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## Research Article

### INSTITUTIONAL OF LOCAL PUBLIC SECTOR: POVERTY ALLEVIATION IN SEMARANG CITY, CENTRAL JAVA, INDONESIA

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Peverty Alleviation in Semarang City, Central Java, Indonesia

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#### ABSTRACT

An institutional is a process and interaction of a community which is involving an organization as implementor in achieving its goals. Purpose of Urban Community Empowerment National Program (UCENP/PNPM-MP) Institutional is for effectiveness in impementing poverty alleviation by local Institutional (Community Self-Reliance Board/BKM). The research problem is "how Institutional Of Local Public Sector In Semarang City, Central Java, Indonesiarelating poverty alleviation. The Research approach deploying is qualitative phenomenological; that is in-depth interview, observation, FGD, and documentation. Analysis technical has been used by interactive model, the technical analysis is as integral cyclus among data collecting, data reduction, data display and concluding. The main variable in this study is leadership, doctrine, resources, internal structural. Research findings included institutional of local public sector in village and basic (BKM) was ineffectively making bounded horizontally and vertically, and it was assumed as a programmed product and yet institutionalized in poverty reduction.

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#### INTRODUCTION

The purpose of Urban Community Empowerment National Program (UCENP) is making poor community to change them self economically, socially, and other aspects of their life, therefore this program needed a institution that is for organization, or a place/receptacle, or regulation. The organization's function is a receptacle, whereas institution including rules of game, ethics, code of ethics, attitude and behaviour of someone or a organization or a systems.

Considering the importance of role of local public sector institutional, it needs a instutional approach to alleviation of poverty by emphasizing on how social resources that can lead to change in property rights distribution, jurisdiction boundaries, and regulations in order to reduce poverty.

According to alleviation of poverty national strategic (SNPK), reducing poverty policy needs a strong institutional from central level to regional level, especially at institutional of local public sector. Therefore, an institution having a politically authority and responsibility for alleviation of poverty strategy and policy, it may be called Tim Koordinasi Penanggulangan Kemiskinan Daerah (TKP-D)/ Regional Alleviation of Poverty Team (RAPT).

Its the authority include in coordinating to formulate policy and to implement it, budgeting, monitoring and evaluation; so that the local public sector institutional is to be formed by the Urban Community Empowerment National Program (UCENP) for Poverty Alleviation in Semarang.

Regional Alleviation of Poverty Team should be strengthen because its roles to directly Poverty Alleviation in a village. The Local public sector institutional essentially aims to strengthening in property rights and giving equal opportunity for every one to do activity, especially to improve capacity and participation in socially, economically, environmentally activities. Identification results show that The Local public sector institutional in socially, economically, environmentally aspects still have had some problems in implementing Poverty Alleviation, such as:

1. In respectfully, socially, economically, environmentally activities are dymically in the community resulted in variation and characteristics of the community differently. On the one hand, this dynamic generated a fatalist community (resigned to fate), on the other hand, it generated a fighting community (highly fighting spirit). This condition seemed neglected and not yet to be accomodated in institutional planning of The Local public sector institutional;

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2. The differently variation and characteristics of community had implication on participation and work ethics their life, so that in such community, this local public sector success was assumed because of highly antusiasitic of the community. In contrary, in such other community, this local public sector was assumed creating a dependency.
3. In fact, the problem occurred because of different proportion of aids program for developing in infrastructure, economics, and social manners.

Based on this identification and observation in the field, by the Urban Community Empowerment National Program (UCENP) for Poverty Alleviation in Semarang, there are gaps between concept and operationalisation of this program, some of them are:

1. UCENP activity practically in forming Community Self-Reliance Board (CSB/BKM) just strengthened horizontally bonds, but weakening vertically.
2. CSB formed had constraints in aids distribution and facilitated controlling tasks of program executors, it was not for social capital improvement so that the program would have the potential to stagnate.
3. Institutional organizational structure of local public sector (BKM) built relatively identical, though in every region has a local wisdom values and different social characteristics.
4. Individual coaching has been done to be limited to administrators and figures with the principle of "trickle down effect" and not social learning approach.
5. Institutional development of local public sector (BKM) always use structural lines, and weak from the development of cultural aspects.
6. Introductions local institutional public sector (BKM) more through the material rather than non-material culture, or a change in materialistic manner.
7. The formation of local institutional public sector (BKM) less strengthening local institutions that existed before, thus affecting the relations existing horizontal.
8. Local public sector institutional development (BKM) was felt still more jargon than real reality in the field.
9. Institutional support (local) to empower was less well-developed, because the structure of sectorial development.

That situation needs to be improved, because of the urgency of local institutional public sector is expected to become a forum and an agent of change to facilitate, mediate, communicate of community's needs. Moreover, as well as the lead actor encouraging participation to empower self-reliance and mutual cooperation in order to create prosperity and self-reliance of the poor.

### **Formulation of the Problem**

Based on the description above one of the problems in the research for the dissertation, the author is "How UCENP/PNPM-MP establish institutional of local public sector that is for poverty alleviation in Semarang?"

### **THEORITICAL REVIEW**

An institutional is a rule within a community or organization that facilitates coordination among its members to assist them

with the hope of every person or organization that wants to achieve common goals (Rattan and Hayami, 1984). Ostrom (1985) defines the institutional is as the rules and guidelines as a guide used by the members to set up a mutually binding and dependent on each other. North (1990) emphasize the institutionalis as rule within a group that is strongly influenced by economic factors, social and political.

In principle, the institutional, is distinct from organization, which has more of the regulatory but organization focused more on the structure. Based on these definitions, it can be said that institutionalis the rules that facilitate the institution or organization to coordinate and cooperate to achieve common goals desired.

The rules, in this case, includes the formal and informal rules needed and agreed, therefore, the rules must be clear, measurable and consistent. Organizations or institutions involved, hopefully, have a credible human resources and have sufficient knowledge and understanding of existing problems. Organization is basically a wheel, a unit of the entity of development activity along with the related environmental commonly referred to as institutions. If the administration system in the framework of development can be viewed as a macro approach, the systems approach in institution building can be seen as a micro approach in order to study the development activities.

Understanding the institution here refers to the combination between the goals of the organization and its relationship with the environment that is the result of interaction and adaptation, so that the institution can mean an organization in which there are individual's values and social environment. Therefore, in the development activities, the institution must also be connected with the development goals.

Institution is defined as an organization that shape, support and protect the normative relationships and patterns of certain activities and simultaneously form the functions and services that are valued in an environment. Therefore, institution development is defined as the entire planning, structuring and new regulation, or realignment strategic of organizations, include:

(a). Creating, supporting and strengthening the normative relationships and patterns that active, (b). Forming the functions and services that are valued by the community, (c). Creating a facility that connects the new technologies with the social environment.

On this understanding, the An institutional or organization need to be established as a integrated community learning center and it should have a clear organizational structure, because the organizational structure is the structure of the formation of the relationship of work and authority to control how individuals work together and manage all the available resources to achieve the goals of the organization.

By Milton J. Eastman (1966) Institutions Development can be defined as the planning, structuring and guiding of new organizations or reconstituted who embodies the changes in the values, functions, technologies, physical, or social, • establish, develop and protect normative relationships and patterns of new measures, and • support and completeness in the environment.

Joseph W. Eaton (1986), detailing the institutional variables include:

- a. Leadership refers to a group of people who are actively involved in the formulation of doctrine and program of the agency and direct operations and its relationship with the environment.
- b. The doctrine refers to a specification of the values, goals, and methods of operations that underlie social action.
- c. The program refers to certain actions relating to the exercise of the functions and services which is the output of the institution.
- d. Resources are inputs in the form of financial, physical, human, technological, and illumination of the institution. Sources of these resources can be grouped into: economic resources, information, status, powers, authority, legitimacy, support.

The internal structure is defined as the structures and processes that are held for the operation of the institution and for its maintenance.

While the linkage variables include:

1. Linkages could enable organizations and social groups who control the allocation of authority and resources.
2. Linkages could be functional, i.e., with organizations that execute the functions and services that are complementary in terms of production, which provides inputs and outputs that use of these institutions.
3. Linkages could be normative, i.e., with institutions that include norms and values (positive or negative) that are relevant to the doctrines and programs of the institution.
4. Linkages could spread, i.e., with elements in society that can not be clearly identified by membership in formal organizations.

In building the institutional, strategic issues in the planning are:

1. Which innovations are appropriate to meet the needs and circumstances in the environment.
2. What kind of organization should be a means for existing organizations that can be reorganized, or it becomes a new organization.
3. Which kind of The leadership patterns are suitable, centralized or pluralistic
4. What leadership qualifications are wanted and who are to be first positionn.
5. Which the reliable main power sources are for inputs such as funds, personnel, information, authority, and at what does it cost; who might take the organization's outputs in terms of that are acceptable.

The existence of various definitions of the institutional with emphasising on different principal for each definition; As for some definitions of the institutions are as follows:

1. Understanding the institutional is as an instrument of regulator and controller.
2. Understanding the institutional is as a forum in the administration.
3. Understanding institutional is a starting point to an understanding of the principles of organization and its implementation.

4. Understanding institutional emphasizes itis as a process.

Of the various the institutional definitions it can be concluded that the institutional is a process in community interaction that involves the organization to do the job to achieve a common goal. In a study of the institutional, there are at least five fundamental questions, namely: (1). Who does what; (2). Who is responsible to whom; (3). Who is related to whom and in what way; (4). There are channels of communication within the organization, how to use it, and for what purpose; (5). what information Network is contained in the organization.

In an the institutional, there are two main components, namely the functional components and operational components related to the implementation of policies, as well as its basic concept can be seen in the following figure:

Basic Concepts of Institutional Structure:

Formulating policies	Functional components (Local government)
Implementing policy	Oprational components (Implementing agencies)

In order for an institution to be well run and adhered to by its members, the need for intensive structure containing sanctions and rewards so that people will stick to it. (Pejovich, 1999) states that institutions have three components, namely:

- a. Formal rules, including the constitution, statute, laws and other government regulations. Formal rules form the political system (the structure of government, individual rights), economic system (any ownership rights in conditions of scarcity of resources, contracts), and security systems (justice, police).
- b. Information Rule, including experience, traditional values, religion and all the factors that influence the shape of the individual's subjective perception of the world in which they live; and
- c. Enforcement mechanisms, all of these institutions will not be effective if it is not accompanied by enforcement of regulations mechanisms.

## RESEARCH METHODS

### *Research Approach*

The approach used in the research of this dissertation is a qualitative phenomenological, because a qualitative approach has characteristics such as: it has the current settings, the researcher became a key instrument, data is usually descriptive, emphasizing the process, the data analysis is inductive, and meaning each event is an essential concern.

Phenomenological, because in accordance with the purpose of research is to describe the events of social community to disclose the events of the real in the field and it also can express the hidden value, more sensitive to information that is descriptive and trying to maintain the integrity of the object studied,

### *Research Focus and Locus*

The focus of this research is institutional local public sector (BKM) at the village level and the base is Self-Help Group (SHG) in poverty reduction. Its Locus is in three districts and six urban village in the city of Semarang selected purposively.

### **Research Concepts and Phenomena**

1. Local public sector institutionals are organizations (receptacle) or institutions. The organization serves as forum or place, while the agency covers the rules, ethics, code of ethics, attitudes and behavior.
2. The phenomenon of the study are all matters related non- research issues and can be asked, be described and analyzed to answer the research problem, which can be broken down as follows:
  - Leadership refers to a group of people who direct operational institutional relationship with the environment.
  - The doctrine refers to a specification of the values, goals, and methods of operations that underlie social action.
  - The program refers to the measures relating to the exercise of the function of which is the output of the institution
  - Resources are input in the form of economic resources, information, status, powers, authority, legitimacy, support.
  - Internal structure refers to a structure and process that was held for the operation and maintenance of the institution

### **Data Collection Process**

(Lofland and Lofland, 2000) confirms that in the framework of qualitative research data collection, there are three activities, namely:

- a. The process of entering the study site (getting in), at this stage of research into the location of the village where BKM and KSM activities to adapt and process activities with the informant that is based on ethics and sympathetic relationship so as to reduce the social distance between researcher and informants.
- b. While at the study site (getting-along), at this stage try to establish a personal relationship that is more familiar with the subject of research, searching for information needed in full and seek to capture the meaning of the information and observations obtained.

Data collection phase (logging the data). at this stage using four different data collection techniques are: non-participatory observation, interview (interview), Focus Group Discussion (FGD), the Documentation. Duration of the study, the study was conducted for 6 months.

### **Data Analysis**

The analysis has been conducted to find a pattern by tracing the field notes, interviews and materials collected to improve the understanding of all things impossible to treat analysis comprehensive. Local institutional analysis of public sector (BKM) in Semarang include (leadership, doctrine, programs, resources, internal structure)

1. Data reduction, at this stage the data obtained from the study site (data field) is mentioned in the description or the full and detailed report.
2. Data presentation (display data) is intended to make it easier to see the picture as a whole or certain parts of the

research. In other words, it is organizing the data into a specific shape that looks at that figure is more intact

3. Cconclusions / verification, in qualitative research the data withdrawal is done continuously throughout the study process.
4. Data were analyzed using an interactive model, which it is analytical technique that is integral cycle between data collection, data reduction, data and conclusions appearance.

## **RESULTS AND DISCUSSION**

### **General description of the local public sector institutions (BKM)**

The decision making process is the domain of leadership patterns, but, in BKM, it was dominated by the result of consensus of the members BKM. Decision of policy direction at the village and the base has been considering the balance aspects of representation, community interests and needs identified in participatory planning activities.

The pattern of this kind of policy is connected in steps from the lowest level up to the village level and communicated in discussions by the residents formally and nonformally. This is mechanism that is built in managing the program was the result of the long process poverty alleviation activities.

The series of methods and actions done were to increasingly improve on ideology and to strengthen the doctrine by making use of Direct Community Assistance (BLM). These which have a direct impact on poverty reduction, so that the BLM is not only used for activities that are cosmetic and esthetic and divided equally.

Every year the Institutional Local Public Sector (BKM) has a budget in the form of BLM PNPMP to realize the programs that have been arranged with the community. Interventionng to this program, that has been prepared, was to maximize the Tri-Power program (Environmental/Social/ Economic). Financial sources of Institutional Local Public Sector (BKM) is derived from revolving loans fees and BLM, it was very vulnerable to financial problems because it was very limited in number.

Implementation strategies undertaken in the local public sector institutions (BKM) puts the community as the main perpetrators of this program, so it became important at all levels of society (Village / RW / RT / Dawis / Gang / Aisle)

## **DISCUSSION**

Local public sector institutions (BKM) in poverty alleviation in the city of Semarang is located on district level and at the grassroots level is the Self Help Groups (SHGs). To carry out the activities, BKM and KSM bounded to the same institutional structures although being in the different region that has the potential, characteristics and environments. so that the pattern and strategy implemented by BKM / KSM tended to be highly variable, because it was tied with the potential characteristics of each region.

North (1990), emphasizes that institutions as a rule within a group that is strongly influenced by economic factors, social, political, institutional means BKM / KSM greatly affected by the condition, characteristic of the region, so that the institutional structure that will affect the effectiveness identical

activities. As a result of institutional BKM / KSM in society was still regarded as a necessity and not yet institutionalized program and still bounded to the bond horizontal and vertical weak bond, so it has not become a necessity in poverty reduction.

In the process of decision-making is the domain of BKM dominated by the results of deliberation of the members of the BKM. Determining the direction of the local institutional public-sector institutions (BKM) at the village level and the base has been considering the balance aspects of representation, community interests and needs identified in participatory planning activities.

Ruttan and Hayami (1984), emphasizes that institutions are rules in community groups or organizations that facilitate coordination among its members to help them achieve their desired goals together. This means that local institutional public sector (BKM) is dominated by one person in a variety of institutions decision does not reflect elements of cooperation to achieve the goal.

Therefore, a series of methods and actions that have been done are the remedial measures that are expected to increasingly improve ideology and doctrine strengthening the activities of utilization of BLM (Direct Aid Society) for the poor. W. Eaton (1986), indicated that the doctrine formulated as specification values, purposes and operational methods that underlie social action, meaning the utilization of BLM activities must be based on the universal values of humanity.

Thus local institutional sector of the public on district level and the base had a direct impact on reducing poverty significantly and BLM were not only used for activities as if cosmetic and aesthetic and equalization but managing on poverty reduction efforts mainly target is fulfillment of HDI (Human Development Index), which includes income (economy), long lifespan (health) and basic education for all.

The real Policies should be to achieve the target of HDI institutional of local public sector (BKM) identifying formulas related to the target IPM in each region (RT / RW / Sub) synergized with short-term targets each area regarding activities Three power (Environment, Social, and Economy).

Basically intervention to program that has been prepared was to maximize Three power Programs (Environmental / Social / Economic), but in an indication of their derivatives activities could be very detailed, for example, in environmental activities: improving the quality of roads with paving, Communal toilets building, etc.; social activities: cellular technician and computer training, facilities integrated service post and early childhood; economic activities: revolving fund, revolving capital assistance for KUBE (Joint Business Group).

There was a sense in some local institutional public sector (BKM) that BLM is a government program that is difficult and complicated, but the program was seen not only delivering the government assistance to the poor mediated by local institutional public sector (BKM), but also, in fact, it was a collective learning process between community components to formulate poverty reduction activities-based empowerment. The final goal was that people had a sense of belonging the results of their activities carried out in their territory, due to primarily these activities' target was human resource development. Therefore, public sector institutional local

institutions (BKM) puts the community as the main perpetrator of the poverty alleviation program that required community participation at all levels.

In the internal structure of institutional governance, organizing several local institutions of public sector (BKM) was very flexible depending on the needs, but in matters of strategic and long-term and broad impact for the benefit of the community decided in a meeting attending BKM / SHGs member and village government.

As a national program, institutional local public sector (BKM) requires a government agency that works to coordinate, the integration of poverty reduction programs in the area (TKPK-D/Regional Alleviation of Poverty Team (RAPT)), but its existence was not understood by all local institutional sectors public on district level and base, so that the bond local public sector institutions (BKM) that were horizontally extremely weak.

## **CONCLUSIONS AND RECOMMENDATIONS**

### **Conclusions**

Local public sector institutions (BKM) at the village level and the base (KSM) has not been effective in both horizontally and vertically bonding. On the horizontal bond sector where local institutional public on district level and the base was still regarded as a necessity and not institutionalized programs in poverty reduction, in the sense of not been able to become the initiator of poverty alleviation activities.

In the vertical bond was still weak due to the presence of the institution at the level of municipal government which is a functional component of the program role and function has not been understood yet by local institutional public sector (BKM) in poverty reduction programs. This is reflected in:

1. Aspect of leadership, showed that in many cases local institutional public sector was less effective because the decision making process dominated by certain people, so it did not reflect the collegial collective leadership;
2. Aspects of the doctrine that the intervention program with stimulants BLM poorly understood as a whole, so that the utilization of BLM off- targeted;
3. Aspects of the program in the community there was an impression in the distribution of funded activities BLM program (Three-Power activities) was not based on the priorities of urgency but rather on equalization activity;
4. Aspects of human resources, impressed origin meet the quantity for a program and it seemed regardless to its quality,
5. Aspects of the internal structure, the identical institutional structure resulted inrestrictiveing local institutional public sector (BKM) activities.

### **Recommendations**

1. Need to develop local institutional leadership pattern of public sector (SMEs) participative, collegial with the principle of consensus;
2. Need to develop understanding of the doctrine of the group through various activities related institutions (government and groups concerned);

3. Need to be intensive socialization program, because the program was not just a poverty alleviation fund distribution (BLM), but the program should be constructed concerning human resource development, because the program implemented by learning process;
4. Need to have instrument governing the program as an educational resource criteria of program management;
5. Need to develop institutional structures are flexible considering to the needs, since the local institutional public sector (BKM) is a social institution, it is not a government agency.

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