verifying). These activities are interactive. The stages of data analysis can be jotted down as follows:

1. Data reduction is the activity started from selecting and focusing and will be finished in transforming the data that appear in written-up field data and transcription. The researcher implemented this activity by selecting raw interview data, observation and documents related to the study. Afterward, the raw data were transformed into written form. The researcher did transcribing immediately after obtaining data from interview and observation.
2. Data display is the process to organize the data that will be used in making a conclusion. In this stage the researcher read carefully and thoroughly the data transcripts and then sorted the data for making conclusion.
3. Conclusion is the closing process from the data analysis. In this activity the researcher verified the data and findings and draw conclusion.

To support the analysis procedures, the researcher used triangulation. At this stage, the researcher checked and rechecked among multiple sources of data such as document, observation, interviews and group discussion. The triangulation was undertaken to reduce the fallacy of gained data or to obtain more objective conclusion.

4.7. The fieldwork

The researcher conducted fieldwork to collect raw data in the field to be processed through analytical instruments and procedures. The researcher conducted fieldwork from February 1 - March 5, 2011. The data were collected in three sessions. The first session was collecting documents related to KUBE in Blitar Regency Social Service in the period February 1 – 8, 2011. The second was

observing and interviewing the informants conducted between February 10 – 22, 2011. Here the researcher interviewed all informants; the Chief of Poor Families Fostering Section of Blitar Regency Social Services, KUBE members, KUBE administrators, Village Officers, Village Head and Village Social Assistant. During this period, the researcher also conducted field observation in Sumberagung Village Blitar Regency and took photographs as an important source of evidences for the study. The last session was conducting group discussion. The group discussion was implemented on March 5, 2011. The researcher took three days preparation during the period March 2 – 4, 2011 to coordinate and communicate about the mechanism of group discussion with Village Social Assistant and also KUBE administrators.

4.8. The limitations of the fieldwork

Empowerment has a broad meaning and covers various dimensions. Particularly, the findings of this research would benefit from its detail description on empowerment process through KUBE, its impact on peasants' economic and social welfare and also perceptions and opinions of peasants concerning factors affecting KUBE's sustainability. The limitation of the fieldwork also considered the different schemes and implementation of KUBE financed by P2FM–BLPS in Sumberagung Village that may not be generalized to other KUBE schemes in other parts of Indonesia.

4.9. Summary

This research used descriptive qualitative approach to understand deeply about KUBE BLPS program on empowering peasants in Sumberagung Village

Blitar Regency. The focus of the research included the implementation of KUBE program in Sumberagung Village Blitar Regency, empowerment process through KUBE, the impact of KUBE program on the peasants' welfare and factors affecting the sustainability of KUBE.

Sumberagung Village was chosen as the location of the research because it is one of the 10 villages in Blitar Regency, which received national KUBE pilot project called Social Empowerment Direct Aid for Poor Empowerment Program from the Ministry of Social Affairs. The activities of the KUBEs have continued into the present even though Blitar Regency Social Services has terminated its sponsorship.

Data sources were primary and secondary data. The primary data were acquired from interviews with informants, observation and a group discussion. The secondary data were gained from documents. The research data were analyzed as interactive to reduce fallacy and to gain more objective data.

The research fieldwork had limitation. This research would benefit from its detailed description on empowerment process through KUBE, its impact on peasants' economic and social welfare and also perception and opinion of peasants concerning factors affecting KUBE's sustainability of the KUBE P2FM-BLPS. The result may not be generalized to other KUBE schemes and implementation strategies.

CHAPTER V

FINDINGS AND DISCUSSION

This chapter presents findings of the research in the field. The sections are follows: (1) The implementation of KUBE Program in Sumberagung Village (2) Empowerment process through KUBE (3) The Impact of KUBE on the poor peasant's Welfare (4) Factors affecting KUBE's sustainability, and (5) Summary

5.1. The implementation of the KUBE program in Sumberagung Village

In 2007, Ministry of Social Affairs mandated Blitar Regency for implementing Empowerment of The Poor Program through Social Empowerment Direct Aid (P2FM-BLPS). This program is a poverty alleviation program under The Directorate of Empowerment of The Poor of Ministry of Social Affairs (*Direktorat Pemberdayaan Fakir Miskin Kementerian Sosial*). The term poor (*fakir miskin*) refers to Law No 42 1981, “*the poor is a person who has no livelihood and has no ability to meet his/ her basic need for a decent life or a person who has livelihood but unable to meet his/her basic need in a decent life*”.

Nationally, The Directorate of Empowerment of The Poor (DEP) conducted this program at 99 regencies/municipalities in 33 provinces. The target of the program were poor communities that were still productive and has productive enterprise activity in a Collective Enterprise Group (KUBE) legalized by a Regent/Mayor Decree. The criteria of a productive KUBE are as follow:

- a) A community of the poorest of the poor aged 15 – 55 years old organized in a KUBE FM and already had enterprises.

- b) Has a legal proof such as the Decree of Social Services and Certificate from related agency.
- c) Has an active management.
- d) Has a good administration.
- e) Has an initial enterprise with good prospects.
- f) Has production asset in need of business development.
- g) Has capability potential to develop enterprise through a bank mechanism

In reality, many KUBE members lack capital to expand their enterprises. Whereas access to a financial institution namely a bank hardly existed since most KUBE members were unable to fulfill the requirements such as collateral. The non-readiness of KUBE members to meet the requirements to access bank hinders them to increase productivity and leads them to have stagnation. Consequently, the community is unable to create jobs and reduce unemployment.

To solve the problem, DPE provided the business capital that facilitates the poor to conduct Productive Economic Activity (UEP). Ministry of Social Affairs cooperates with Bank Rakyat Indonesia (BRI) for the implementation of the program in the field. BRI will provide some easy and special facility for a KUBE. The provision of business capital is expected to open up opportunities for a KUBE to expand and enhance its productivity. Instead of getting business capital, KUBE may also improve the quality of its product through training facilitated by the bank and consultants that assist the program.

This program is an advanced KUBE program to promote the effectiveness of KUBE as a means to alleviate poverty in Indonesia. The objectives of the

program are to improve KUBE members' income; to enhance KUBE members' ability in accessing basic social services, market, and banks to fulfill their needs; to enhance solidarity and responsibility of the society and business sector in alleviating poverty; and to expand possibility and opportunity for the poor.

Considering that KUBE members are poor people with less skill and knowledge, this program is also endorsed with social assistance. Social assistance is a process to build social relationship between a social assistant, KUBE members, and people around them in order to solve problems, enhance support, utilize resources and potential, and open access to basic social services and job opportunity. Social assistants can help them improve their skill and knowledge. Social assistants in this program consist of a province social assistant, a regency social assistant, a sub-district social assistant, and a village social assistance (VSA) for each village. Among other social assistants, the VSA play the most vital role since they assist the implementation of KUBE in the field.

MSoA supervises this program as part of the National Community Empowerment Program (PNPM) and involves various stakeholders such as government, bank, business sector, and the community itself. All stakeholders play roles and responsibilities to endorse the sustainability of KUBEs. Therefore, all government layers; local, provincial and central government, should work hand in hand to succeed in the implementation.

Blitar Regency Social Service (BRSS) was the executor agency of the implementation of the program in the field. Its responsibility is related to the stage of empowerment of the poor should be completed in the time-line set by the

MoSA. The stages included: (1) selection of productive KUBE; (2) Selection and recruitment of social assistants; (3) Familiarization of the program; (4) Social Coaching and Management; (4) Monitoring; and (5) Fostering and Advanced Coaching.

The total fund provided by MoSA is 1.5 billion rupiah for granting the selected productive KUBEs in Blitar regency. Based on the program scheme, each KUBE received 60 million rupiah to expand their economic productive enterprise (UEP). It was expected that by receiving the aid the KUBEs would be able to sustain their activities so that they could create jobs and subsequently get out of poverty.

Therefore, KUBEs in Sumberagung Villages are part of the twenty-four KUBEs in the two sub-districts: Kademangan and Selorejo selected as the aid recipients. Blitar Regency Social Service allocated the aid to 30 poor households involved in three KUBEs in Sumberagung Village: KUBE Sidorame I, KUBE Sidorame II, and KUBE Sidorame IV. The existence of KUBEs in Sumberagung Village were legalized through Regent Decree Number 318 year 2007 (*SK Bupati Blitar*), on 12 June 2007 about Decision on Location and Target of Blitar Regency's Empowerment of The Poor Program in 2007. The selected KUBEs were called KUBE P2FM BLPS. Table 6 shows the list of KUBE P2FM-BLPS in Blitar Regency.

Table. 6. KUBE selected in P2FM BLPS Blitar Regency 2007

<i>Sub-district</i>	<i>Village</i>	<i>Name of KUBE</i>	<i>Kind of Enterprise</i>	
Kademangan	Suruhwadang	Rejeki Moro	Goat rearing	
		Kacangljo	Goat rearing	
	Sumberjo	Mekarmulya	Goat rearing	
		Sidomakmur	Goat rearing	
		Sumberurip	Goat rearing	
		Jarimakmur	Furniture	
	Sumberjati	Sumberrejeki	Furniture	
		Dawuhan	Sukomaju	Goat rearing
			Sukorejo	Goat rearing
	Maron	Sukodulur	Goat rearing	
		Mawar	Goat rearing	
		Flamboyan	Goat rearing	
	Selorejo	Sidomulyo	Sidodadi	Cow rearing
			Rukunmakmur	Cow rearing
Sidousaha			Cow rearing	
Boro		Rukunsantoso	Cow rearing	
		Sumberurip	Cow rearing	
		Lestari	Cow rearing	
Ampelgading		Telasih I	Cow rearing	
		Telasih IV	Cow rearing	
Pohgajih		Mega mendung IV	Cow rearing	
		Mega mendung V	Cow rearing	
Sumberagung		Sidorame I	Cow rearing	
		Sidorame II	Cow rearing	
		Sidorame IV	Cow rearing	

Source: Blitar Regency Social Service data 2007

In Sumberagung Village, this program complemented some empowerment programs that have been implemented before such as PNPM, PPK, and other KUBE schemes from BRSS. A fundamental difference with the previous programs was the disbursement of the aid that did not involve village administration. So the aid was transferred through bank mechanism directly to KUBE's account. The mechanism was quite difficult to implement since the program did not prepare capacity building for beneficiaries and village officer in Sumberagung Village. Exacerbated by non-readiness of the BRSS as the executor

agency, some misconceptions and distortions occurred during the process of empowerment.

5.2. Empowerment of the poor peasant process through KUBE

Based on research findings empowerment process of the poor peasants through KUBE in Sumberagung Village was undertaken in stages as follow: Selection of Productive KUBE, Familiarization of The Program, KUBE Management Training, and Productive Economic Enterprise (UEP).

a. Selection of productive KUBE

The selection of productive KUBE is the first thing to do in the P2FM-BLPS scheme. Criteria of productive KUBE have been determined by the DPE, so that the executor agency in the field should follow the project guidance. The BRSS delegated Poor Families Fostering Section of Social Empowerment Division (PFFS) to execute the selection process. The process was started by scrutinizing the data of registered KUBEs in Blitar Regency. However, problems rose up since the data obtained from the evaluation report could not represent the real conditions in the field.

The evaluation report on KUBE registered in 1990 – 2007 showed that KUBE established during that time in Blitar Regency reached 190 KUBEs. The location of those KUBEs were spread in 17 sub-districts. From the total number of KUBEs, only 49 KUBE were categorized active (Table 7). The active categorization was based on the last KUBE formation report in BRSS without rechecking the data in the field. Therefore, to determine a productive KUBE, PFFS sought information from sub-districts, villages and wards about the

condition of KUBEs in their areas. Then the collected information was discussed in the BRSS meeting.

Table 7. KUBE *Fakir Miskin* 1990 – 2007 in Blitar Regency

Sub-district	Number of KUBE	Formation Year	Active KUBE (until 2007)
Ponggok	21	1990,2002,2006	9
Nglegok	26	2003,2007	15
Sanankulon	15	2003	9
Udanawu	10	2006	6
Kesamben	16	2005,2006	-
Bakung	10	2002	-
Garum	3	2006,2007	-
Kanigoro	7	2007	-
Wlingi	5	2006	-
Talun	1	2006	-
Gandusari	5	2005	-
Sutojayan	1	2006	-
Binangun	2	2006	-
Panggungrejo	10	2005,2007	-
Wonotirto	7	2006,2007	-
Kademangan	17	2002,2006	-
Selorejo	16	2003	-
Total Number	190		49

Source: Blitar Regency Social Service Evaluation Report 2007

The choosing of two sub-districts: Kademangan and Selorejo as the location of the BLPS project actually was not based on the existence of productive KUBEs in both areas. The data showed that in those areas there was no KUBE that had sustained activity. The BRSS did not consider other areas where KUBE existed. It was clear that the BRSS proposed non-existent KUBEs to the DPE. What BRSS called selected KUBEs were essentially not formed yet.

With regard to the selection of a KUBE, PFFS as the executor agency in the selection faced difficulties when the central government (MoSA) required the submission of recipient candidates a month after the program was mandated. The categorization of productive KUBE according to the program guidance book was

difficult to reach since the existence of KUBEs in Blitar Regency generally was generally project based. It meant the BRSS did not foster the KUBEs after the project was finished. Therefore, to meet the requirement of MoSA to submit the list of selected KUBEs in the short time, the BRSS tried to simplify the selection method. The determination was based on the executive officers' consideration that the two areas had potential to succeed in the project. As stated by the chief of PFFS, Drs. Solikhin, in his remark:

“...the central government only gives us a month to propose the list of selected KUBEs so that the decision to choose two sub-districts; Kademangan and Selorejo as the recipients of BLPS aid was based on our consideration that the villages in these regions have potential to succeed the project..”(Interview on February 9, 2011)

Steps taken by PFFS above show misconception between local and central governments. The local government was not ready for implementing the program, while the central government wanted to have a quick results. Consequently, the determination of beneficiaries was not based on a feasibility study of the real situation in the field. It was rather based on fulfillment of the requirements. In fact, the program scheme was distorted from the very beginning.

b. Familiarization of the program

According to the guidance book of P2FM-BLPS, familiarization of the program should be done continuously to make sure that all stakeholders understood the concepts and the mechanism of the program. However, familiarization of the program in Sumberagung Village was only done once. In fact, the familiarization as the way to direct the beneficiaries follow the mechanism set by the BRSS. In the familiarization, the BRSS gathered 30

selected poor households in the village hall. The BRSS briefed the poor about KUBE mechanism and management. The BRSS also instructed the poor to form KUBE in which each KUBE would receive 60 million rupiah as business capital and the aid would be transferred to KUBE's account in BRI. They were also suggested to buy cow as enterprise activity after they received the aid. A selected Village Social Assistant (VSA) was obliged to help KUBEs follow the stage of activities.

The Familiarization yielded the formation of three KUBEs namely KUBE Sidorame I, KUBE Sidorame II, and KUBE Sidorame IV. Each KUBE consisted of 10 poor households. At the same time, the BRSS officials appointed KUBE administrators namely a leader, a secretary and a treasurer to run KUBE as an organization.

The formation of KUBE at the familiarization time actually broke the BLPS rules since the program required the promotion of existing KUBEs, not the newly formed ones. Moreover, the list of beneficiaries was gathered from the VSA and was not crosschecked with village officers. The validity of beneficiaries' assessment was questionable when the list of beneficiaries showed that some KUBE members were more than 55 years old. The BLPS rules required member to be within 15 – 55 years old.

At the same time, the lack of coordination with the village officers about program beneficiaries caused some tensions in the village community. Poor households that were not selected as beneficiaries addressed their jealousy to village government. They questioned on the selection method and why they were

excluded from the selection. They also complained about the determination of beneficiaries that only engaged poor households in two hamlets: Sumberagung and Sumberwader Hamlet. Poor households in Kepel Hamlet were neglected. The village officers could do nothing to mediate the poor's complaints. They conveyed the problem of the community to the Chief of PFSS at familiarization time, but the Chief of PFSS said that he had already informed the Village Head about the program and the beneficiaries. The Village Head did not communicate it to the village officers until the familiarization time. Village officers regretted the BRSS' negligence on the role of *Ketua RT or Kepala Dusun* in this program since they knew better the condition of poor households in their areas. Had the BRSS coordinated, the problems concerning the poor communities could have been avoided. This is reflected in the remark by The Head of Sumberwader Hamlet, Muryanto:

“During this time village officers didn't know much about the BLPS program because the beneficiaries are poor who had ever received aid from a similar program in former years. The village agencies didn't involve in gathering data about poor households or in socializing the program. We had trouble when there was jealousy among non-beneficiaries because Blitar Regency Social Service had set all the process. Meanwhile, the Village Head was not transparent. He kept the information from BRSS and did not convey it to us. Actually, we know better the condition of the poor households in our areas and conflicts in community can be avoided if they involve us in determining the beneficiaries..” (Interview on February 10th, 2011)

On the beneficiaries' side, rushed familiarization combined with the top down approach by BRSS, placed poor households as the object of the program that could not understand the program mechanism. The formation of KUBE

involving them was a new burden. They had to face their neighbor's jealousy and to keep their former activity while they were running KUBE scheme. All KUBE members are farm laborers and most of them are landless. They could not rely on farming activities alone to meet their daily needs. Therefore, besides working on someone else's farm they worked part time in small industries or people who need their services. The list of the three KUBE members' characteristics with the organizational structure as follow:

Table 8.
The member lists of KUBE Sidorame I

<i>Name</i>	<i>Age</i>	<i>Sex</i>	<i>Occupation</i>	<i>Position</i>	<i>Education</i>
SYUKRON	42	M	Farm Laborer	Leader	Junior High School
SANTOSO	39	M	Farm Laborer	Secretary	Junior High School
BEJO	48	M	Farm Laborer	Treasurer	Elementary school
SUNARDI NYOMO	52	M	Farm Laborer	Member	Elementary school
PAINI	55	F	Farm Laborer	Member	Elementary school
SIAMIN	47	M	Farm Laborer	Member	Elementary school
PAINEM	41	F	Farm Laborer	Member	Elementary school
SUPINAH	68	F	Farm Laborer	Member	Elementary school
LI'ASRI	62	F	Farm Laborer	Member	Elementary school
KATENI	69	M	Farm Laborer	Member	Elementary school

Table 9.
The member lists of KUBE Sidorame II

<i>Name</i>	<i>Age</i>	<i>Sex</i>	<i>Occupation</i>	<i>Position</i>	<i>Education</i>
JARNO	42	M	Farm Laborer	Leader	Senior High School
MUGI SANTOSO	42	M	Farm Laborer	Secretary	Elementary school
SUPADI	44	M	Farm Laborer	Treasurer	Elementary school
SURAJI	47	M	Farm Laborer	Member	Elementary school
SAYADI	72	M	Farm Laborer	Member	Elementary school
MA'IL	77	M	Farm Laborer	Member	Elementary school
PONIMAN	54	M	Farm Laborer	Member	Elementary school
PAIJAN	52	M	Farm Laborer	Member	Elementary school
TAMIRAN	60	M	Farm Laborer	Member	Elementary school
KATENI	47	M	Farm Laborer	Member	Elementary school

Table 10.
The member lists of KUBE Sidorame IV

<i>Name</i>	<i>Age</i>	<i>Sex</i>	<i>Occupation</i>	<i>Position</i>	<i>Education</i>
AGUS PURWANTO	36	M	Farm Laborer	Leader	Elementary school
GRESIMAN	42	M	Farm Laborer	Secretary	Elementary school
MISDIANTO	48	M	Farm Laborer	Treasurer	Elementary school
YULIANTO	40	M	Farm Laborer	Member	Elementary school
FEBRI	32	M	Farm Laborer	Member	Elementary school
TAKAT	60	M	Farm Laborer	Member	Elementary school
WIYONO	59	M	Farm Laborer	Member	Elementary school
SEMIATI	52	F	Farm Laborer	Member	Elementary school
KATEMAN	51	M	Farm Laborer	Member	Elementary school
SUTRISNO	40	M	Farm Laborer	Member	Elementary school

Source : Social Assistant of Sumberagung Village Report

Most KUBE members did not know the reason why BRSS selected them as beneficiaries; they just perceived the aid as fortune. Before Familiarization they got no information from the village administration about the aid. They did not understand that this program was addressed to the existing KUBE. Indeed, some of the beneficiaries had ever received other KUBE scheme's aid from BRSS before, yet they did not have a KUBE. At that time they had received goat from BRSS, but the program was messed up. They possessed the goat given to them and there was no action from BRSS of their acquisition. One of KUBE members, Syukron, described the situation in his remarks:

“...we were gathered in the village hall and informed that we would receive government aid. We had to form KUBE and rear cow soon. It is the instruction from Blitar Regency Social Service. We had ever received goat from former KUBE project, but after that there was no activity because the group was formed when there was aid for us. But I am grateful because it is “*rejeki*” (fortune) that will be beneficial in our future. We just follow government's instruction....”
(Interview on February 11, 2011)

Unfortunately, the involvement of the poor in this program is only for obeying the government's instruction. Familiarization could not function

effectively to make them understand about the program mechanism. Familiarization is important as an engagement phase in community empowerment process (Adi, 2002). A good familiarization will affect beneficiaries' engagement in the program. Otherwise, the beneficiaries do not have the sense of belonging to the program and it will produce the low participation of the program.

The social assistant of the KUBEs, Mr. Sanyoto, also verified the lack of preparation on these KUBEs formation. He noticed that KUBEs in Sumberagung Village were formed when the aid came, not really sustainable KUBEs needing fund to expand enterprise as said by the BRSS official. There was no meeting about the program before. At the time of familiarization, the name list of beneficiaries had already been made by the BRSS. He just worked with the village officers to communicate with the beneficiaries about the aid they would receive before inviting them to the village hall.

The chief of PFFS Drs.Solikhin argued that those circumstances were unavoidable. The BRSS as the executor agency had to meet the implementation target from the central government while the existing problems regarding the KUBE implementation had not been resolved yet. The problems included the dependency of the fund to conduct KUBE program causing the inability of the BRSS to coach, supervise and monitor the KUBE continuously, the difficulty to find capable social assistants who could help with the implementation of KUBE in the field, the lack of coordination among BRSS, sub-districts and village government, the low capability of the BRSS officers to execute a KUBE program,

also the attitude of poor people that regard KUBE program as the way to take advantage for their own benefit.

c. KUBE Management Training

The following activity carried out after the program familiarization was KUBE Management Training. The BRSS provided two-day training to enhance the capacity of selected KUBE members in order for them to run the KUBE mechanism. The trainers were BRSS officers such as the head of BRSS, the chief of empowerment division, and the chief of PFFS. They delivered materials regarding KUBE's administration and mechanism, cow rearing guidance and report making. The BRSS also involved village and sub-district social assistants to synchronize the perception of members and village social assistant (VSA) about the program mechanism.

Nevertheless, the BRSS seemed to ignore the fact that most KUBE members had low education. The two-day training was not enough for them to understand all the materials. Moreover trainers were BRSS officers who could not deliver the materials effectively. The difficulty to comprehend the materials as stated by one of KUBE members, Misdianto, in his statement:

“We did not understand the materials delivered by the trainers because the materials were too much and the trainers' method in delivering the materials was hard to understand”(Interview on February 11, 2011)

In fact, the members understanding about how to conduct group enterprise is very important in order for them to operate their enterprises, overcome hindrances, develop and build network for the success of their

enterprise. For the peasants, the success of the enterprise will influence what they wanted to achieve in the future.

On the VSA side, members' understanding is also important to cooperate with each other and feel engaged in the program. Even though the VSA has training before, he necessarily understands the capability and the characteristics of the group he assists. Therefore, BRSS should realize the importance of preparing both program target and the agent of change (Village Social Assistant) at this phase to engage them in the same vision and boost their willingness to cooperate with each other in the field.

d. The Productive Economic Enterprise (UEP) through Cow Rearing

The next activity after the training is conducting Productive Economic Enterprise (UEP). In terms of empowerment process this is the implementation stage. The BRSS informed the KUBEs about aid disbursement time and procedures. Therefore the KUBEs should fulfill administrative requirements needed by the bank. The UEP started after the KUBEs received 60 million rupiah aid through bank mechanism. Since most KUBE members were not familiar with the bank mechanism, the VSA was responsible to direct KUBE members on the procedural stages. He led members of the three KUBEs in *musyawarah* (discussion) to determine what kind of enterprise they would run. Based on the BRSS's suggestion that rearing cow is the most suitable enterprise for them whose livelihood as peasants, they chose rearing cow as their enterprises. Each member received a cow worth 6 million rupiah to be raised individually. The distribution of cow was divided into two terms. Term I was conducted on 29

November 2007 passed on cows to 15 KUBE members. Term II was conducted on 13 December 2007 passed on cows to 15 KUBE members.

Along with the commencement of the enterprise, KUBE members agreed to impose rules concerning KUBE mechanism. The rules cover three activities to be done: revolving fund, lending and savings activity, and social gathering with collecting *IKS*.

Figure 6.
Cows reared by KUBE members



Source : Social Assistant of Sumberagung Village Report

Revolving Aid

The KUBE mechanism requires KUBE members to circulate their cows to other poor households after the cows have had calves. In Sumberagung Village, all KUBE members made an agreement about this revolving mechanism. Each member had to contribute Rp.500,000,- after they obtain a calf from its mother. The money would be used to examine a cow's infertility, unhealthy condition or death. Once a KUBE member found his cow infertile, sick or dead, he could report it to the VSA to get a replacement. The VSA arranged the replacement of infertile or sick cow within a week. However, if the cow died, a KUBE member had to wait until other members circulated a cow to him.

Poor households who received cow revolving are those considered decent by VSA and village officers namely *Ketua RT / Kepala Dusun*. Nevertheless, they are not obliged to be KUBE members or form a new KUBE. This point showed that revolving activity had no replication effect on the community. Their revolving activity was more on sharing the aid to other poor. Consequently, the implementation of KUBE mechanism only comprised the three selected KUBEs; KUBE Sidorame I, KUBE Sidorame II and KUBE Sidorame IV.

The three KUBEs had different conditions in the revolving fund. KUBE Sidorame I had four cows that were circulated. The rest of the cows had not been revolved because four were sick, one was dead and one was infertile. KUBE Sidorame II had five cows that were revolved; two cows were sick and three cows were infertile. KUBE Sidorame IV had four revolving cows; three cows were sick and 3 cows were infertile. The condition of the KUBEs is summarized in Table 11.

Table 11.
Revolving Condition

Name of KUBE	Revolve	Sick	Die	Infertile
Sidorame I	4	4	1	1
Sidorame II	5	2	-	3
Sidorame IV	4	3	-	3

Source : Data Processing of Research finding

On average, all the three KUBEs faced a high problem of cow's sickness and infertility. One of the KUBEs had even a death case. It indicated members had some constraints in raising cows. It may be as a result of their lack of knowledge about cow rearing, the condition of the animals when they were

bought and other factors. Certainly, it incurs losses for peasants who had devoted their time and energy to take care of the cows. Moreover this case mostly happened among female KUBE members' cows. They really had hard time since in they had to divide their time being head of households and looking after the cow. Some of the KUBE members even quit their part time jobs because they had to feed their cows every day. This condition showed how at the implementation level, what was expected might stray from the plan. It would test the solidarity and engagement of all stakeholders to deal with the new problem.

With respect to the cow problems, the VSA who arranged the cow procurement explained that he could not predict the risk of having cows with problems. He had made an agreement with the seller about replacement of infertile cows. So each time the KUBE members reported their infertile cows, he could immediately send them to the seller. However, the case of sick cow or dead cow had to be borne by members. He could help find a vet to cure the sick cows. He also arranged cow revolving for the member whose cow died. Thing he always concern was how to get KUBE members understand that the cows belong to KUBE, not their personal property. Hence, the awareness of the members to revolve their cows immediately after they take its advantage will provide an opportunity for other poor households to have a jobs and savings. He considered most KUBE members had the awareness even though some of them had the problem with cows thus far. Only few members tried to possess the cows for themselves. He asked the village officers' help to discipline the KUBE members disobeying the rule. His position as a VSA did not give him power to force the

KUBE members to follow the rule. He explained more his effort to discipline KUBE members in revolving activity in his remark:

“ I have to approach village officers to get involved in disciplining KUBE members. It was not easy since they feel ignored in this project before and keep a distance with KUBE activities. But later on, I manage to convince them that the members are only scared of village officers for not breaking the rule. Hence, each time I found member's indiscipline I ask village officers for help”(Interview on February 11th, 2011).

Lending and Savings Activity (LSA)

This activity aims at providing soft loan for KUBE members to fulfill their family needs or to support their cow rearing enterprise. This is one of KUBEs' mechanism to create economic welfare for poor households. With LSA, KUBE members do not necessarily borrow money from moneylender or bank, which usually charges them with high interest and ask them collateral. In spite of that, this activity becomes a medium to build trust among KUBE members. Once a member borrows group's money, other members' trust functions as collateral. Consequently, this is the real implementation of social capital where trust acts like a lubricant that makes group run efficiently (Fukuyama,1996).

The source of the fund to conduct this activity comes from the contributions to the group Rp. 500,000,- by each borrower. The VSA arranged the mechanism of LSA for the three KUBEs; in each KUBE, LSA is administered by group's leader with a maximal loan Rp. 200,000,- per member. LSA stipulates 3% interest for five months period in which members are allowed to payback in five installments for the settling loan. In here leaders play an important role as administrators, controllers and mediators. They are charged with multitask since

other members were less educated to understand the concept of LSA. Therefore the success of LSA highly depends on the capability of the leader to carry it on.

Among the three KUBEs, KUBE Sidorame II is the most successful LSA executor. KUBE Sidorame I and KUBE Sidorame IV stopped LSA after a few months implementation. The most important factor for LSA to succeed was the leader capability to organize LSA, member commitment, and group's solidarity.

In KUBE Sidorame II, the LSA ran quite smoothly. The leader of the group managed to direct the members to follow the rules. Members also committed to paying back the loan in time. This activity enhanced group's solidarity through trusting each other and bridged members' need on cash. Otherwise, members who did not pay their loans lost trust from other members. They were not allowed to borrow money anymore. So far, three members had unpaid arrears. They finally got out of the KUBE membership because of shame. The leader of KUBE Sidorame II described the current condition in KUBE Sidorame II as follows:

“In general, LSA run smoothly because members have awareness of paying back within the set period. We have been conducting this activity since 2010 and only three members did not pay their arrears. Other members get disappointed but we do not take action. I have reminded them to pay but they neglect it. Then all the members keep silent until they finally get out of membership. They might feel shame. But never mind we keep running this activity. Now our LSA capital reach Rp.2, 750,000,-. The amount is got from our group capital plus loan interest” (Interview on February 12, 2010).

The two other KUBEs did not follow the success of KUBE Sidorame II. Although the two groups also had group capital from revolver contributions but the leaders could not direct the LSA properly. The LSA just worked three times

without any payback noted. The rest of money ran out. Meanwhile, the leaders and other administrators could not deliver their task appropriately. These circumstances reflect that social capital did not appear in the organizational process. It is understandable since the formation of the group is not based on members' willingness but only follow the government instruction. Hence, members had no motivation to run it properly. Exacerbated by a bad leadership, members lose the direction of the group and have no strong bond with the group. In fact, it proves that group cannot be built overnight. The formation of the group should come from the community's willingness; otherwise it works only for formality.

Social Gathering (Arisan)

Social gathering (*Arisan*) is part of the social activity in KUBE to get connected to each other in achieving social welfare. In this activity members of each KUBE gather in the leader' house. The gathering is carried out monthly on Sundays in the second week. They can talk about everything to know each other better. Through this activity they can strengthen their fraternity and help each other in daily.

They collect Social Contribution (IKS) Rp. 2000,- per head. This will be used to help members who have calamities such as family's death, sick or have celebration ceremony. Besides that they also have fun activity in social gathering in which member collects some money then make lottery to determine who takes that collected money first. The receiver is altered in each meeting.

Nonetheless, only in KUBE Sidorame II this activity remains. Two others KUBEs stop this activity because the members are not willing to conduct it anymore. The two KUBE members do not realize the benefit of this activity. In fact, it is beneficial to glue them in a social bond, to raise solidarity and togetherness spirit.

Members in KUBE Sidorame II have enjoyed the benefits of social gathering. They can get help once they have problems either financially or physically. Even though the amount of contribution is not that much but they feel others 'member support can ease their problem. This is affirmed by one of KUBE members, Paijan, comments as follow:

“ I am very grateful to get help from IKS when my wife got sick. Though it was only a little money but I feel other members' concern as a big support to deal with my problem”(Interview on February 12, 2011).

Figure 7.
Social Gathering



Source: Social Assistant of Sumberagung Village Report

5.3. The Impact of KUBE on Peasant's Welfare

As mentioned before that KUBE's objective comprised economic and social aspects of the member. It is expected that empowerment process through KUBE affects both aspects. Economic welfare includes the improved ability of KUBE members to meet their basic needs namely food, housing, clothes, health and education. Social welfare comprises members' ability to meet social needs such as come to their neighbor invitation, religious meeting, and community service. Concretely, both welfares are depicted in economic and social condition.

Economic Condition

Members' economic condition can be seen by comparing members' monthly income before and after joining KUBE. The income of less than Rp. 300,000,- is low categorized, and more than Rp. 300,000,- is high categorized (KUBE implementation guidance, 2007).

The researcher probes the peasants if there is an increased income. Whether the increase gained from joining KUBE or from other source. Instead measuring income, members economic is also measured by the ownership of permanent house (stoned wall, cement floor, and tiled roof), television, and bicycle.

Research findings in KUBE Sidorame I showed that before joining KUBE, three members had an average income Rp. 300,000,- and seven members had an average income less than RP.300,000,-. It could be said that in average KUBE Sidorame I members had low income before joining KUBE. Three years after joining KUBE, five members of KUBE Sidorame I raised their incomes in more

than Rp. 300,000,-. The raise was not yielded from KUBE but from other sources such as did part time work in few places. While the ownership of permanent house, television and bicycle, covered three members. The KUBE's performance did not affect member's economic. As stated by the treasurer of the KUBE, Mr Purwanto as below:

“...if we calculate actually our benefit from rearing cow is very little. All KUBE members cannot reap the benefit in a short term. In daily it cannot increase our income. We usually have additional income by becoming temporary laborers. But we are grateful because it can be our savings...” (Interview on February 14, 2011).

Research findings in KUBE Sidorame II showed that before joining KUBE, four members had an average income above Rp. 300,000,- and six members had an average income RP.300,000,-. It could be said that in average, KUBE Sidorame II members had high income before joining KUBE. Three years after joining KUBE, more than six KUBE Sidorame II members raised their incomes, in which more than Rp. 300,000,-. The raise was not yielded from KUBE but from other sources such as did part time job in few places, or raised goat and layer chicken. While the ownership of permanent house, television and bicycle, covered six members. The KUBE's performance did not affect member's economic. Until now KUBE has not improved yet member's economic. As stated by the leader of KUBE Sidorame II, Jarno, as follow:

“Although compared with others groups we are pretty solid, but it has not been able to boost the economy of our members. It needs harder effort to make the group has income-generating activity in the short term. We haven't reaped the benefit of rearing cow but savings” (Interview on February 14, 2011).

Member also conveyed they owned permanent house, television, and bicycle not due to KUBE. One of the members, Pajjan, delivered the remark:

“I can have television, bicycle and build a house like this not due to KUBE’s outcomes, but from working part time in many places. I saved money a little by little from the work so it could cover my family needs. I hope this group can grow and yield more so that it can improve my family income” (Interview on February 14th, 2011).

Research findings in KUBE Sidorame IV showed that before joining KUBE, three members had an average income above Rp. 300,000,- ; four members had an average income Rp.300,000,- and three members had income less than Rp.300,000,-. It could be seen that members of KUBE Sidorame IV had various incomes before joining KUBE. Three years after joining KUBE, five members of KUBE Sidorame IV raised their incomes, in which more than Rp. 300,000,-. The raise was not yielded from KUBE but from other sources such as did part time job in few places, or raised goats and layer chicken. The ownership of permanent house, television and bicycle, covered three members. The KUBE’s performance did not affect member’s economic. KUBE’s members did not think that KUBE improved their economic. One of KUBE members, Kateman, stated this in his remark:

“Since KUBE aid only came once, KUBE members could not use it to increase income. But at least we had the thing that is a cow. That could be savings for us at anytime we need money. Moreover, now there is no group activity anymore. We don't know how to increase income through group..”

Table 12.
Economic Condition

KUBE	<i>Before Joining KUBE</i>		<i>After Joining KUBE</i>		Ownership of permanent house, TV, and bicycle
	< - 300,000,-	>300,000,-	< - 300,000,-	>300,000,-	
Sidorame I	10	-	5	5	3
Sidorame II	6	4	4	6	6
Sidorame IV	7	3	5	5	4

Source: Data processing of Research finding

The economic condition of three KUBE members above illustrates the failure of KUBE to improve members economic. The economic function of their cow rising is only for savings. While in daily they have to meet their needs from other sources. This unsuccessful implementation would affect peasants' opinion to engage in KUBE program. It would discourage them to get involved and develop the program in the future. As what is said by Scott (1976) that peasants would take safety first principle.

Social Condition

Social condition of members can be seen from the intensity of the members to come to other members' celebration invitation, cooperation, and night watch. The findings about social condition of KUBE members showed that not all of KUBE members had awareness to attend celebration invitation, religious activity, night watch, and community service (*kerja bakti*). Members of KUBE Sidorame I and IV did not show their concerns on the social activities. Conversely, in KUBE Sidorame II all members concerned social activities. The condition was much influenced by leadership in each group since the leader is a

generator for group activity. The leader should also accommodate members' opinion to develop group.

The dysfunction of KUBE Sidorame I and KUBE Sidorame IV, could be viewed from the inability of group's leaders to direct the groups and engage all members in the same perception and vision. As a result, it imposed members' dissatisfaction on the group leading them to poorly participate in the group activities. It also proves that the history of KUBE formation in a former stage will influence for its following activities. Though, at some extent the capacity of the leader may contribute for group improvement as a case in KUBE Sidorame II. Nevertheless, community's engagement is the crucial thing to make them as the actors of change.

5.4. Factors Affecting KUBE's sustainability

In the literature review, there may be many factors influencing the success of KUBE. The factors include group coaching, members' satisfaction, leadership, group effectiveness, group function, group goals, group asset, support from external parties and member's participation. However, the factors may be diverse and depend on the context (Tampubolon, 2006; Dahlan, 2003). Through a group discussion conducted at the fieldwork, KUBE members perceived and assessed factors affecting KUBE's sustainability as follow:

1) Program clarity

Most members agreed that KUBE program addressed them actually could be understood if the government gave enough familiarization before. But what they feel was the government suddenly called them and instructed them to

form KUBE. Meanwhile they did not know what they were going to do with the KUBE. They perceived that once the aid disbursed to them, they did not have consequence to engage in KUBE activities. This is stated by one of KUBE Sidorame I members, Paini, comments as follows:

“I just know that it is an aid given to me, not know that I have to engage in KUBE activities. I think it is just like a former KUBE aid before. We form group as the requirement to get aid” (Group discussion on March 5, 2011).

Other members might understand the activities they were required to do but they did not know the mechanism and the objectives of the program. During this time they got information from the Village Social Assistant of which they had a detail of what they should do. In fact, the Village Social Assistant always made them a “made concept”, they only followed the Village Social Assistant’s instruction on their tasks. Inevitably, in the three KUBEs, most members did not show active participation. Only administrators of the KUBE participated in some administrative activities.

Members’ lack of understanding about the program caused the KUBE members’ dissatisfaction. KUBE only functions as a medium to meet the obligation from government for the aid they received. Meanwhile the members themselves were not willing and motivated to utilize it as a collective enterprise. As a matter of fact, they prefer to concern their individual matters rather than their groups. It is verified by Kateman, a member of KUBE Sidorame IV, in his remark:

“Sometimes I think better for me to take care of my own work rather than follow group gathering. Because I just come, sit and listen. And then I go home with nothing I understand” (Group discussion on March 5, 2011).

2) Support from external parties

Support from external parties is important since KUBE members have a lot of shortages to develop KUBE themselves. The support includes coaching and training, monitoring and evaluation held by Village Agencies, Sub-district agencies, Blitar Regency Social Service (BRSS) and Village Social Assistant.

Members said that after the aid disbursement the government never fostered them properly. So far, the BRSS only did twice monitoring; after the granting of the cow and when BRSS accompanied the provincial social service to see how the implementation of the program work. Whereas, there is no evaluation made for their activities. Members deplored the BRSS’ indifference on the KUBE development. Include, when their cows got problems. Members expected the BRSS to oversee the implementation in the field because they realized the role of the BRSS is very important to revive their enterprises. As stated by member of KUBE Sidorame II, Sayadi, as follow:

“Actually if the BRSS gives its concern on us, our enterprises can be better. The BRSS can provide us animal husbandry services officer to help us care of our cows. So our cow can grow better “ (Group discussion on March 5, 2011).

Members assumed that the village government never concerned on their activities either. Since the program implemented in 2007 up to present, village officers never coached them or asked their problems. The only support they felt

was from the Village Social Assistant. However, they realize the Village Social Assistant's limitation to support them. The Village Social Assistant cannot work optimally because his salary in this program is not enough to cover his expenses in assisting KUBE. On the other hand, he has many works to do instead of KUBE assistance.

3) Leadership

Members perceived the role of leader as very important. Mainly, in directing the group and discipline members to follow the rule of group. The leader is a role model for members. Therefore, once the leader breaks the group's rule, others may follow. Later on, it will lead to the group's friction and dysfunction. On the contrary, the leader can influence members to develop a better group. Members emphasized on the importance of the leader good attitude since it can influence members' trust in the group and can elicit dissatisfaction within the group. A member of KUBE Sidorame I, Siamin, stated as follow:

“Our leader left KUBE to pursue a better job in Kalimantan. He sold his cow and did not responsible to his tasks. So after his leaving, administrative jobs became messy. This leads to members' dissatisfaction, therefore, we are not following KUBE activity anymore but revolving our cows” (Group discussion on March 5, 2011).

4) Members' behavior

Member's behavior here related to their routine jobs as farm laborers and they oftentimes work part time in some different places to meet their family needs. They are not accustomed to organization. Organizational matters in KUBE for them are not so important because their focus is gaining more income.

Meanwhile, their productive economic enterprise is rearing cow that cannot yield income directly. It is such dilemma for them since as the head of households they have to earn income everyday to fulfill their family needs. Hence, their choice to focus on their livelihood is their rational choice to overcome this (Popkins, 1979).

Members perceived KUBE as their side jobs, which may give them additional benefit for their main livelihood. Furthermore, up to now what they gain from KUBE is the cow they have. They calculate the benefit is not significant to improve their incomes. The cow functions more as savings for them. This circumstance also underlies their poor participations in the group's activities. They said that their family needs are more urgent since it is related to survival. One of KUBE members asserted in his remark:

“Certainly, I prior my own jobs because if I don't work, my family will not eat. In fact, KUBE's activity never gives us daily income. But I will attend KUBE's gathering if I have time” (Group discussion on March 5, 2011).

5.5. Summary

The formation of Collective Enterprise Group (KUBE) in Sumberagung Village was based on BLPS (Social Empowerment Direct Aid) program by the Ministry of Social Affairs in 2007. Three KUBEs were selected as recipients of this aid in which each KUBE consists of 10 poor households. By considering local resources, the enterprise chosen is cow rearing. The government determines all of the empowerment process, which reflects top-down approach.

The empowerment process that does not accommodate felt and expressed need of the program target leads to the target program disengagement in the

empowerment stages. The impact of KUBE on members' welfare is measured from social and economic condition of members. Economic condition is measured by the amount of member's income per month and the ownership of permanent house, television, and bicycle. Social condition is measured by member's intensity to attend social activities; religious recitation, night watch, community service, and celebration invitation. KUBE members can feel the impact of KUBE in social condition, by which members develop social relationship, exchange knowledge, and broaden perspective. In economic condition, members cannot feel the impact.

The assessment of KUBE members identifies factors affecting KUBE's sustainability from their perceptions. The factors are program clarity, support from external parties, leadership and members' habits.

CHAPTER VI

CONCLUSION AND RECOMMENDATIONS

This chapter uses the major findings of the research to provide a conclusion and some recommendations for the empowerment of the poor peasants through KUBE in Sumberagung Village Blitar Regency.

6.1. Major Findings

The study began with the following questions: 1) Does empowerment processes for the poor peasants through KUBE meet the characteristics of empowerment?, 2) What is the impact of KUBE on the peasants' welfare and 3) What factors are affecting the sustainability of KUBE. The following findings emerged from the study.

Empowerment process through KUBE including selection of productive KUBE, familiarization of the program, KUBE management training, and productive economic activity (UEP) in Sumberagung Village was implemented inappropriately. The process does not follow community empowerment stages (Adi, 2002) consisting of preparation, assessment, program alternative plans, action plan formulation, implementation, evaluation and termination. It only implemented some stages such as assessment, preparation, and implementation. At each stage, it strayed from the guidelines of the KUBE program.

The selection of productive KUBE was not based on the real condition in the field because KUBEs selected recipients did not exist before the implementation. The Blitar Regency Social Services (BRSS) appointed beneficiaries by its own choices. So the selected KUBEs were newly formed and

did not exist before. Hence, according to the empowerment process (Adi, 2002) the selection of productive KUBE did not meet feasibility assessment on the felt needs and expressed needs of beneficiaries. In thus context, the BRSS as an agent of change did not facilitate the community to prioritize the problems to be followed up at the next stage.

Efforts at familiarization of the program were unable to deliver information about the program to the beneficiaries. It did not help them understand how the program should be run. Furthermore, the BRSS formed three KUBEs without accommodating the felt and expressed needs of peasants as beneficiaries. This caused peasants' lost sense of belonging to the program. Their involvement was only for following the instructions of the government. It was also worsened by lack of coordination among stakeholders leading to the program being not understood fully by the beneficiaries and the village officers. The coordination implemented only engaged the village head and the village social assistant (VSA). Meanwhile, the coordination should have incorporated the beneficiaries with the agent of change (Korten, 1988). As a result, the familiarization could not synchronize executor agencies as agents of change (the BRSS, the village government and the VSA) with the program target (peasants). It was unable to engage all stakeholders in achieving the program's objectives as the BRSS neglected the function of familiarization as an engagement phase (Adi, 2002).

The KUBE management training meant to give KUBE members managerial skill could not reach its objective. It was implemented only in two

days and delivered by BRSS' officers who are not practitioners of the presented materials. Peasants with less formal education, were unable to comprehend all the materials. The BRSS was not aware of the significance of building the peasant's capacity through the training in order for them able to overcome hindrances within the group (Mosher, 1987). Whereas, as part of the preparation stage on the empowerment process (Adi, 2002), the BRSS ignored the importance of preparing both program target and the agent of change (the VSA) to engage them in the same vision by encouraging their willingness to cooperate with each other on the implementation of program in the field.

The Productive Economic Enterprise (UEP) chosen by KUBE members was cow rearing. This activity according to Adi (2002) is the implementation stage of empowerment. At this implementation stage, KUBE members were required to conduct activities such as revolving aid, lending and saving activity and social gathering. Revolving aid is the activity to revolve the cow to other poor households. This activity had hindrances concerning problems such as infertility, sickness and death of the cow. The lack of coaching and monitoring in raising cows prevented KUBE members to reap benefit of the cow at the appropriate time. Lending and savings activities are beneficial for KUBE members to get soft loan without collateral. Among the three KUBEs, only KUBE Sidorame II succeeded to implement this activity. Social capital plays important role for success of this activity to build trust and partnership among members (Fukuyama, 1996). It worked well when the the leader had the capability to handle administration and discipline members return their loans. Social gatherings were

meant to build solidarity and fraternity among members. In this activity members also collect IKS (Social Contributions). Nevertheless, most members are not aware of the importance of this activity for building solidarity among them.

In general, the empowerment process through KUBE does not meet the characteristics of empowerment process according to Adi (2002). The process shows the domination of the government (BRSS) in determining activities. Even though KUBE is to be implemented by the bottom up approach accommodating the needs of the poor, at the implementation level the BRSS undertook top down approach. This underlies peasants' lost sense of belonging to the program. As the consequence, the government expectation for the community to develop the program by themselves may not be achieved. The essential thing in empowerment is how individuals, groups, or communities seek to control their own lives and their expected future (Shardlow, 1998). This is not apparently visible in the program. In fact, the poor remain powerless in KUBE program since the government takes control of them in the empowerment process. Viewing the process from Korten's opinion (1988), there is no intense relationship among program executors, beneficiaries, and executor agencies during the empowerment process. The relationship among them is only built at a certain time such as during the familiarization stage and aid disbursement. Consequently, the success of the program will highly depend on their intense relationships, which can give feedback to each other.

The impact of KUBE on the peasant welfare can be seen from economic and social conditions. Economic condition is viewed from comparing members'

economic condition before and after joining KUBE. KUBE does not affect members' economic as the members' economic welfare was gained from other sources namely part time jobs. The type of enterprise chosen by KUBE members affects the profit they gain. Raising cow as their enterprises cannot give benefits in the short term and it functions more as savings. Some KUBE members rely on doing part time jobs in many places for their main livelihoods. KUBE can even worsen their economic condition, as they have to quit their part-time jobs to look after the cows. In the social condition, most members can feel the benefits of joining KUBE. Some social activities set such as social gatherings and collecting IKS for encouraging members' solidarity, can develop social relationship, exchange knowledge, and broaden perspective among them. It means that KUBE has conditioned them in building social capital that will be beneficial in a group living. However, the lack of coaching, fostering and support deteriorate this social capital building since members' social activities are not seen as important anymore after a few months of implementation. This circumstance shows the role of agents of change (the government and community workers) as catalysts in raising their awareness of their resources to transform their powerlessness into powerful condition (Kartasasmita, 1996; Mosher, 1986; Vitalaya; 1996).

Factors affecting KUBE's sustainability identified by KUBE members are program clarity, support from external parties, leadership and members' behavior. Program clarity related to members' understanding about the objective and mechanism of the KUBE program. The lack of understanding about the program leads to members' passivity and dissatisfaction in the program activities. Support

from external parties such as the BRSS, the village administration, and the VSA is important to motivate, develop and resolve KUBE members' problem because most KUBE members lack resources and skill to develop their enterprises. So far, the support is only gained from the VSA. This lack of support leads to stagnation of KUBE enterprise. Leadership in a KUBE is important to direct group and discipline members to follow the rule. Therefore, the leader is a role model who can impart good or bad influence to group. Bad leadership causes members' dissatisfaction and dispersal from the group. Members' habit relates to members' routine job as their subsistence. They spend almost all their time to work for fulfilling their family needs. They perceive their works are more important rather than KUBE activities, which cannot give them benefit in a short time. Therefore, they have rational choice to do something they perceive more beneficial (Popkins, 1979).

Lastly, this research has some limitations to reach all aspects on the empowerment of the poor peasant through KUBE. Hence, by using these research findings other researchers can develop further research, especially relating to socio history of the peasants in the village, peasants' indigenous knowledge, peasants' view on farming activities connected with their efforts to survive their lives and also government policies concerning empowerment of poor peasants.

6.2. Recommendations

Some recommendations to program improvement can be made by considering many constraints in the implementation process of poor peasants empowerment through KUBE in Sumberagung Village.

- 1) KUBE is a government program, which in the implementation relies on the capability and commitment of the government to engage all stakeholders to succeed. Hence, it needs a transparent familiarization to the program target in order the program can be understood, implemented and developed by the program target (community) widely. To familiarize KUBE program addressed to the peasantry, the government should adjust to their characteristics and condition. The government should concern their needs and give them opportunity to raise their opinion so that they can engage to the program and have sense of belonging. Later on they develop the program and sustain it.
- 2) The Blitar Regency Social Services (BRSS) should improve the implementation of KUBE program in Blitar Regency. The improvement should be started by committing to succeeding in the empowerment process for the sake of poor. The BRSS should turn the implementation of KUBE program as a routine into professional work dedicated to poverty alleviation in Blitar Regency. At some condition, the BRSS can combine the use of the top down with the bottom up approach. On the early stage, the BRSS can apply top down approach in which providing the poor materials and assistances as well as direct them to follow the government program schemes. Along with it, the BRSS should facilitate, coach and foster the poor in order for them rely on

their own abilities. So later on, the poor can voice up their opinions and needs based on their problems. Therefore, the BRSS should build a synergetic relationship among stakeholders including the poor as the program target, the social assistants as the executors in the field, and also village and sub-districts government as support systems of the implementation in the field.

- 3) With respect to the importance of the agents of change's capability to be catalysts in the empowerment process, the BRSS should improve the capability of officers and recruit capable social assistants to assist KUBE program in the field. The BRSS should provide training regularly to improve the capability of the BRSS officers and the social assistants. The BRSS should also consider seeking for an alternative fund to cost the capability building of the agents of change and to foster KUBEs in Blitar Regency.
- 4) The BRSS should consider choosing the type of enterprise for KUBE that can generate daily income for the poor peasants and how to support the development of the enterprise. Regarding with cow raising enterprise, it will be more beneficial if the cows are dairy cows raised collectively in one place. Dairy cows can provide daily income from its milk and collective cows rearing will ease the poor to look after its. Those who have to seek for part time jobs still can look after it by scheduling mechanism of raising among group members. The BRSS can support the development of enterprise by cooperating with Department of Husbandry to provide routine coaching and checking for the cows' condition and building partnership with local entrepreneurs and other business actors who are interested in developing

agricultural enterprises. These partnership and cooperation will contribute to maximizing cow raising benefit to peasants' daily life such as making biogas from its waste, or making dairy product that can give additional value from cows' milk. Thus, peasants will think that KUBE is beneficial for their lives and they will actively participate in KUBE activities.

6.3. Summary

The empowerment process of poor peasants through KUBE in Sumberagung Village does not meet the characteristic of empowerment according to Adi (2002). It neglects assessment, program alternative plan, action plan formulation, evaluation and termination, as part of empowerment stages. Empowerment process skips some stages such as assessment, program alternative plan, action plan formulation, evaluation and termination is implemented improperly. Hence, it cannot engage peasants into program and make them have sense of belonging to the program.

KUBE members cannot feel the impact of KUBE in economic condition, however, in social condition members can feel it as a way to develop social relationship, exchange knowledge, and broaden perspective. Factors affecting KUBE's sustainability identified by KUBE members are program clarity, support from external parties, leadership and members' habit.

The government should undertake a transparent familiarization to engage all stakeholders in the KUBE program in order for them have sense of belonging and willingness to sustain the program. Program improvement should be started by committing to succeeding in the empowerment process for the sake of poor,

improving the capability of executing officers and social assistants, and also choosing an appropriate enterprise providing daily income for the poor.

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