

**Implementation of Community Development Model
As A Strategy for Institutional Strengthening and Village Empowerment**

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Abstract

This study aims to implement community empowerment model for institutional capacity building of cooperative, farmer groups and small business groups in the Pasuruhan Village of Binangun District, Cilacap Regency. This study uses cooperative inquiry as a form of action research. Data was collected through focus group discussions (FGD), interviews, and observation and documentation analysis. Informants have been purposively selected and determined based on consideration of the researcher that the informants were able to meet the research objectives. Informants were selected consisting of cooperative management, group farming, catfish farmers, and small business group. The results showed that people have already got easy access to the bank. However in some cases problems of confidence arise between banking and community. In general, people became more understood and confidence in the credit lending business which is healthier, lighter and safer through official banking instead of through the loan sharks. Community also understands business credit lending procedures. Finally, a partnership could be established between the economic institutions in the Pasuruhan village which are cooperative, a group of farming and small business group with the financier, Bank Rakyat Indonesia (BRI) through Productive Business Loan Program.

Keywords: empowerment, partnership, bank, village

INTRODUCTION

In the post-new order government (*orde baru*), development process is no longer dominated and determined by central government alone. Development has been more participative that provide space for aspiration, participation and

involvement of civil society as a whole starting from the planning, implementation and evaluation of development. So essentially, development has become a common property of civil society and government through cooperation and empowerment to improve the community welfare. As according to Syahyuti (2006: 153), participation is the process of awareness growing on the interrelationships among stakeholders in the society, the social groups and community with policy makers and other agencies. Thus participatory development is a process that involves the community actively in all substantial decisions regarding with their lives. Likewise according to Rangkuti (2011: 33), current development paradigm has undergone a shift which emphasizes empowerment, which is known as people centered development, resource-based development and institutional development.

Democratization and autonomy should be made and implemented significantly in the villages as the government agencies that are closest to the people. Because, according to Article 1 (12) of Law 32 of 2004 on Regional Government, village is a unit of community that has boundaries with the authority to regulate and manage the interests of the local community, based on the origins and local customs which are recognized and respected in the administration system of the Republic of Indonesia. Moreover, it has been passed recently Law No. 6/ 2014 on village, which will further confirm that village became the center and the foundation of development to improve community welfare that will be realized and followed up with a Government Regulation (PP) which is still in process.

Then the development of villages becomes very important, strategic and vital to improve welfare which is expected being more fair and equitable. This is confirmed by Adi (2003: 292) which states that development in Indonesia will have less meaning if there is no rural development, as realized that still many villages have not been well developed. There needs to be a comprehensive study and research to provide the best solutions for rural development which is more participatory, where all elements could get involved and cooperate with the government to define and achieve the expectations and goals together based on local wisdom.

One of the villages that need intense development touch is Pasuruhan Village of Binangun District in Cilacap Regency. Pasuruhan village attracted public attention, both nationally and internationally as a result of the capture of terrorists,

Nurdin M Top in 2009. Based on the findings of Suswanto et al (2011) it has been identified that the villagers of Pasuruhan still feel traumatic as a result of terrorist arrests which happened three times, and the terrorist stigma that is still attached to the village. In addition, there is a hope and desire of the community along with the village government to improve their existing resources and potentials in an effort to increase and improve the welfare of the people and to relieve the traumatic condition. Using the methods of Participatory Rural Appraisal (PRA) in 2013 we conducted a study to create a model of community development as a strategy of empowerment that is expected to be applicable as well as innovative. In this case based on our research (Suswanto et al. 2013) it was already identified the existence of three groups of community development: (1) Cooperative group “Syariah Abdimas Sejahtera”; (2) agriculture and fisheries groups : groups of rice farmers and catfish farmers. (3) Small business group consisting of the group of cage craftsman and groceries business groups. The resulting model of community development is the institutional strengthening of business groups in the village through mentoring programs and partnerships, particularly for business development in the form of additional investments or capital.

Participatory development in the village through the implementation of a model of community development is very strategic and important in strengthening institutions and improving social welfare. Because, community development is a method that allows people to improve their quality of life and be able to expand its influence on the processes that affect their lives (AMA in Suharto, 2005: 38). Using cooperative inquiry, researchers are more active in the group as a partner (co-researchers) as a form of action research (Denzin & Lincoln, 2009: 417). That method was used to answer "how is the model of community development as a strategy for institutional strengthening and improving the welfare of the community implemented?"

RESEARCH METHOD

The method used was action research that according to Reason (in Denzin & Lincoln, 2009: 417) uses cooperative inquiry in which researchers are more active in the group as a partner (co-researchers). Data was collected by interview, observation,

documentation analysis and focus group discussions (FGD). Informants were selected purposively on the consideration of researchers that the informants selected could meet the research objectives.

Twenty people were selected as informants consisting of the board of Cooperative “Syariah Abdimas Sejahtera”, group farming, catfish farmers, and small business group. The research location is the Pasuruhan Village in Binangun District of Cilacap Regency in Central Java Province.

The process of FGD data analysis includes the stages of data reduction and data collection. According to Bungin (2008: 131) FGD data analysis should be implemented through the following ways: (1) Perform coding to the first attitude and opinion that have in common. (2) Determine the common attitudes and opinions based on different contexts. (3) Determine the equation of the terms used, including differences of opinion on the same terms. (4) Perform classification and categorization of the attitudes and opinions of participants. (5) Finding the relationship between the respective existing categories to form the results of the discussion. (6) Technique in the implementation of FGD done by dialogue or in-depth interviews with an atmosphere of openness.

THEORETICAL FRAMEWORKS

Community Development

According to Carry J (in Hasim and Remiswal, 2009: 46) community development is essentially the deliberate attempt by members of the community to cooperate aimed at achieving the future of the community itself. Suharto (2007: 113-114) states that community development is one of the core methods or approaches which refers to the uniqueness of social work which involves the handling of problems at two levels: *first*, the micro-level (individual, family, and group). *Second*, the macro level (organization and community). So, the focus of community development is basically a strategy of planned social change that is professionally designed to solve problems or meet the needs at the community level.

Community development is a process of establishment or reestablishment of the structures of human society which enables a new way of linking and organizing social life which meets the human needs. In this context the work of society is seen

as an activity or practice of a person who seeks to facilitate the community development process. Neither the person was paid or not in doing that role. Community-based services are seen as structures and processes to meet human needs by deploying the resources, expertise and wisdom of the community itself. (Ife and Tesoriero, 2008: 3)

Furthermore, there are several stages in community development (Adi, 2003: 251-258), namely: (1) Stage of preparation, the preparation of officers to make the same perception among members of agents of change team. Then, field preparation which is initially conducted by a feasibility study of the area that will be targeted either formally or informally. (2) Stage of assessment, which is done by identifying perceived problems and needs and also the resources owned by the client. (3) Stage of planning of alternative programs or activities. Agent of change (community worker) seeks to engage citizens in a participatory way to think about the problems they face and how to overcome them. (4) Stage of formulating action plan. Agent of change (community worker) helps each group to formulate and determine the programs and activities that they will run to overcome the existing problems. (5) Stage of implementation of the program or activity. This is the most crucial stage in the process of community development. (6) Stage of evaluation, monitoring process carried out by the citizens and officials for the community development program which is running, should be done by involving citizens. (7) Stage of termination, the stage of formal termination of the target community.

Empowerment

Shardlow (in Adi, 2003: 54-55) states that empowerment is essentially discussing how individuals, groups or communities are trying to control their own lives and seek to shape the future in accordance with their wishes. In the context of social work, empowerment can be done through three levels or dimensions (Suharto, 2005: 66-67), namely: (1) Micro level, empowerment made to individual clients through guidance, counseling, stress management, crisis intervention. The main objective is guiding or training the client in performing the duties of life. (2) Mezzo level, empowerment conducted on a group of clients as a media intervention. Education, training and group dynamics are used as a strategy to improve awareness,

knowledge, skills and attitudes so that clients have the ability to solve their problems. (3) Macro level, empowerment is directed to the larger environment (large-system strategy) such as policy formulation, social planning and conflict management. Client is a person who has the competence to understand their own situations, and to choose and determine appropriate strategies for action.

Empowerment-based development programs at least contain the following elements: the provision of public access to production assets in the form of capital, strengthening the bargaining position of poor people in the arena of market economy, strengthening the industry of the people, as the backbone of the national industry, increasing independence and sustainable self-reliance of society, and equitable development by involving all components of community members throughout the region. (Sumodiningrat, Nugroho and Wrihatnolo, 2005: 123)

There are several principles of empowerment from the perspective of social work (Suharto, 2007: 216-217), namely: (1) Empowerment is a collaborative process, because the social workers and the community must work together as partners. (2) The process of empowerment put the community as an actor or a subject that is competent and capable of reaching resources and opportunities. (3) People should see themselves as an important agent that can affect change. (4) Competence acquired or sharpened through life experience that gives a feeling of capable for the community. (5) The solutions derived from a variety of special situations and appreciate the diversity that comes on the situation. (6) Informal social network is an important source of support to decrease tension and enhance the competence and the ability to control a person. (7) The public should participate in their own empowerment, goals, means, and results should be formulated by their own. (8) The level of awareness is essential for empowerment, because knowledge can mobilize action for change. (9) Empowerment involves access to resources and the ability to use it effectively. (10) The process of empowerment is dynamic, synergistic and evolutionary; every problem always has a variety of solutions. (11) Empowerment achieved simultaneously through individual structure and economic development.

RESULT AND DISCUSSION

Process of research activities

Based on the result of the research in the first year which resulted in a model of community development to the cooperative “Syariah Abdimas Sejahtera”, farm groups and small business groups through mentoring programs, establishing access, and partnerships with investors or financiers in order to strengthen the institutional aspect of the business group, the process of the research activities has carried out as follows:

- 1) Conducting FGD which were scheduled to conduct identification and analysis of problems and potentials and the solutions of the problem on the institutional aspect.
- 2) Disseminating material empowerment series ranging from counseling, mentoring and partnerships programs for business groups as a form of community development in order to strengthen the institutional aspect and increasing social welfare.
- 3) Bring experts to become instructors of training to promote the importance of the empowerment program series.
- 4) Dissemination activities using participatory methods

Identification of problems, potentials and analysis of solutions

Based on a series of FGD research process to identify problems, potential and solutions which is accompanied by interview, observation and documentation, then the data can be presented in matrix form as follows:

Table 1. Matrix of Internal Institutional Strengthening

No	Identification		Analysis of Solution
	Problem	Potential	
1.	Regeneration and mainspring	<ul style="list-style-type: none"> ▪ There are lots of prospective members in the community who could be a new board member of empowerment group ▪ Many people are interested to do small business 	<ul style="list-style-type: none"> ▪ Membership recruitment in the community ▪ Conducting outreach and promotion on the benefits of entrepreneurship both as a primary work or odd job ▪ Change the paradigm of villagers including young people in order to become more creative and innovative and cultivate mental attitude of self reliance
2.	Managerial organization	<ul style="list-style-type: none"> ▪ Business group administrators are 	<ul style="list-style-type: none"> ▪ Creating upgrading program or capacity building for empowerment group

		<p>already established</p> <ul style="list-style-type: none"> ▪ Type of business has been running for a long time and got the obvious market share 	<p>administrator at least twice a year</p> <ul style="list-style-type: none"> ▪ Conduct regular meetings at least every 3 months to evaluate and create business solutions and develop business programs ▪ the need for regeneration of board
3.	Performance system of organization	<ul style="list-style-type: none"> ▪ ditto 	<ul style="list-style-type: none"> ▪ Conduct regular meeting to evaluate and create business solutions and develop business programs ▪ the need for regeneration of board ▪ Managing membership fees for savings and loan

Table 2. Matrix of External Institutional Strengthening

No	Identification		Analysis of Solution
	Problem	Potential	
1.	Marketing access	<ul style="list-style-type: none"> ▪ Market share is very open and prospective with close and easy access from village to nearby markets ▪ Business has been running for a long time, just need to improve productivity in order to meet the marketing needs elsewhere 	<ul style="list-style-type: none"> ▪ Conducting market survey for the quantity and quality of the products needed ▪ Conducting market surveys to the sales center ▪ Improving the quality and quantity of production to meet market needs
2.	Partnership access	<ul style="list-style-type: none"> ▪ Business group administrators are already established ▪ There are many banks that can help small businesses to get capital assistance and the access to the bank is not difficult ▪ small businesses have collateral, which can be used as a small business loan requirements 	<ul style="list-style-type: none"> ▪ Facilitating business groups to the banking network to get small business capital by organizing meeting with community ▪ Facilitating cooperative to government official to get official legal status ▪ Conducting training to make small business loans proposal

Institutional Strengthening of the Community Development

Based on the identification, analysis of problems, potentials and solutions, village business group as a target of the implementation of community development model in this regard Cooperative “Syariah Abdimas Sejahtera”, group farming and

other small business groups in the Pasuruhan Village of Binangun District, Cilacap Regency should receive institutional strengthening as follows:

- 1) Institutional strengthening internally on human resource/competence of the management, the vision and mission of the organization, organizational structure, performance system and program of the organization and also through increasing the number of membership of the business group;
- 2) Institutional strengthening externally through expanding access to markets, building partnership or cooperation with other business groups and getting capital assistance from banks, or setting up cooperative as the holding company of the community;
- 3) Institutional strengthening financially by managing membership fees for savings and loan which can run autonomously in a business group or join in a cooperative as a holding company
- 4) Institutional strengthening socially and culturally through enlightening and humanistic approach to community and particularly to business groups to change their paradigm in order to become more creative, innovative and to cultivate mental attitude of self-reliance so as to reduce unemployment and improve the welfare of the people in the village.

In relation to the implementation of community development model, things have been done include empowerment through training and for cooperative management board in managerial capacity building related to cooperative administration, financial management, promotion and development strategy and strengthen the network with other institutions. This activity is run by inviting instructors who once got the best achievements as extension workers in national level. Sharia based cooperatives established by the community as a joint venture is a form of local wisdom that can help improve the welfare of not only the members of the cooperative, but also to the community at large. In the future, the cooperative is expected to be a parent organization to other small businesses, especially in terms of capital and marketing. Mentoring was also conducted for community including young people in particular to boost their spirit in order to increase creativity and innovation as well as their independence in running the business.

In addition, in order to empower village economy researchers have facilitated village business groups to establish network with the banks in this regard Bank Rakyat Indonesia (BRI). Training has been held with instructors from BRI presenting opportunities about small business loans and also conducting training to make small business loans proposal. The existence and continuity of the cooperative as well as other small businesses would be greatly improved if can cooperate with financial institutions that have a concern to village's economy.

Through these activities, access to the investors in this case the bank could become better. Although people have already got easy access to the bank, in some cases problems of confidence still arise between banking and community. In relation to *kredit macet* (non performing loan) which is actually only done by a few people, it is often create difficulty for other villagers who actually desperately need business loans. Through establishing this relationship, the bank can find out the problems that had occurred in the community so that the credibility of villagers in the eyes of the bank can be repaired. In addition, people are becoming more understood and confidence in the credit lending business which is healthier, lighter and safer through official banking instead of through the loan sharks as illegal capital owners who burden the villagers. People also better understand business credit lending procedures from the bank. In the end, partnership could be established between the economic institutions in Pasuruhan village which are cooperative, a group of farming and small business group with the investor, BRI through Productive Business Loan Program such People's Business Credit (KUR) and Rural Business Credit (Kupedes).

CONCLUSION

The very essence of empowerment is when individuals or communities have the opportunity to talk about the changes that are considered important and necessary in accordance with their wishes. Therefore, the implementation of community development models has been done through a strategy of integrated and comprehensive economic empowerment system ranging from the stages as follows (1) identification of problems and potentials of society, analyzing and formulating solution together with society in the form of empowerment program (2)

implementation of empowerment model, (3) providing training and capacity building (4) establishing partnerships with outside parties, especially the banking sector for economics strengthening (5) Changing the paradigm and cultivating mental attitude of self-reliance in order to be able to empower communities by their own.

This study contributes to the development of science which is useful as a reference for advanced research as well as for the lecture material. Because, the concepts, theories and research methods learned, then practiced and transformed into empowerment action and research findings based on facts and reality. Also, this study provides policy recommendations for stakeholders in the village empowerment such as village heads, village councils, community leaders, the management board of cooperative and other small business group as well as the outer parties such as the banks and other financiers in improving the welfare and autonomy of the people which must be made through institutional strengthening based on local wisdom.

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