

Evaluation of Pulutan Ceramic Craftsmen Empowerment Program As The Competitive Superiority Improvement Medium in Minahasa

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Abstract

This study aims to evaluate empowerment program of Pulutan ceramic craftsmen in Minahasa District. This research was using the evaluation method of CIPP (Context, Input, Process, Product). The technique of data collection are participant observation, interviews, documentation and focus group discussions, then analyzed with qualitative technique from Miles and Huberman.

The results showed that empowerment program in the form of training, support facilities and infrastructure is relevance with the needs of craftsmen. The program could increase the income of craftsmen for 4 years (2006 to 2009) but have not been able to encourage either the creation of jobs for the community or to encourage business growth. The implementation of program that supporting by the availability and adequacy of human resources, facilities and infrastructure, financing, allocation of time, materials and training methods has been able to increase the capacity of craftsmen, but have not been able to make the craftsman's self-reliance and no implications for increasing the knowledge and skills of other craftsmen in Pulutan community.

The study recommends to the Department of Industry and Trade in Minahasa district to continue and improve the empowerment program strategy based on entrepreneurial attitude and build up the craftsman's work group as a primemover to another craftsmen at Pulutan societies.

Keywords: Program Evaluation, Empowerment, self-reliance

1. Introduction

The competitiveness has become a need in the era of globalization and free-trading, so competition becomes a space to show a variety of advantages. The more stringent and open competition is increasingly felt when AFTA has been implemented in 2003 and CAFTA in 2010, and even later when APEC is implemented in 2020. Its consequence is there will be many foreign products from Asia, Europe, United States, and other countries that will come and compete with domestic products with the exemption rate up to 0%. Today, in domestic market, there are products from China and Taiwan that are circulated and dominate the local market.

According to Ina Primiana (2009:90), there are about four consequence of free-trading era. Firstly, the coming of foreign capital and technical skills. Foreign player will enter a country through open a branch, subsidiary, or in the form of joint venture, including the coming of foreign workers to Indonesia to fill shortage of experts in various fields. Secondly, globalization accelerates the product innovation and marketing diversification. It requires product innovation to stimulate purchasing power; moreover the marketing technique will also change, so that it will not only use conventional techniques. Thirdly, the presence of new capital will increase the competition in domestic market and will further increase the competition which has become tight. Fourthly, globalization opens the opportunities for the companies which are ready to go international. These changes need quick response so that companies including small and medium enterprises can improve their competitiveness of product/services in market.

Small and medium micro enterprise sector in it business activity is inevitable from the external influences, although the history writes that during the economic crisis, many big enterprises go bankrupt, but the small and medium micro one still survives and is exist until now. Small and medium micro enterprise is one of enterprise that not only helps in labor absorption but also give contribution for the Gross Domestic Product growth. Piper's (1997) dissertation as stated by Tulus Tambunan suggests that 12 million people or about 63.2% of the worker number in United States work in 350,000 companies that have approximately 500 workers which are categorized as Small and Medium Micro Enterprise in that country, while in Netherlands the percentage of Small and Medium Micro Enterprise number is approximately 95%, whereas in Asia, Africa, and Latin America Latin this enterprise acts in absorbing the employment opportunity, income source for the poor, income distribution,

poverty reduction, and rural economic development. The data from BPS 2008 shows that in 2007 the total of Small and Medium Enterprise is 49.8 million units or 99.99% on the total of business unit in Indonesia, while its employer total is 91.8 million (97.3%) of the overall Indonesian employer that amounts to 94.3 million employer. Among the national economic growth that amounts to 6.3% in 2007, Small Micro Enterprise renders 2.4% and only 1.2% that is from Medium Enterprise, whereas the Big Enterprises renders 2.7%.

In North Sulawesi, the Small and Medium Enterprise growth shows significant increase, from 28,414 units in 2001 to 35,140 units in 2006, and increase to 52,964 units on May 2010 (North Sulawesi Cooperation and UMKM Department, 2010). This enterprise is very prospective, so that the increase in quantity has to be equal to the productivity and quality improvement so the Small and Medium Enterprise become more superior in competition. The superiority of an enterprise reflects on the human superiority that is company resource. The superiority is developed by the company resource as the resources-based theory perspective by Barney (1991), Grant (1996), and Wernerfelt (1994) that is reviewed by Guthrie, Datta and Wright (2004:4). Company is a collection of resources and capability that in its turn, becomes an important source for the competitive superiority. Nowadays, the competitive superiority is not only determined by natural resources potential as raw material sources but most of all, the superiority is developed by human. Human capital theory gives a new insight that competitive superiority, today, is not longer based on traditional superiority sources but has shifted with the new competitive superiority sources, i.e. creativity, knowledge and relation (Sandra Burud and Marie Tumulo, 2004: 10). The power of human resource as the competitive superiority sources change the thinking attitude that had been focused on the grandeur of natural resources. With creativity and innovation, human can change the natural resources to be more precious and different so that it may be more competitive. Therefore, the touching to develop the human superiority has become a need in this competition era.

One of mediums to make human has competitive superiority is through its empowerment. Empowerment will change human who is less potential to be the human who has capacity in knowledge, skill, working ethics, and independence aspects.

Empowerment has become a national program since GBHN Tahun 1999 and Propenas through UU No 25 Tahun 2000. Similarly, in UU No 9 tahun 1995 about Usaha Kecil dan Menengah (Small and Medium Enterprise) which then is changed through UU No 20 tahun 2008 among others, asserts that the empowerment aims to increase the role of Micro, Small, and Medium Enterprise in regional development, job creation, income equity, economic growth and poverty alleviation. Empowerment program for Pulutan ceramic craftsman becomes a strategic program of Department of Industry in Minahasa because beside it has natural resources (clay as raw material) in Pulutan, this craft has been a revenue source of the society since 1909. Pulutan ceramics craft is the only ceramic centers in North Sulawesi Province that grows along with the people who began to settle in Pulutan.

Empowerment program that in its implementation has been working with CIDA (specially in training) has been able to change skills and works of the craftsmen so that they can produce high-quality ceramics but has not been able to change the working ethos and the level of social welfare sustainably. Based on the data in 2010 there are about 48% (315 people) of 653 people who are dependent as pottery craftsman (rough craftsman) and have revenues only about Rp.200.000 - Rp.400.000/month. Resident social data of Pulutan village shows that of 307 households, there are 137 households that is categorized as underprivileged families, 89 households that is categorized as prosperous family I, 46 households that is prosperous family II, 28 households that is prosperous family and 7 household that is categorized as prosperous family III/over. From the education side there are 159 children who drop out of school while the highest education level of the society is bachelor that is only 7 of 1014 people. This condition shows that the community welfare including the craftsmen is still low both socially and economically. In relation with this problem, this research aims to evaluate the empowerment program attainment from the Department of Industry in Minahasa and its implication for the society and to formulate the strategy to develop its human resource advantages and anticipates the challenges in this era of competition and also to alleviate poverty in the community.

2. Research Method

The research method that is used in this research is evaluative research method, using CIPP evaluation method (*Context, Input, Process and Product*). This evaluation model is linier that means the input evaluation must be preceded by context evaluation, process evaluation must be preceded by input evaluation, and product evaluation must be preceded by process evaluation. According to Daniel Stufflebeam (2003:2), CIPP model is an evaluation that has comprehensive framework, relates to formative evaluation and summative evaluation is linked to

Context, Input, Process, Product evaluation. *Context* evaluation is to identify and assess the need, problem, and asset that underlie a program composing. This kind of evaluation also relates to the program objective and priorities formulation. This evaluation tries to find the answer of *what needs to be done*. *Input* evaluation is conducted to help the decision maker assessing the alternative approach, action plan, staff and budget plan for the feasibility and the cost effectiveness potential to fulfill the targeted needs and objectives. This evaluation tries to find the answer of *how should it be done*. *Process* evaluation helps to implement the decision until how far the plan has been determined. This evaluation tries to find the answer of the question: *is it being implemented?* *Product* evaluation tries to identify and access the output and benefit both has been planned and not, both short-term and long-term. This evaluation tries to answer the question: *is it success?*

The data collecting technique uses participative observation, in-depth observation, documentation, and *focus group discussion*. Triangulation is conducted to finding reliable data and information, then they are analyzed qualitatively using the Miles and Huberman model (1994:12).

The CIPP model program evaluation design is described as the following:

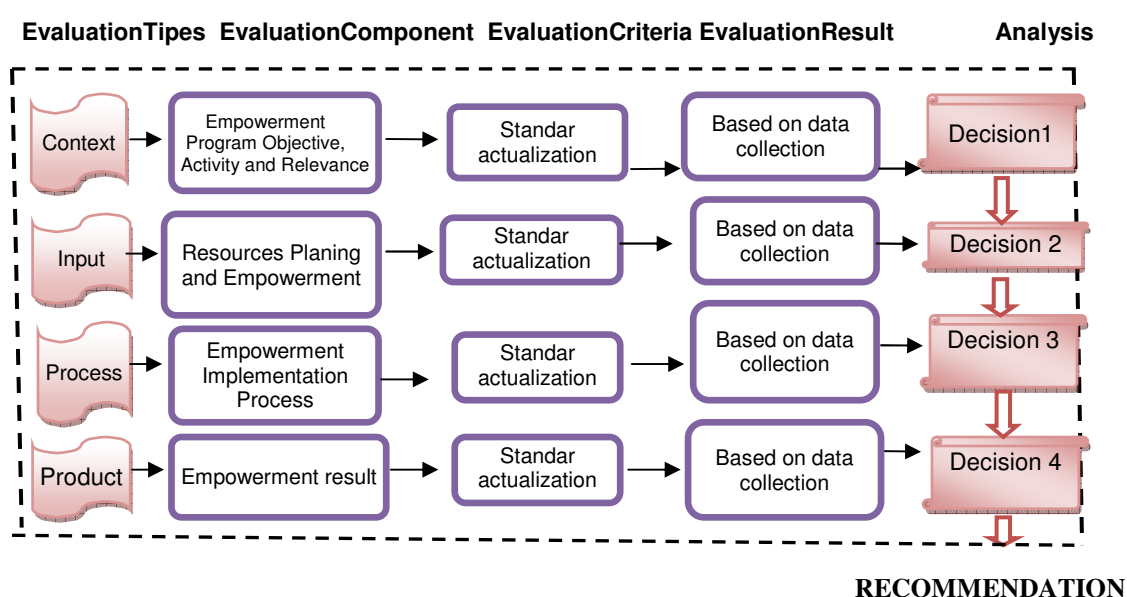


Figure 1: CIPP model evaluation design for Pulutan Ceramic Craftsmen Empowerment Program in Minahasa

3. Research Result and Discussion

3.1 Empowerment Program Objective, Activity, and Relevance

Empowerment program for the pulutan ceramic craftsmen is one of strategic program of Department of Industry in Minahasa besides the development of clothing industries, chemical and building material industries, metal and electronics industry, industry personnel resources and industry agencies. UU Nomor 25 tahun 2000 and UU Nomor 20 tahun 2008 become the reference for Department of Industry in Minahasa to implement the empowerment programs to increase income, open job opportunities and encourage business growth which is based on the natural and human resources quality that in the end will reduce poverty. The experience of the craftsman as pottery craftsman (rough ceramics) and the availability of good quality clay (as raw material products) in Pulutan village are the input in the implementation of empowerment program. The program that is conducted by CIDA through training program and the infrastructure support by Minahasa government has been able to increase the revenue of craftsmen for 4 years (2006-2009) but from 2010 to the present it has decreased and the business activity now has greatly reduced. The average growth of craftsmen's revenue may be seen in the following table:

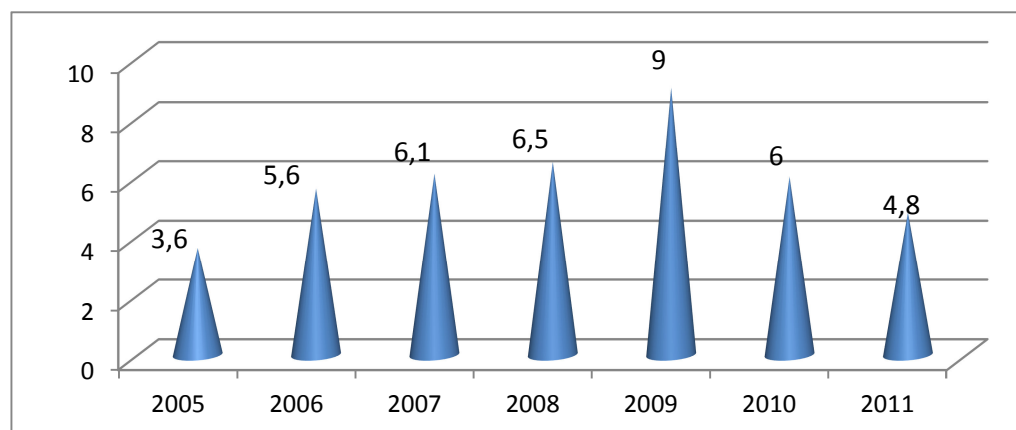


Figure 2: The average growth of the ceramic craftsmen's' income per year from 2005 to 2011 (in million rupiahs)

In the training process in 2006, the income of the craftsmen looks starting to increase from Rp 3,600,000 to Rp 5,600,000 and grows to Rp 6,100,000 in 2007, and reaches Rp 9,000,000 in 2009. This increase is due to the ceramic products that are made in training has started to go on sale in various national events that are facilitated by Minahasa government and North Sulawesi provincial government, such as Minahasa anniversary exhibition, province anniversary exhibition, World Ocean Conference, and Sail Bunaken. The market that opened at that time also affected the increase in product sales that also increase the income of craftsmen. Along with the lack of marketing and the reduced interference in the activities of craftsmen, then in 2010 the income starts reducing until today. This finding shows that income increase as one of the program objectives is only accomplished during the training period and does not have long-period or continuous effect so that do not change the economic level of the craftsmen yet. The contributing factor is dependency, the craftsmen are not proactive yet to find market but only wait the order from customer. The dependency on the government is still high, whereas the initiative as business actors is still low. From the side of program owner, Department of Industry and Commerce in Minahasa, the post-program coaching is still low and the marketing access from local government to help the segment expansion of ceramic market is still low.

The empowerment program has started with the need survey at the craftsmen level to assure that the program is relevant to the society needs, i.e. the opening of new job opportunity. The findings shows that this program has not given impact on the work opportunities yet in the society because the craft business is not growing from the asset point of view, such as the building, office facilities, production facilities, and capital and labor which do not change or increase to the present. The craftsmen still return to its previous state. The cause is the weak business management, e.g. there is no any short term and long term business planning, the limited management ability of the manager, and the lack of personal character of the craftsmen.

3.2 The planning and utilization of resources

The empowerment program for Pulutan ceramic craftsmen is planned for 2 years where the first year is for ceramic making training and the second year is for bookkeeping and marketing training. This program has some human resources supports: some instructors from CIDA, CIDA representatives in North Sulawesi, Department of Industry representative in Minahasa, and experienced craftsmen as pottery artisan.

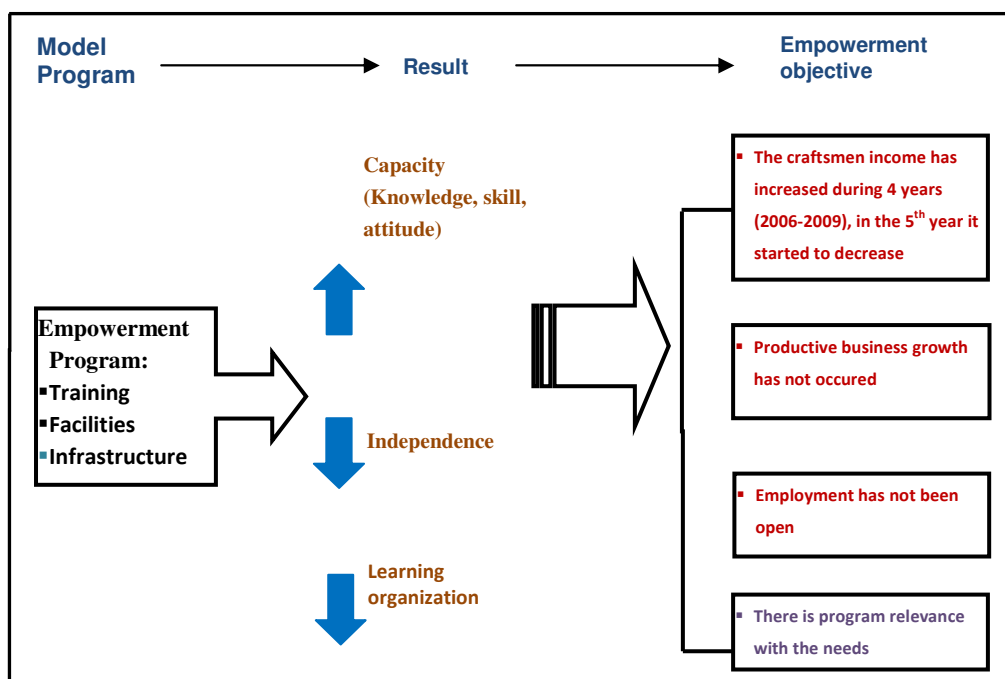
This empowerment program use facilities and infrastructure that are facilitated and funded by the Department of Industry in Minahasa through APBD of Minahasa, such as: procurement of raw material (clay) through the North Sulawesi government-owned clay location in Pulutan, production facilities (ceramic furnace and product molding tools), and office building and facilities. There are 3 main contents that are designed in this empowerment program, i.e. ceramic product making, bookkeeping, and marketing. The training method which is used is ceramic product making practice, bookkeeping practice in Technical Unit Pulutan, and marketing practice in Hotels/Resorts and Stores/Supermarket in Manado, Bitung and Minahasa.

3.3 The Empowerment Program Implementation Process

The main activity of this empowerment program is training for the pottery craftsmen to be the ceramic craftsmen that is conducted by the instructors for CIDA. The training activities start with survey by CIDA and Department of Industry in Minahasa about product quality, kinds, model, and marketing system so it become the basis to conduct the training and anticipate to competitors' product. The training schedule is designed to relate with the national and international events so that the training intensity increases because the craftsmen are required to produce various model and kinds of ceramics that will be marketed at these events. One of activities in this empowerment program implementation is program monitoring that is conducted by the Department of Industry Minahasa and CIDA. CIDA evaluates the training activities while the Department of Industry and Commerce in Minahasa evaluates the availability of facilities and infrastructure at the training program. The post empowerment program monitoring activities ends because of the limited funds so the craftsmen's dependence in business has not been responded yet by the program owner because this program is considered done and not followed up for some improvement and sustainability of future programs.

3.4 Empowerment Result Effectiveness

Empowerment program has been able to improve the capacity of craftsmen from the side of knowledge, skills, and work ethos, but has not been able to make them independent. The finding of the research is presented in the following picture:



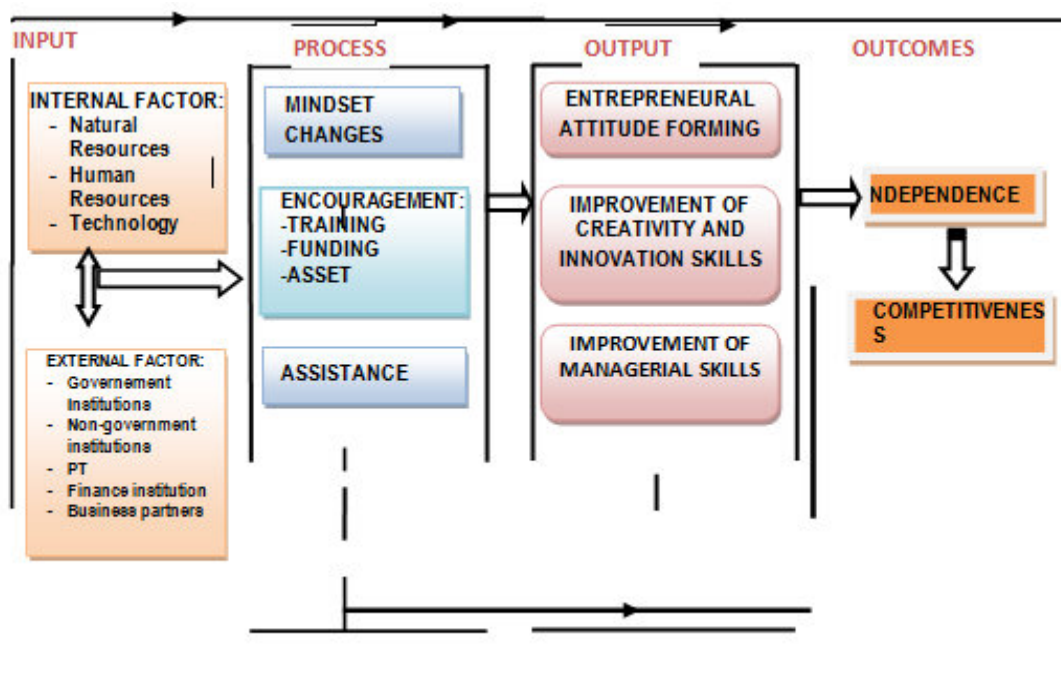
There are various internal factor of craftsmen dependence, i.e. 1) the craftsmen and 2) Management aspect. From the craftsmen aspect, such as (a) The lack of entrepreneurship; (b) Work ethos that only for meeting the daily needs so that the income from the product making is not set aside for capital turnover; (c) the dependence on aid, in this case the aids that they receives has made them more depend on the aid so they become less creative and innovative in developing business; (d) the low quality education of the human resources. From the management aspects, the group management is low, e.g. managerial skills and work organizing or job division from each marketing, production, and finance function. The external factors of this dependence are from the institutional aspect that is the lack of marketing and funding access from the government, bank, cooperation and Capital Lending Institution.

The research result also shows that knowledge and skill transfer (to the craftsman) has not occurred that is the empowerment program targets so the learning organization has not been created at the craftsmen group business. Yet when the learning organization created in the society through this empowerment program, then the craftsmen in Pulutan village would get various knowledge and new skills about how to make high-quality ceramics. The

constraints of the lack of learning organization are the lack of funding and plan to create the learning organization by the craftsmen, and also the lack of initiative of the craftsmen to learn about making high-quality ceramics.

To make the craftsmen independent so that their products will be superior in the market, the improvement and development of Pulutan craftsmen can be implemented through an entrepreneurship-based empowerment program. Entrepreneurship-based empowerment program is an empowerment model that is design to improve the innovation, creativity, and work ethos which leads to entrepreneurial culture and improve the managerial skills. In this model, the development of Pulutan ceramic craftsmen is based on the availability of raw material, facilities and infrastructure, and the integrative implementation (not partially) among the various agencies with one vision that is to make the craftsmen group business become independent and competitive, and implications for the society.

Entrepreneurship-based empowerment model is described at the following picture:



Picture 4: Pulutan Ceramics Craftsmen Improvement Strategy using The Entrepreneurship-based Empowerment Model

5. Conclusion and Recommendation

Based on the evaluation using context, input, process, product (CIPP) evaluation model, it generates some conclusions as follows:

1. The empowerment program for Pulutan ceramic craftsmen in the form of training, facilities and infrastructure provision that are relevant to the craftsmen needs, can improve their income for 4 years (2006-2009) but started in 2010, it changed. The contributing factors are the craftsmen dependence, such as not proactive in searching market but only waiting some order from customer, the high dependence to government while the initiative as business actor is still low. The factors from program owner are the lack of post-empowerment program mentoring and market access from the local government to help expanding the ceramic market segment. The empowerment program also has not encouraged the creation of new job opportunity for the people and the business growth at the craftsmen group and society yet.
2. The empowerment program for the Pulutan ceramic craftsmen is supported by the sufficient quality of human resources from the instructor side: there are CIDA representative in North Sulawesi Utara, Department of Industry in Minahasa representative and experience as pottery craftsmen. In addition, this empowerment

program is also supported with the funding sourced from APBD of Minahasa, training materials and method that are appropriate with the craftsmen needs, and also the time allocation that support the effectiveness of empowerment program implementation.

3. The empowerment program has been able to improve the craftsmen capacity in terms of knowledge, skills and work ethos but has not been able to make them independent so that the business group of the craftsmen has not been competitive and growing.
4. The empowerment program has not implicated to the improvement of craftsmen' knowledge and skills in the society because the learning organization has not been created at the craftsmen group business. The contributing factors are the lack of craftsmen' initiative to learn more about how to make ceramic products, funding, and plans by the craftsmen to create the learning organization.

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