



## Poverty Alleviation through Institutional Empowerment of Social and Economy on Poor Society in Gowa Regency

<sup>1\*</sup>Syamsu Nujum, <sup>2\*</sup>Fadhia Ratu Pratiwi

<sup>1</sup>Lecturer, Department of management, Universitas Muslim Indonesia, syamsu.nujum@gmail.com

<sup>2\*</sup>Lecturer, Department of management, Universitas Muslim Indonesia, fadhilapратиwi.frp@gmail.com

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### ABSTRACT

The purpose of this paper is to examine the extent to which the role of government in empowering marginal/poor communities through various empowerment programs. To examine and explain the extent to which the benefits of programs to empower the poor society in reducing poverty. To examine and explain the Poverty Reduction Model that is more in line with the local wisdom of the people of South Sulawesi especially in the community in Kabupaten Gowa. It is intended to find a model that fits the needs and conditions of the poor communities in South Sulawesi, especially in Gowa so that it can be applied to poverty alleviation efforts in the future. An interview and observation were done to 20 people from the poor community, government, community leaders, and practitioners in Gowa regency. Descriptive and reflective sections were used to analyze the data and examining the poverty alleviation model through the empowerment of socio-economic institutions in South Sulawesi in Gowa regency. With the method of synergizing between Social Institution and Economic Institution, the researcher found that society can develop itself creatively and productively, so gradually Poverty will decrease as expected. Based on survey results, observations and interviews on the subject in this study, it can be concluded several things: That poverty experienced by the people of Gowa Regency is cultural and structural poverty so that people naturally experience poverty without realizing it as a problem in their lives living as they are with the non-poor community. Poverty is seen as something destiny and need not be too much of a problem, but they live their lives as they are.

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Corresponding author's email address: [fadhilapратиwi.frp@gmail.com](mailto:fadhilapратиwi.frp@gmail.com)

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### 1. Introduction

Poverty is a crucial problem faced by all countries in the world, both developed countries, and developing countries. Poverty is still a global issue today. This means that poverty is not only a significant problem in Third World Countries, but it is also an issue in the Advanced Industrialized Countries. It is at least observable in the data showing that in the United States in 1980 there were still 2.8 million subsidized people, more than half of the group is still relatively weak, as described (Sulaiman cited in Muhtar, 2005).

In the context of Indonesia, poverty alleviation has been going on since PELITA I (48 years old). The effort has not been able to eradicate poverty significantly, especially with the economic crisis that occurred in 1997 caused the poverty rate to increase and reach 40 percent of the total population Indonesia (Muchtar, 2005). The incidents are a valuable lesson for the government in carrying out the national development in general, and the poverty reduction program in particular that places the poor as the object of development needs to be corrected. Thus, in poverty reduction efforts need to change the development paradigm that places the poor as the object of development changed to the subject of development in addition to broad community participation is necessary for formulating poverty alleviation programs.

As with South Sulawesi, There have been many programs undertaken by the government in efforts to alleviate poverty such as; Urban Poverty Program (P2KP), Fishermen Economic Empowerment Program (PEMP), Inpres Village Left Behind (IDT), Raskin, and Direct Cash Assistance (BLT). All such poor community empowerment programs have not been able to run efficiently. Even the BSM program at this time very concerns because there are still many people who can become BSM participants.

## **2. Theoretical Study**

### **2.1 Theory and the Concept of Empowerment**

Community empowerment efforts are central issues that often leveled by the government and society, but until now the issue of community empowerment is still in the socialization stage to find a model of development specific community groups, given the complexity of the problems faced by the community itself both individually and in groups.

Community empowerment often uses the term community development. Community empowerment can be defined as a method that enables people to improve their quality of life and be able to enlarge their influence on the processes that affect their lives (AMA, 1993) in Suharto (2005). In particular, community development is concerned with the efforts to meet the needs of disadvantaged or oppressed people, whether caused by poverty or by discrimination based on social class, ethnicity, gender, gender, age, and disability (Twelve trees, 1991).

The definitions and the statements gave us a sight that empowerment is a process and purpose, whereas a process; empowerment is a series of activities to strengthen the power or empowerment of weak groups in society. It is including individuals who have problems of poverty, while empowerment as a goal indicates the state or outcome to be achieved by a social change; namely people who have power, independence or have knowledge and ability in fulfilling their life needs both physical, economic, and social such as; confidence, able to convey aspirations, have livelihood, participate in social activities and independent in carrying out task -the task of his life.

Empowerment is a significant aspect of getting attention in making public policy to clear the direction and objectives to be addressed and achieved by public policy, and most importantly is such a policy accommodates the needs of the community.

In connection with the above opinion, Sennet and Cobb (1972) and Conway (1979) in Suharto (2005) stated that the lack of empowerment of the community is caused by several factors such as; powerless economic security, lack of experience or access to the political arena, to information, lack of financial support, lack of training.

### **2.2 The Concept and Poverty Indicators**

In general, the concept of poverty can be distinguished from different perspectives, but can be distinguished in three forms as described by Townsend in Ridwan (2008), as follows:

- a. Absolute poverty, a state in which the level of income people have is below the poverty line, or some income not is enough to meet the basic minimum needs of life. Therefore absolute poverty is often referred to as natural poverty.
- b. Relative poverty is a form of poverty by looking at what percentage of the national income is received by a population group with a specific income class compared to the proportion of national income received by the population group with other income groups (based on the dimension of place and time).
- c. Cultural Poverty is a form of poverty that refers to the attitude of a person or society who because of their cultural factors do not want to try to improve their level of life despite the efforts of outsiders to help him. Even in the theory of "culture of poverty" it has been stated that poverty can arise as a result of the values or culture shared by the poor themselves, such as lazy, easy to surrender to fate, lack of work ethic and so on.

### **2.3 The Concept and Theory of Institutional**

There is a belief that institutionality can be a source of efficiency in the economic progress that most economists, even the most liberal, have accepted. It is just that until now there is still no clarity about the meaning and definition of the institutional. At least, although at the same level of substance many economists define institutions with diverse perspectives (Yustika, 2006).

North (1994) cited in Yustika (2006) defines institutions as rules that limit human devised behavior to build structures of political, economic, and social interactions. In this context, institutions have three components, namely formal institutions, informal institutions, and enforcement mechanisms.

### **3. Methodology**

This research was conducted in South Sulawesi in Gowa Regency. The choice of location is based on the consideration that poverty research at the site can provide sufficient information because the chosen location has a sparse (population) number of people can also represent other areas.

An interview and observation were done to 20 people from the poor community, government, community leaders, and practitioners in Gowa regency. Descriptive and reflective sections were used to analyze the data and examining the poverty alleviation model through the empowerment of socio-economic institutions in South Sulawesi in Gowa regency.

The process of data analysis is done qualitatively with open interviews, qualitative approaches that emphasize interpretive paradigm, to understand the meaning behind the individual's awareness of research subjects.

### **4. Result and Discussion**

#### **4.1 Gowa Regency Poverty Mapping**

Gowa regency as a district very close to the city of Makassar, with community activities focusing on agriculture in general so that the condition of society only rely on income in the agricultural sector. It is known that people living from agricultural livelihoods face low-income issues compared to industry and services sectors.

Based on survey data of region potential by Regency and City in South Sulawesi Year 2014, it is known that Gowa Regency has poor society as many as 60.000 people or 8.73 percent of total population that exists. In general, the poor community in Gowa Regency can be classified into two traits of poverty:

- a. Absolute Poverty, where the income level of the poor is below the poverty line, where incomes are not enough to meet the minimum essential needs of everyday life.

- b. Cultural poverty, where the poor are due to cultural influences, they accept their situation, they do not want to try to improve the level of life and accept the situation as it is. They are caught in a cycle of poverty which is naturally without them knowing it.

Based on data from BPS Year 2013, it can be explained that the income of farmers on average per year for rice farmers only Rp 2.851.000, -, for palawijafarmers Rp 2.612.000, -, horticultural farmers Rp 1.773.000, -, plantation crops Rp 729.000, livestock business Rp 612.370. This figure can be understood how the low income of people working in agriculture sector earns below the poverty line based on the assumption that someone who earns Rp 300.000, - per month is considered not poor. Then the highest farmer income is rice farming of Rp 2.851.000, - if divided by 12 months it will get the number Rp 237.583 per month.

## **4.2 Reviewing Empowerment Strategies Appropriate to Local Communities**

Poverty is one of the problems that must be considered in development because one measure of development success is to reduce poverty. Therefore now there has been a shift in the meaning of development from an orientation that prioritizes the rate of growth towards equitable development. According to the traditional view, development is always identified with increasing per capita income by economic growth strategy (trickle down effect strategy).

With a high growth rate, per capita income will rise so that unemployment, poverty, and inequality in income distribution can be solved. However, the fact is that the increasing rate of economic growth is accompanied by increasing unemployment, poverty and the increasingly uneven distribution of income. In connection with that, new ideas emerged to look at the concept of development. Economic development should not only rely on an increase in national income but also need to pay attention also to poverty and income distribution.

The poverty alleviation program undertaken by the government has been considered less emphasizing the empowerment aspect, more like Santa Claus so that its impacts make people spoiled, do not want to work hard even according to Gumilar (2007) the provision of various direct financial assistance impacts to perpetuate poverty. It should be realized that the problem of poverty is not only an economic problem but rather a complex problem, multidimensional so that the response requires an approach or strategy from various aspects, both economic, political and socio-cultural aspects.

Program poverty alleviation is like Santa Claus such as cash transfer programs (BLT) although based on good intentions, but in fact not able to encourage the poor to become an independent citizen. Therefore, poverty alleviation programs that need to be more emphasized empowerment aspects, among others need to be equipped with entrepreneurship education, to change the attitude of mental dependence and develop a work ethic, so that it can grow self-reliance. In this way, it is expected to generate awareness of the poor to engage in productive activities resulting in increased incomes and reducing poverty.

On the other hand, efforts to alleviate poverty should not only be the responsibility of the government but a shared responsibility of both government and society. To overcome poverty, the most critical efforts in alleviating poverty should be made by the community itself, especially at the village level. The community itself is one type of local institutions need to be improved its role to come forward in poverty alleviation programs in their respective regions.

## **4.3 Approach and Theory of Poverty**

### **a. Poverty Approach**

There are several approaches to understanding poverty. According to Armawan ([HTTP://indrasetiawanusd.wordpress.com/2006/12/02/](http://indrasetiawanusd.wordpress.com/2006/12/02/)) in understanding poverty can be done with five approaches, as follows :

1. The income approach: where a person is said to be poor if his income is below a reasonable minimum level.
2. Basics needs approach, where one is said to be poor if they are not able to meet basic needs such as; food, clothing, shelter, primary school and so on.
3. The accessibility approach, where a person is weak because of lack of access to productive assets, social and physical infrastructure, information, markets, and technology.
4. Human capability approach, where someone is said to be poor if the relevant does not have the ability that can function at a minimum level.
5. Inequality approach, in which a person is said to be poor if the income is to the community in his community. This approach is a relative poverty approach.

From these figures, the stronger is that poverty is not just a matter of income or a small economic aspect, but a multidimensional problem. Poverty not only talks about low incomes but also concerns about inadequate housing, limited access to productive assets, low human development and so on.

### **b. The Theory of Poverty**

Poverty is a classic problem that has existed since time immemorial and will likely remain an actual problem today. Therefore, although the poverty alleviation program has done, poverty still exists. According to Suharto in understanding poverty, there are two paradigms or grand theory, namely the Neoliberal and Social Democratic paradigms. Neo-liberal supporters argue that poverty is an individual issue caused by the weakness of the individual's weaknesses and choices.

Poverty will be lost if market forces are expanded to the most significant extent, and economic growth is driven to the highest possible level. Therefore, poverty reduction strategies must be 'residual,' temporary, and involving only families, self-help groups or religious institutions. Meanwhile, the state only acts as a night watchman and can only intervene if the institutions are not able to carry out their duties. Neo-liberal Theory believes that thanks to the superiority of market mechanisms and economic growth naturally will be able to overcome poverty and social injustice.

Social Democratic theory argues that poverty not an individual issue, but a structural problem. Poverty is caused by injustice and inequality in society due to the clogging of certain groups' access to various community resources. Social-Democrat supporters argue that equality is an essential prerequisite for achieving independence of freedom. The realization of freedom can only be achieved if everyone has or can reach resources, such as education and good health and adequate income. The State has an essential role in ensuring that everyone can participate in activities in the community that enable them to make choices in fulfilling his or her needs.

### **c. Indicators of Poverty**

In determining poverty, there are several criteria for measuring poverty. Tambunan states that the magnitude of poverty can be measured with or without reference to the poverty line. The concept that refers to the poverty line is called absolute poverty, while the concept of measurement not based on the poverty line is called relative poverty. Relative poverty is a measure of the gap in income distribution, while absolute poverty is the degree of poverty below the poverty line, where minimum needs for survival not be met.

The existence of various criteria of poverty causes the difference of data about poverty. Poverty criteria are as follows:

#### **1. World Bank Criteria**

The World Bank uses the basis of per capita income in dollar-denominated standards. In 1990 the World Bank established a poverty line of \$ 1 per capita per day and in 2000, and now the World Bank sets a poverty line of \$ 2 per capita per day.

#### **2. Central Statistics Bureau Criteria**

The criteria used by the Central Bureau of Statistics (BPS) to determine the poverty line is the minimum expenditure required to meet the needs of daily living. The minimum spending on daily living is measured by food expenditure equivalent to 2100 calories plus expenditure for non-food items that include clothing, housing and various goods and services (Khomsan, 2007).

#### 1. Criteria According to Sayogya

Sayogya uses the equivalent kilogram of rice to determine the criteria for poverty line boundaries. Based on that, Sayogya grouped the community into four groups, as follows:

1. Very Poor under 240 kg equivalent of rice for rural areas, Below 360 kg equivalent of Rice for Urban.
2. Poor Equivalent 240 - 320 kg of rice for rural and Equivalent 320 - 480 kg of rice for urban areas.
3. Almost Poor Equivalent 320 - 480 kg of rice for rural and Equivalent 480 - 720 kg of rice for urban areas.
4. Quite equals more than 480 kg of rice for rural Equals more than 720 kg of rice for urban areas.

#### **d. National Program for Community Empowerment (PNPM) Independent**

Poverty is a complex issue so that its mitigation requires the participation of various parties together and coordinated. Poverty reduction efforts need to involve caring groups, volunteers, businesses and local governments. To improve the effectiveness of poverty alleviation starting in 2007 the government launched a popular National Community Empowerment Program called PNPM Independent.

Based on PNPM Independent General Guidelines, PNPM Independent is a national program in the form of a policy framework as the basis and reference for the implementation of community-based poverty reduction programs. PNPM Independents implemented through harmonization and development of system and program mechanisms and procedures, provision of assistance, and stimulant funding to encourage community initiatives and innovation in poverty reduction efforts in a sustainable way.

PNPM Mandiri as the development of the Sub-District Development Program (KDP) and the Urban Poverty Program (P2KP) and the Acceleration of Development of Disadvantaged and Special Areas (P2DTK) for the development of disadvantaged areas, post-disaster, and conflict. Empowerment-based poverty reduction in PNPM Mandiri is strengthened by various community empowerment programs implemented by various departments/sectors and local governments.

#### **e. Learning Process as a Strategy**

Empowerment of Poor People in Poverty Alleviation Program is one of the realizations of empowerment process in poverty eradication program given in PNPM Mandiri. The poor people in the rural area given the learning process through learning activities, training, and assistance by the village facilitators to increase awareness, understanding, and participation of citizens, to foster an attitude of community independence in overcoming the problem including the desired development. Learning activities in the context of empowering the poor are done through (1) climate creation, (2) potential strengthening and (3) protection, with the following realization.

a. Creation of a climate that enables the development of universal values of humanity. For this purpose, socialization of universal human values, societal principles, and sustainable development are carried out. Universal values of humanity in the form of togetherness, honesty, volunteerism, justice, equality, and unity in diversity, during the social principles of cooperation, democracy, transparency, and accountability. The socialization of these values and principles is considered necessary as globalization fosters the development of different values and cultures that glorify the spirit and soul of individualism destroying excellent values and cultures which are the richness and superiority of the Indonesian nation.

b. Institutional strengthening, which is carried out through the process of forming local institutional learning in the form of Self-Helping Community Body (BKM) and Non-Governmental Groups (KSM) are entrenched, transparent and accountable. Rooted in the formation of institutions conducted with the bottom of the community base ranging from neighborhood, hamlet and the village / urban village level.

c. Strengthening the potential and power, in the form of providing financial aid, human resource development, infrastructure development which is incorporated in the learning of development of Tridaya, which is economical, social and environmental development. This potential strengthening is intended as a stimulant as a means to mobilize and increase citizen participation.

Tridaya development is one of the elaborations of the program of the development program in PJM Pronangki by the priority needs. Development of economic sector in the form of revolving capital loan which is intended for poor people who have a business registered in Self-Mapping (PS) and joined in Self-Help Groups (KSM).

## 5. Conclusion

Based on the survey results, observations and interviews on the subject in this study, it can be concluded several things, as follows: (1) That poverty experienced by the people of Gowa Regency is a cultural and structural poverty, so that people naturally experience poverty without realizing it as a problem in their lives living as they are with the non-poor community. Poverty is seen as something destiny and need not be too much of a problem, but they live their lives, as they are; (2) To empower the poor community, it is necessary to select the right strategy for the needs of the community in moving the local wisdom of the community to be able to help them out of the hardships of life; (3) An ideal empowerment strategy is strategy with the model of learning in addressing the problems faced in the life of the community. Learning can change the people's mindset from laziness to being diligent from helpless to empowered.

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