

# Pattern / Model of Community Empowerment of Village Community Self-Supporting Development (Community Capacity Building) Financial and Business Management Unit (FBMU) to Increase the Economic Growth of Cooperatives and Micro, Small-Medium Enterprises (CMSME) in Kediri

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## Abstract

The Government of East Java Province through Community Empowerment Board has a program, Community Capacity Building-CCB ( the development of village self-supporting ) conducted by Community Empowerment Office of Kediri implemented by Financial and Business Management Unit (FBMU) in the village. Basically, Financial and Business Management Unit (FBMU) is Micro Financial Institution (MFI) that distributes the fund to Productive Economic Unit (PEU) Near-Poor Household (NPH) and Productive Economic Unit (PEU) Self-Managed of Financial and Business Management Unit (FBMU). The purpose of this program is increasing the income and welfare of Near-Poor household (NPH) participating in community group that has Productive Economic Unit (PEU). The purpose of this research is analyzing a pattern or model of the empowerment of Community Capacity Building program (the development of village self-supporting) to increase economic growth of Cooperatives and Micro, Small-Medium Enterprises (CMSME). The result of this research shows that Community Capacity Building (the development of village self-supporting) has fulfilled elements of the model according to: 1) community empowerment model according to Mardikanto ( 2010 ) consisting of: a ) program, b ) the target, c ) the purpos, d ) the approach, e ) the stage, f ) the method, g ) the facilitators, h) monitoring and evaluation. 2 ) empowerment model according to Ismawan ( Priyono, 1996 ) consisting of: a) development of human resources, b) institutional development of the group, c ) The accumulating of community capital (private), d ) The developing of productive business, e ) providing the appropriate information. The empowerment seen not only from the distribution of fund, human resource development of Financial and Business Management Unit (FBMU) and Community Group (CG) Near-Poor Household (NPH) but also it is seen from the existence of Productive Economic Unit (PEU)-Self-manages of Financial and Business Management Unit (FBMU) and Productive Economic Unit (PEU)-Near-Poor Household (NPH). The target of the empowerment of Community Capacity Building should not be limited only for Near-Poor Household (NPH) concerning to raise the revenue but also that is for every community (CG) who has Productive Economic Unit (PEU) and an entrepreneur character because usually Near-Poor Household (NPH) does not have source of earning power to support the management of Productive Economic Unit (PEU) and the character of entrepreneur, so the loan (program) could be used for the household need (consumptive).

**Keywords:** Community Capacity Building (CCB), Bussines and Financial Management Unit (FBMU), Productive Economic Unit (PEU), Near-Poor Household (NPH), Micro Financial Institution (MFI), Community Group (CG).

## 1. INTRODUCTION

The concept of development centered to people is known as community empowerment. "The term of community empowerment is the concept of development, the characters of which are people centered, participatory, empowering and sustainable" (Chambers, 1995). In the wide sense, the empowerment is often equated with the receiving of access to productive resources to earn living. According to the definition, empowerment is meant as an effort to provide resources of power or strengthening to people. While people's independency is defined as the individual ability which is united to people to build the independency of the public concerned.

Empowerment designates on the ability of someone to: 1) have access to productive sources that enable for people to be able to increase their income and obtain goods and services they need. 2) participate in the process of development and the decisions affecting them. Empowerment pointed to allocate the power again by changes of the social structure 3) improve life quality such as education, health, basic infrastructure and the increasing of knowledge, technology, skills, guidance, assistance, business management. 4) achieve capacity building, independence, and improving performances leading to sustainable welfare.

The government of Kediri through Community Empowerment Office has empowered various fields especially in economy: the empowerment of Cooperative and Micro, Small-medium Enterprises (CMSME) in Community Capacity Building implemented by Financial and Business Management Unit (FBMU) in the level of village as Micro Financial Institution (MFI) for Community (CG) Near-Poor Household (NPH) having

Productive Economic Unit (PEU).

In carrying out of community empowerment of MSME (Community Capacity Building-FBMU) Community Empowerment Office has a method/pattern/model or strategy in order to the empowerment conducted achieves the target. Ismawan (Priyono, 1996) set the strategy of empowerment consisting of: 1) the development of human resources, 2) the development of institutional group, 3) accumulating community capital (private), 4) the development of productive business, 5) providing appropriate information. While Mardikanto (2010) mentioned empowerment strategy consisting of (program, target, goal, approach, stage, method, facilitators, monitoring and evaluation)

## 2. LITERATURE REVIEW

### 2.1 Empowerment Models Of Capacity Building Community (development of the capacity)

#### a. The Definition of Model

Ismawan (Priyono, 1996) set models of empowerment strategy consisting of: a) human resource development, b) the development of institutional group, c) accumulating community capital (private), d) the development of a productive business, e) providing the appropriate information. 2) Mardikanto (2010) explained that the element of empowerment models are: (program, target, goal, approach, stage, method, facilitators, monitoring and evaluation)

The definition of model is "as a representation or formalizing in a particular language that has been agreed from the existent system. While the meaning of a real system is a system that is currently taking place in the life, the system has been used for a point or focus of attention and problematic (Setiawati, 2006:1). A model that comes into use in this research is a model based on Ismawan (Priyono, 1996) and Mardikanto (2010).

#### b. The definition of Community Empowerment

According to RI (Indonesian Republic) act No. 20/2008 about Micro Business, Small-medium Enterprises (MSME), to improve the performance of MSME can be conducted with empowerment. Empowerment is the effort conducted by the government, the regional government, the business sector and the community in synergy through the growing of period and the developing of micro business to Micro Business, Small-medium Enterprises (MSME) that can grow and develop into independent business.

The principles of empowerment of Micro business, Small-medium Enterprises (MSME) are 1) The growing up of independence, togetherness and micro business entrepreneurship to work by themselves; 2) The realization of a transparent, fair and accountable public policy; 3) The developing of business based on the regional potential and oriented to market in accordance with the competence of Micro business, Small-medium Enterprises; 4) increasing the competitiveness of Micro businesses, Small-medium Enterprises; 5) the convention of planning, implementation, and controlling in an integrated way.

#### c. The Definition Of Community Empowerment with Capacity Building (The strengthening of capacity development)

Mardikanto (2010:80) explained that the strengthening of the capacity (capacity building) is a process of increasing the ability of an individual, group, organization, and other institutions to understand and conduct the development in wide sense continually. In that sense contained the understanding that: 1) the meaning of the capacity is ability (individual, organization and other institutional) showing its function effectively, efficiently and continually. 2) the capacity is not something that is passive but on going process. 3) the development of human resources capacity is the center of the capacity development. 4) what is meant by institutional is not limited in a specific sense (group, collective or organization) but also in a wider sense relating to the behavior, values and others.

d. the restriction of capacity strengthening is: 1) the strengthening of the individual capacity. 2) the strengthening of the entities capacity (Institutional). 3) the strengthening of the capacity of the system (network).

e. The definition of Cooperatives and Micro, Small-medium Enterprises (MSME). 1) The definition of cooperative. Cooperative is a business entity that consists of people or a legal entity of cooperatives underpinning the activities based on the principles of cooperation as well as people's economic movement based on the principle of family. Cooperative aims to promote the welfare of members in particular and society in general as well as join to build the national economy in order to realize a good society, and prosperous based on Pancasila and 1945 Constitution.

f. Central Bureau of Statistics (BPS) gives a sense of Small-medium Enterprises (SME) based on the quantity of labor. Small business is a business entity that has a total worker, 5 to 19 people, while medium-sized businesses is the business entity that has a worker 20 to 99 people (Hubeis, 2009:20). Act (Act) RI No. 20 in 2008 about Micro, Small-medium Enterprises (MSME) mentioned 1) Micro Business is productive economic enterprises owned by individuals or entities requiring micro enterprise criteria. 2) Small Business is the productive economic effort that is independent, which is conducted by the individual or business entity that is not a subsidiary or branch, controlled, or become part of medium or Large Enterprise Businesses directly or indirectly that meet the criteria of a small business. Medium business is productive economic effort that is independent,

which is conducted by individual or business entity that is not a subsidiary or branch of a company which is owned, controlled, or become part of a small business or a large Enterprise directly or indirectly with a total net worth or annual sales results as provided for in the Act.

## 2.2 Economic Growth

It is said that the economy is growth if the economic activity is higher than in the past. In other words, the development will be created if the number of physical goods and services are produced in the economy grew higher in the following years.

**2.3 Pattern or Model of Community Empowerment of Community Capacity Building (the development of community self-supporting village) Financial Business Management Unit (FBMU) to increase economic growth MSME (NPH).**

The role applied by empowerment substantially is to strengthen ability (their bargaining position and ability) in order to the community can be independent. Because of that, empowerment can be defined as the process of strengthening the capacity (capacity building). The Strengthening of the capacity is the strengthening of the ability belonging to every individual (in community), institutional and system or network among individuals and groups and social organization, as well as other parties out of the system until the community in the global.

The strengthening of capacity to grow the participation of the community includes the strengthening of the capacity of each individual (the community), the institutional capacity (behavior values and organization) and networking capacity with other institutions and interaction with a wider system.

## 2.4 Review of previous research results

The research title is a Model of management and development of micro-credit enterprise Kesuma Tiara Cooperative Jakarta. Researchers are Wardoyo and Hendro Prabowo, Economy and Psychology Faculty of Gunadarma University.

The result of this research showed that the success of Kesuma Tiara Cooperatives in running micro-credit efforts can be seen in some indicators, such as: the increasing of a number of members, the increasing of the loan and the independence of cooperative in running the management.

Some factors supporting the success are geography, economy and access factor. a) the geography. The service given by kopaga Kesuma Tiara to members is based on geographical region and the public administration in village. b) the access. Based on the geographical factor, the ease of access is also obtained by the members. It is because of the group chief is among the members living together in the community. Once a month, officers have visited members to resolve the financial transaction and court administration problem. This ease is almost the same ease as given the debt-collector. c) the social economy.

Some factors of social economy influencing are no collateral, low interest, responsibility and social services. 1) No collateral. To become a member, it takes in the copy of id card and without any collateral. 2) the low interest. Interest rate offered to members is smaller than debt-collector interest. 3) and responsibility. To get new members, the senior members select tightly to control on who will become new members. This is because if one of members can not repay loans so all members of a group jointly will return it. 4) social services. Interest is returned in the social service form given to non members or members that require from year to year even though the number of member decline. The increasing also occurs on the number of member savings. The increasing occurred because the loan amount also rose appropriate to the phase running in lending to Kesuma Tiara.

## 2.5 The Framework

Community empowerment in community capacity building (the development of community self-supporting village) is a program of the provincial government carried out by the district government by forming Financial and Business Management Unit (FBMU) at village. FBMU is Micro Finance Institution (MFI) that provides credit services to community groups (community) that have Productive Economic Unit (PEU). The purpose of PEU is developing productive economic aimed to improve the income of Near-poor Household (RTHM). The increasing of income is expected to be able to enhance the economic growth Micro, Small-medium enterprises involving Near-Poor Household (NPH).

## 2.6 Hypothesis

Community empowerment in Community Capacity Building (development of community self-supporting village) of the unit for management of financial and business can increase Enterprises the economic growth rate of Micro, Small-medium (MSME)-Near-poor Household (NPH).

### **3. RESEARCH METHOD**

#### **3.1 Research Approach**

A qualitative approach is used to conduct this research because this study found a pattern or model for community empowerment cooperatives and Micro, Small-medium Enterprises (MSME) to increase economic growth ( performance and income of community).

#### **3.2 Research Method**

It is a descriptive qualitative research design. Burham Bungin (2010:68) explained, " design format of descriptive qualitative has many similarities with the descriptive quantitative design, therefore descriptive qualitative design is also called quasi qualitative.

**3.3 Data source:** a) the office head of Community Empowerment of Kediri. b) the section program head of Community Empowerment. c) Employees of Empowerment of Cooperative Society and Micro, Small-medium Enterprises (MSME).

#### **3.4 research instruments and techniques of data collection**

Sugiyono (2010: 23) also explained that in the qualitative study, the main instrument is the researcher himself, but after the research focus becomes clear, then it is possible that it will be developed a simple research instrument that is expected to complete the data and compare the data having been discovered through observation and interview. Researchers will come to the spot directly in the grand tour question, the selection and focused phase, data collection, analysis and making inference.

Data collection method used in this research is a gradual interview method, unstructured observation, documentary material, visual and combined material method ( triangulation )

#### **3.5 The Data Analysis Technique**

The data analysis technique in this research uses the technique of the data analysis case studies and the usage of document and visual material.

### **4. RESEARCH RESULT**

#### **4.1 community empowerment models according to mardikanto ( 2010 )**

It will be explained the strategy (model) of community empowerment according to Mardikanto (2010) consisting of components: (the program, target, goal, approach, phases, method, facilitator, monitoring and evaluation ).

1. The program. Community Empowerment Program called Community Capacity Building (the development of community self-supporting village) is community empowerment program in the provincial level that was conducted by the Office of Community Empowerment in the district. While the Office of Community Empowerment District form Financial Business Management Unit (FBMU) in the village as Micro Finance Institution for Near-Poor household (NPH).

The efforts of Financial Business Management Unit (FBMU) consist of: 1) service of business capital savings and loan and 2) productive business services with the self-management principle. Business capital savings and loan service is oriented to encourage and develop business capital of Near-Poor household (NPH), especially (NPH) Near-Poor House hold, so this group can increase their income. A productive business is the sector of business managed by Financial Business Management Unit (FBMU) by using fund of Business Empowerment that has been approved in village meeting (VM) planning.

The general principles of Financial Business Management Unit (FBMU) are: a) There is the capital that comes from a member, compiled from member savings both frozen savings and voluntary savings . b) Service loan is only applied to Near-poor household who are members of community groups in Productive Economic Unit-Saving and Loan (PEU-SL). c) Using the approach of social capital and the principle of responsibility, but it can guarantee if it is approved by community groups with the principle of not burdensome the community groups-Near-Poor Household (NPH).

2. The target. The program targets of Community Capacity Building (the development of community self-supporting village) are: a) Near-Poor Household (NPH) participating in community groups and have Productive Economic Unit (PEU). b) Productive business managed by Financial Business Management Unit (self-managed)

3. The purpose. The purpose of Productive Economic Unit – Savings and Loan (PEU-SL) activity is developing productive economic business devoted to increase the income of poorer.

4. The approach. Using the approach of social capital and the principle of responsibility , but it can apply security if it is approved by community groups with the principle of not burdensome for Near-poor Household of community groups .

5. The stage. The stages of the community capacity building are: a) Socialization: 1) Province socialization. 2) Village socialization. b) Planning: 1) Identification of potential problems. 2) The strengthening of village



economic institutions. 3) Clarification and verification of Near-poor Household target. c) Realization: 1) Writing the proposal. 2) Proposal verification. 3) the preparation of Productive Economic Unit – Savings and Loan (PEU-SL) activities. 4) The preparation of the activities of the increasing of human resources. 5) The implementation of activities of Productive Economic Unit – Savings and Loan (PEU-SL). 6) The implementation of the activities of the increasing of human resources.

6. Accountability and the preservation of: a) Administration accountability. b) Village meeting (VM) accountability (program preservation)

7. Method: a) Province socialization is implemented in a workshop form. b) Village socialization: 1) Village deliberation is implemented in opened meeting form. 2) Informal meeting accorded with the culture in the village for example recitation, cultural performances, sports, and others. 3) The installation of props or or another media is in strategic location. c) Planning is carried out in Focus Group Discussion (FGD). d) The implementation: 1) The preparation for the distribution of Productive Economic Unit – Savings and Loan (UEP-SP) in business capitalization loan in FGD. 2) The preparation of human resource development that includes training or apprentice in FGD. 3) Service of business capital loan by Financial Business Management (FBMU) to community group in a meeting between FBMU and community groups. 4) The implementation of the capacity increasing of human resources through training. 5) Accountability and preservation in Focus Group Discussion (FGD).

8. Facilitators: a) The provincial socialization: Provincial facilitators. b) The village socialization: chief of village is assisted People's Advocacy Team (PAT). c) Planning: The village administration and People's Advocacy Team (PAT). d) The implementation: People's Advocacy Team (PAT) e) Accountability and the preservation of: People's Advocacy Team.

9. Monitoring and evaluation. Participative monitoring and evaluation are monitoring and evaluation conducted by people themselves to discuss the process, the result, the issues and problems confronted, and to formulate the proper solution in accordance with the vision and their own necessity. Participative monitoring and evaluation can be conducted in a forum of discussion and an informal meeting to share experiences openly relating to the progress of the program, the problems encountered in the execution of activities and the solving.

Participative monitoring and evaluation by community are held at every event stage, starting with: 1) the socialization, 2) the clarification, 3) preparatory meeting, 4) village deliberation planning, 5) village proposal writing, 6) Near-Poorer Household (NPH) mapping, 7) The fund disbursement, 8) activities execution and 9) village meeting (VM) accounts and preservation.

Participative monitoring and evaluation can also be conducted for every type of activities, both activities of Productive Economic Unit – Saving and Loan (PEU-SL), The strengthening of Village Economic Institutions (VEI) and the increasing of human resources. Monitoring and evaluation of the activity of Productive Economic Unit - Saving and Loan (PEU-SL) as follows: 1) the conformance of the funds distributed Financial Business Management Unit (FBMU) to community (CG) as written in loan agreement, 2) Community (CG) receiving loan is community (CG) whose members have been approved in clarification and fulfilling the requirement, 3) the member of community (CG) receiving the loan is Near-poor Household which has business or Near-poor Household has the business plan. 4) the amount of the installment and services loan is in accordance with loan agreement. 5) The monitoring of business realization of FBMU, 6) whether any reporting of FBMU periodically on the implementation of Productive Economic Unit - Saving and Loan (PEU-SL) and financial developments and etcetera.

The monitoring and evaluation of the increasing of human resources activities are: 1) the activities implementation, 2) the accuracy of the needs, and 3) the accuracy of participant or underwriter.

The result of the participative monitoring and evaluation is recommendation to improve and develop the alternative new activities in the program, and it can be immediately applied.

#### **4.2 Society Empowerment Model According to Ismawan (Priyono, 1996)**

Discussion refers to Ismawan (Priyono, 1996) which established the existence of the program (model) of the empowerment strategy consisting of: 1) human resource development, 2) the community institution development, 3) the accumulating of community capital (private), 4) the productive business development, 5) Providing the appropriate information.

##### **1. The development of human resources**

In the implementation of Community Capacity Building activities, there is progress of Human Resource – (HR-FBMU) by People's Advocacy Team (PAT) consisting of: 1) administrative training, procedures, granting business capital, mechanism of community (CG) formation. 2) the preparation of administrative documents saving and loan. 3) the determination of operational service. 4) Loan request service and business and debitor feasibility analysis. The purpose: 1) Ensuring the completeness of the distribution and the realization of Productive Economic Unit - Saving and Loan (PEU-SL) has been available and complete. 2) Entrenching the management of Productive Economic Unit - Saving and Loan (PEU-SL) especially in administration and

accountability. 3) Ensuring and preparing for the procedure simulation of realization. The result: 1) Readiness of the manager of Financial Business Management Unit and Community Empowerment Institution of Village (CEIV) in implementing activities. 2) Readiness of procedures and administration of the activities. 3) The establishment of the community - Productive Economic Unit. 4) The establishment of the plan of the realization schedule.

The increasing of human resources of community group consisting of: 1) preparatory of human resource development which includes training or apprentice, follows as: ( a ) the selection of the participant training kind. The training kind is a production technology concerning to the practice methods that accordance with the target of Near-poor Household need for business expansion or begin businesses. (b) The determination of an instructor/location . The People's Advocacy Team (PAT) facilitate to find an instructor or apprentice a training place that is not a commercial but partnership. (c) The determination of the execution schedule. (d) The preparation of materials and the means and administration of that activities.

The purposes of the preparation of the human resource development are: (a) Preparing technical and non technical need of the human resource development. (b) Preparing the target of human resource development. 2) The implementation of the human resources development. Provisions of activity type: (a) Training: (1) The training material is to enhance the ability of community groups in the business development. (2) The training material could be: technological innovations of production, proper technology application, the product model quality and packaging management, and marketing and business partnership. (3) Training can be carried out by each Financial Business Management Unit or collectively facilitated by Financial Business Management Unit forum or the Community Empowerment Board Government. (4) The method of training conducting through material transferring by lecture; discussions or practice. The method is more in practice characteristic.

Participants of training are community groups and community members having the potential to develop businesses. (b) Apprentice: 1. The participants of apprentice are community groups. 2. The apprentice is implemented in (a) industry/small-medium enterprises. (b) laboratory, (c) hall of education and training exercises. (3)The material is taken a priority in the implementation of an apprentice, follows as: (a) Production Technology. (b) Product Design. (c) Packaging, and (d) Marketing and Partnership.

## 2. The Development of Institutional Group

An institutional group consists of Financial And Business Management Unit as Micro Financial Institution (MFI), a group of community who carries out a Unit of Productive Economy (PEU) and FBMU-PEU self-managed .

The development of institutional FBMU covering: 1) the office or a special space for service activities of Productive Economic Unit – Saving and Loan (PEU-SL)and the equipment. 2) The beginning and household budget. 3) Administrative and financial books. 4) Facilitation of People's Advocacy Team activities in the preparatory stage Productive Economic Unit – Savings and Loan. 5) Facilitation of the increase in human resources activities at the preparatory stage.

Institutional development of community groups including: 1) Analysis of business feasibility, 2) The implementation of human resource development in training and apprenticeship.

The development of institutional Productive Economic Unit - self-managed Financial and Business Management Unit including: 1) analysis of business feasibility, 2) The implementation of community activities development of human resources in training and apprenticeship.

## 3. Accumulating community capital (private)

Financial and Business Management Unit is as Micro Financial Institution for Near-poor Household joining in community groups that has Productive Economic Unit (PEU) besides getting Hibah fund from the provincial government also have capital sourced of members collected from the mistress of a member either frozen saving or voluntary saving. The program fund is simply fund that serves as a stimulant. Though beginning capital of Financial Management Unit (FMU) is funded by the program fund but since the beginning, Financial and Business Management Unit has developed the savings from members.

## 4.The development of productive enterprises

The aim of PEU-SL FBMU is to develop the business activities productive economy aimed for increasing income of Near-Poor Household (NPH) in running the business, FBMU organizer selects the business equipment funded to be developed by Near-Poor Household (NPH) To achieve the optimal results of business management, committee of FBMU always improve their knowledge and ability in PEU-SL management as well as facilitating NPH in the development of business.

5.The provision of appropriate information to, a) Village socialization - b) The propping of media in strategic location. b) To socialize village meeting in the strategic location on the bulletin board. (b) The village meeting responsibility: FBMU socialize the result of musdes responsibility through the bulletin board.

## 5. DISCUSSION

The program of Community Capacity Building (a program to develop the community 's self-reliance) has

completed the elements of community empowerment models according to 1) Mardikanto (2010) consisting of: a) The program , b) The target , c) The goal , d) Approach , e) The stage , f) The method , g) Facilitators , h) Monitoring and evaluation. 2) Ismawan (Priyono, 1996) consisting of: a) Human resource development, b) The development of the institutional group, c) Accumulating the capital of the community (private), d) The development of a productive business, e) Providing the appropriate information .

Standart Operating Procedures (SOP) of Community Capacity Building Program (community self-supporting program village) still take more priorities to the fund distribution than the existence of Productive Economic Unit (PEU)self-managed FBMU and NPH-PEU.

The success of Community Capacity Building (CCB) is not only seen from the success of the fund distribution and the refund but also it can be seen from the existence of uep self-management and FBMU NPH-PEU. The program organizers have to have a clear measuring instrument about the existence of Productive Economic Unit such as the increase of asset ( supplies and merchandise / product items) fixed assets , the increase of production capacity , the increase of sales and income , the increase of profit , the increase of broad of marketing regions , the increase of cooperation ( networking ) and others.

PluGGd.In; Bangalore (2012: ) Value of Relationships, Initiatives and Monetizations: If you can view your business as Experiences, then the whole job breaks down in Relationships, Initiatives and Monetizations. Relationship is which people you engage with, and what relationship you build with them. initiatives are what unique initiative you are taking to satisfy your relationships. Monetization is the act of securing revenue out of your relationships. In Experience view, Designing the right set of Relationships, Initiatives and Monetizations is then the definition of Business Model. Approaches to capacity development of small and medium entrepreneurs.

Chanin (2016) In Thailand-Malaysia border areas in order to create competitive advantage are 1) conducting marketing promotion should be increased 2) information on raw materials must be studied before placing orders 3) principles of accounting record, profit and loss statement and balance sheet, must be studied in order to understand business' financial status 4) entrepreneurs should continually study tax benefit for ASEAN Member Countries. 5) entrepreneurs must recruit employees with knowledge of systems thinking development. 6) entrepreneurs should continually acquire new knowledge.

Empowerment target of Community Capacity Building should not be restricted only on Near-poor Household just because of the reason to raise revenue but extends into community groups,whoever has Productyive Economic Unit and entrepreneurship because usually Near-poor Household does not have the source of earning power to support the management of PEU and also does not have the entrepreneurship, so the loans (program) could be used for household need (consumptive).

Sajian at all (2015) Based on the existing studies, a new theoretical framework has been proposed in this paper to study the impact of some selected demographic and personal characteristics of entrepreneurs on the performance of the firm. Chang (2014) the general characteristic of an entrepreneur and the characteristics of a creative entrepreneur of creativity and network all showed to have meaningful effect on the current performance, growth possibility, and on sustainable R&D investment. Wallin (2016) Growth-ambitions are influenced at least by the type of the market where start-up is focusing on, the scalability of the business model, personal characteristics of entrepreneurs, entrepreneurial and international experience of the founders and their perceptions of the barriers and constraints of the field, and finally the social context to which they are embedded in. Omerzel (2008) The study is limited to Slovenian SME, but can be generalised to other regions. Entrepreneurial knowledge can have beneficial effects on the firm's growth and profitability. The findings can be used to guide entrepreneur in developing different dimensions of knowledge.

## 6. CONCLUSION

**6.1 Conclusion:** 1) a model of community empowerment according to Mardikanto (2010) consists of: a) Program, b) The target, c) The goal, d) Approach, e) The stage, f) The methods, g) The facilitator, h) Monitoring and evaluation. 2) Empowerment model according to Ismawan (Priyono, 1996 ) consists of: a) The development of human resources, b) The development of institutional groups, c) The fertilizing of community capital (private), e) Providing the appropriate information.

**6.2 Implication:** 1) theoretical: Empowerment models - Community Capacity Building ( the development of community self-supporting village ) adds study of the empowerment theory which has been exist especially for empowerment study either in the literature or in the class. 2) Practical: The application of community empowerment Capacity Building (the development of community self-supporting village) must always emphasis on the elements of community empowerment models based on either Mardikanto ( 2010 ) or Ismawan (Priyono, 1996) and pay more attention to the goal and impact of empowerment than the distribution of funds.

### 6.3 advice:

1) For provincial government and city administration. The provincial government and city administration must

have a clear measuring instrument to measure the success of productive economic unit-saving and loan (uep-sp) upku, Productive Economic Unit-self-managed FBMU, PEU-community groups Near-poor Household. it is not only seen from the fund distribution, the development of human resources FBMU and community groups Near-poor Household but also it is seen from the existence of Productive Economic Unit-self-managed and Productive Economic Unit-community groups Near-poor Household. The empowerment target of Community Capacity Building should not be restricted only on Near-poor Household because the reason to raise revenue but extends into community groups, whoever has a Productive Economic Unit (PEU) and entrepreneurship because usually Near-poor Household does not have the source of earning power to support the management of Productive Economic Unit and also does not have the entrepreneurship, so the loans ( program ) could be used for household need (consumptive).

2 ) For FBMU. The Success of FBMU is not only measured by the fund distribution and the refund as Micro Financial Institutions for Productive Economic Unit-self-managed and Productive Economic Unit-Near-poor Household but also measured by the success of Productive Economic Unit-self-managed and Productive Economic Unit – Near-poor Household having increased the revenues, wealth, and uep existence.

3 ) For Community-Near-poor Family. The fund is only as a stimulant (additional) of Productive Economic Unit development, this means that without the fund, Productive Economic Unit has already been exist and good, so with the additional fund, Productive Economic Unit will grow better and can be measured by simple instrument, for example the extension of sales, increasing the number of merchandise, expanding the marketing area, better quality and design of the product, increasing profit, the increase of worker which influence the welfare, the aim of community empowerment capacity building for raising Near-poor Household up.

Community-Near-poor Family should not consider that program funds is the gift of the government that can be used for everything or for consumptive and it does not have any impact for the increasing of the income and even think that they do not return it because the program fund is also needed by other community groups (revolving capital) besides as a form of responsibility loans from Micro Financial Institution-Financial Business Management Unit.

The capital loan from FBMU for community-Near-poor Household is a very good opportunity to be used as additional working capital and for investment because interest expenses is low enough and the period of the repayment is long, so it is very good for supporting the development of businesses.

Community-Near-poor Household must improve themselves to be a tough entrepreneur, tenacious and the most important thing having commitment to develop the business as an achievement of the personal (family) vision and mission and return the loan.

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