International Journal Empowerment Society
Vol. 01, No. 01, December 2024, pp. 19~27
ISSN: xxxx-xxxx, *https://ejournal.almusthofa.org/index.php/ijes/*

Community Empowerment Through the PNM Program in Muara Sabak Barat to Improve Rural Economic Welfare

Ajeng Desy Sutiani[1], Khusnul Yatima[2], Al Munip[3], Nurjali[4]
Institut Islam Al-Mujaddid Sabak

Article Info

Article history:

Received 03-10-2024
Revised 08-10-2024
Accepted 08-10-2024

Keywords:

community empowerment,
PNM Program,
economic welfare,
rural

ABSTRACT

Community empowerment is one of the important strategies in overcoming poverty and improving the economic welfare of rural communities. The PNM (Permodalan Nasional Madani) program in Muara Sabak Barat is present as one of the initiatives designed to support increasing public access to business capital and entrepreneurship training. This study aims to analyze the impact of the PNM Program on the economic welfare of the community in Muara Sabak Barat, Jambi. Using qualitative and quantitative methods, this study evaluates the extent to which the program is able to increase family income, expand business access, and provide a significant socio-economic impact. The results of the study show that the PNM Program has succeeded in encouraging community economic participation through the provision of business capital and mentoring, which ultimately contributes to improving rural economic welfare.

This is an open access article under the CC BY-SA license.

Corresponding Author:

Ajeng Desy Sutiani
Institut Islam Al-mujaddid Sabak, Jambi, Indonesia
Email: ajengdesy260@gmail.com

1. INTRODUCTION

Community empowerment has become one of the main concepts in poverty alleviation efforts in various countries, including Indonesia. In rural areas where access to capital and entrepreneurship education is still limited, an effective empowerment approach is needed to improve the quality of life and economic well-being of the community. In this context, the Madani National Capital Program (PNM) emerged as a solution that aims to support rural economic development by providing access to capital and entrepreneurship training.

Muara Sabak Barat, located in East Tanjung Jabung Regency, Jambi Province, is one of the rural areas with a low level of community economic welfare. Based on BPS data (2020), the average income of people in the region is below the national average, and many households depend on the subsistence agriculture sector. With the presence of the PNM Program, it is hoped that the community will have wider access to business capital and training that can help them improve their standard of living.

The theory of community empowerment is the conceptual basis of this research. According to Zimmerman (1995), empowerment is a process that allows individuals and communities to gain control over their lives, improve skills, and have the power to participate in decision-making that affects their well-being. In an economic context, this

theory focuses on how providing access to resources, such as capital and knowledge, can encourage people to actively participate in productive economic activities.

In addition, Putnam's (1993) Social Capital Theory supports the idea that social relationships, networks, and trust among community members can strengthen economic participation and micro business success. In the implementation of the PNM Program, the social capital of the local community is an important factor that supports the success of this empowerment program.

Another relevant theory is Blakely's Local Economic Development Theory (1989), which explains that economic development in rural areas should focus on empowering local communities, creating micro-enterprises, and increasing the capacity of human resources. Blakely emphasized the importance of economic independence through local capacity building, which is in line with PNM's approach in providing capital and entrepreneurship training to the community.

Although the theory of community empowerment and social capital shows great potential in improving economic welfare, in practice there is still a gap between the concept and implementation in the field. One of the gaps in theory and practice found is that empowerment programs often fail to integrate a sustainable approach. Many empowerment initiatives only focus on providing capital without paying attention to the aspects of sustainable mentoring and intensive entrepreneurial development.

In addition, in many empowerment programs, including PNM, there are still challenges in terms of equitable distribution of access and achievement of the most needy communities. The gap between access to capital and the ability of the community to manage the capital is also one of the obstacles in ensuring the success of long-term programs. So, empowerment is not just about providing capital, but must be accompanied by skill development, increasing business knowledge, and sustainable social support.

Several previous studies have shown mixed results regarding the impact of economic empowerment through microfinance programs such as Suryanto & Sudaryanto (2017) in their research stated that the PNM Mekaar Program has succeeded in increasing the income of program participants by 20-30% in several rural areas in Indonesia. However, this study also found that the success rate is highly dependent on the educational background of the participants and the existence of business mentoring.

Nurhadi (2020) conducted a study in several rural areas in Central Java and found that in addition to capital, entrepreneurship training plays an important role in improving the success of small businesses. The PNM program, which provides entrepreneurship training to women small business actors, has a positive impact on improving their business management skills.

Mardiasmo (2016) in his journal on economic empowerment through microfinance emphasizes the importance of a combination of capital, entrepreneurial education, and intensive mentoring as key factors in the success of community empowerment programs. However, his research shows that the success of the program depends not only on the participants, but also on the quality of the facilitators who provide the training.

This research is relevant to several previous studies that highlight the importance of community economic empowerment through microfinance programs. However, this study seeks to fill a gap that has not been widely discussed, namely about how to implement the PNM Program in rural areas such as Muara Sabak Barat, with a focus on improving the economic welfare of rural communities through strengthening capital aspects, entrepreneurship training, and its social impact.

By examining the implementation of the PNM Program in Muara Sabak Barat, this research is expected to provide new insights into how economic empowerment programs

can be adapted and optimized according to local needs. In addition, this study also contributes to evaluating the effectiveness of the approach used by PNM, so that it can be a reference for similar programs in other regions.

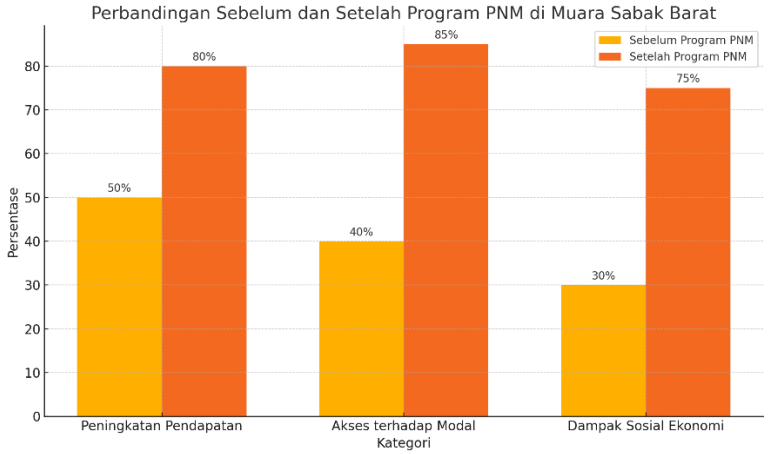
This study has several objectives to analyze the influence of the PNM Program on increasing community income in Muara Sabak Barat, assess the extent to which the PNM Program increases public access to business capital and identify the socio-economic impacts arising from the implementation of the PNM Program.

2. METHOD

This study uses a mixed approach that combines qualitative and quantitative methods. Quantitative data was obtained through a survey of PNM Program participants in Muara Sabak Barat, while qualitative data was collected through in-depth interviews with key informants, such as community leaders, program managers, and beneficiaries. Data analysis was carried out using descriptive statistical analysis techniques and thematic analysis for qualitative data.

3. RESULTS AND DISCUSSION

This study focuses on the impact of the PNM Program on three main aspects in community economic empowerment in Muara Sabak Barat: increased income, access to business capital, and socio-economic impact. Quantitative data obtained from a survey of PNM Program participants showed a significant increase in all categories after the implementation of the program.



Graph 1. Results of a Comparative Survey Before and After the PNM Program in Muara Sabak Barat

Research on the Importance of BUMDes Management to Improve the Economy of Kota Raja Village needs to be carried out because BUMDes is an institution that is being discussed a lot. Although almost all villages in Indonesia have formed BUMDes, only a few have succeeded in improving the welfare of their communities. This failure is caused by various factors, including suboptimal human resources and mistakes in choosing the potential that is developed. This study aims to analyze the role of BUMDes in the development of Kota Raja Village.

3.1 Increased Revenue

Prior to participating in the PNM Program, 50% of respondents had a relatively low family income (less than Rp 2,000,000 per month). After the program was implemented, the percentage of people whose income increased significantly reached 80%. This shows

that the business capital provided by PNM has succeeded in encouraging the growth of small businesses, thus having a direct impact on increasing household income.

3.2 Access to Business Capital

Prior to the PNM Program, access to business capital in Muara Sabak Barat was quite limited, with only 40% of the community being able to obtain capital from official sources or banks. After the implementation of the program, the percentage of access to capital increased to 85%. The PNM program plays an important role in providing access to capital for people who were previously unreachable by formal financial institutions.

3.3 Socio-Economic Impact

In addition to the direct economic impact, the PNM Program also has a significant social impact. Prior to the program, only 30% of the community reported changes in local social and economic participation. After the implementation of the program, this percentage rises to 75%. This increase is mainly due to the entrepreneurship training provided, which helps the community to be more confident in managing businesses and actively participate in local economic activities.

The results of this study are consistent with the theory of community empowerment and the theory of social capital that have been discussed previously. The provision of access to business capital and entrepreneurship training by the PNM Program not only increases household income but also strengthens social networks and economic participation of the community in Muara Sabak Barat. However, there are some challenges that need to be addressed to achieve a broader impact, such as the need for more intensive mentoring and the expansion of the program to more remote areas.

The graph above shows a quantitative comparison before and after the implementation of the PNM Program in three main categories, namely increased income, access to business capital, and socio-economic impact. This graph confirms that this program has had a significant impact on the economic and social welfare of the community in Muara Sabak Barat.

To ensure that micro businesses can develop sustainably, more intensive and quality assistance is needed, especially in business management and long-term financial management. Given the success of the PNM Program in Muara Sabak Barat, it is necessary to expand the program to nearby villages that have similar economic characteristics. This expansion can be done by collaborating between related institutions to reach a wider community.

With this analysis and discussion, it is hoped that this research can contribute to the development of economic empowerment policies for rural communities through microfinance programs, especially in remote areas such as Muara Sabak Barat. To increase the effectiveness of assistance in the Madani National Capital Program (PNM), a more effective mentoring strategy needs to include several key aspects that can help beneficiaries not only receive capital, but also be able to manage their businesses in a sustainable and growing manner.

Each participant of the PNM Program has a different type of business and challenges. Therefore, the mentoring approach must be tailored to the specific needs of each business. The PNM program needs to strengthen the participant profiling system, so that assistance can be differentiated by business sector (agriculture, handicrafts, trade, etc.) Assistance focused on the specifics of business needs will help beneficiaries solve problems that are more relevant to their business.

Entrepreneurship training provided by PNM must be integrated as an ongoing process, not just a one-time initial training. Ongoing training will provide beneficiaries

with the latest knowledge on business management, product innovation, as well as the use of technology in small businesses.

Digital technology can be a very useful tool for mentoring, especially in an era that is increasingly connected online. PNM can use digital platforms to provide remote mentoring, application-based training, and easier access to information. By utilizing technology, beneficiaries can get mentoring anytime and anywhere, so they don't have to rely entirely on face-to-face training.

Effective mentoring requires a structured monitoring and evaluation system. This strategy ensures that the development of participants' businesses continues to be monitored and evaluated periodically. PNM can expand cooperation with various other financial and non-financial institutions to provide additional support to beneficiaries. This collaboration will expand the network and opportunities for beneficiaries, as well as provide more comprehensive support in business development.

Effective mentoring must also pay attention to social aspects. In this context, empowerment not only focuses on improving the economy of individuals but also strengthens social relationships and local networks that support business sustainability. A community-based approach can create a business ecosystem that supports each other and encourages mutual growth at the local level.

To ensure the quality of mentoring, PNM needs to continue to improve the capacity of the mentors themselves. Companions must have skills relevant to the needs of micro businesses. Increasing the capacity of the facilitators will ensure that they are able to provide appropriate and solutive direction to beneficiaries. Assistance in the PNM Program needs to be more directed, sustainable, and technology-based to have a more significant impact. The combination of continuous training, the use of digital technology, strong monitoring, and increasing the capacity of mentors will make mentoring more effective and ensure that community economic empowerment through the PNM Program can be sustainable and develop better.

The success of the Madani National Capital Program (PNM) in improving the welfare of rural communities does not only depend on the mentoring strategy, but is also influenced by several other factors that must be considered. The success of PNM is greatly influenced by the quality of beneficiary human resources, especially in terms of education level, skills, and business management capacity. Program participants with a higher level of education or good financial literacy tend to understand financial management, business planning, and business capital management more easily. Participants who already have experience in managing a business before will find it easier to adopt the concepts taught through PNM training. Therefore, upskilling for less experienced participants becomes essential for long-term success.

The success of micro businesses funded by PNM is also greatly influenced by infrastructure conditions and market access. In rural areas such as Muara Sabak Barat, adequate transportation infrastructure is needed so that business results can be marketed to cities or regions that have higher demand. The success of micro businesses also depends heavily on how easily they can reach a wider market. If access to the market is limited, the ability of businesses to develop will be hampered. The connectivity between PNM and access to business partners or market platforms can also affect the growth of micro businesses.

Macroeconomic factors such as inflation, economic policies, and national and local economic growth also affect the success of the PNM Program. At the local level, the availability of raw materials, price fluctuations, and people's purchasing power will greatly affect the success of PNM participants' businesses. If the purchasing power of the local community is low, then the micro businesses generated by PNM participants may not be

able to develop quickly due to limited demand. For businesses that depend on raw materials or the agricultural sector, changes in commodity prices can greatly affect their income and business sustainability.

In addition, economic policies such as government subsidies, tax incentives for micro enterprises, and support programs from local governments also play an important role. PNM provides early access to business capital, but in some cases, the capital provided may not be sufficient for long-term business growth. Therefore, the availability of advanced capital is important so that micro businesses can develop and innovate. If the business of the program participants grows but they do not have access to additional capital, business growth can be hampered.

Social support from family and community is an important factor in the success of PNM-funded businesses. A supportive environment will help program participants in managing their businesses better. In many cases, micro-businesses run by women PNM beneficiaries are successful because of the support of other family members, both in terms of labor and finance. Active local communities can create strong local markets and allow program participants to work together in developing businesses or utilizing common resources. A strong community can also encourage innovation and create a wider network to market products.

The success of micro businesses supported by PNM also depends on the ability of beneficiaries to innovate and adapt to market changes. Innovation can be in the form of new product development, the use of technology in business operations, or creative marketing strategies. Beneficiaries who are able to leverage digital technology, such as social media for marketing or financial applications for business management, will have an advantage in competing and surviving in the market. When there is a change in demand or market trends, businesses funded by PNM must be able to adapt quickly to remain relevant and competitive.

Government policies, both at the central and regional levels, have a significant impact on the success of PNM. A supportive regulatory environment, such as micro business empowerment policies, tax incentives, and micro business protection from large business competition, will increase the chances of business success for PNM recipients. Simplification of micro and small business licensing can make it easier for PNM participants to develop their businesses formally. Local government policies that support rural economic development, such as infrastructure assistance, local market development, and easy access to raw materials, will greatly help PNM beneficiaries.

As discussed earlier, the quality of assistance and services provided by PNM also has a great influence on the success of program participants. Intensive, sustainable, and relevant assistance to business needs is very important in ensuring that program participants are able to make good use of capital and develop their businesses. Companions who have competencies and expertise that are relevant to the type of business of the participant can also have a greater impact in supporting the success of the program.

The success of the PNM Program in improving the welfare of rural communities depends on a combination of factors, including the quality of participants' human resources, access to infrastructure and markets, macroeconomic conditions, the availability of additional capital, social support, business innovation, the regulatory environment, and the quality of mentoring. To ensure the sustainable success of this program, synergy is needed between various parties, including the government, financial institutions, local communities, and the beneficiaries themselves.

.

4. CONCLUSION

The PNM program in Muara Sabak Barat has shown success in empowering rural communities through access to business capital and entrepreneurship training. This program has contributed significantly to increasing household income, access to capital, and positive socio-economic impacts. Therefore, this kind of program needs to continue to be developed and adjusted to local needs to ensure the sustainability of the economic welfare of rural communities.

It is recommended that the PNM Program be extended to other villages around Muara Sabak Barat that also have similar economic characteristics, so that more people can benefit from this program. Entrepreneurship training needs to be improved not only in the aspect of business management, but also in long-term financial management, so that people are better able to manage capital independently. There is a need for cooperation between PNM and other formal financial institutions, such as cooperatives and regional banks, to strengthen a sustainable capital ecosystem in Muara Sabak Barat.

REFERENCES

Abdullah, A., Musthofa, A., & Sunarti, Z. (2024). Tinjauan Hukum Islam terhadap Sistem Bagi Hasil Kebun Pinang. Seval Literindo Kreasi.

Abidin, Z., Kuswanto, K., & Ismawati, S. I. (2023). Education Based on Innovation and Creativity in Improving the Competitiveness of Micro, Small and Medium Enterprises. Zabags International Journal Of Engagement, 1(1), 28-34.

Abidin, Z., Kuswanto, K., & Nurdianingsih, F. (2023). Inclusive Education Learning Model for Students with Learning Difficulties. Zabags International Journal Of Education, 1(1), 19-24.

Arsyad, L. (2010). Development Economics. Yogyakarta: UPP STIM YKPN.

Devi, E. K., Munamah, A. N., Sarwono, S., Ulumudin, I., & Romansyah, N. (2024). PERAN BAZNAS DALAM MENINGKATKAN PEREKONOMIAN MELALUI PROGRAM ZAKAT PRODUKTIF DI TANJUNG JABUNG TIMUR. Neraca: Jurnal Ekonomi, Manajemen dan Akuntansi, 2(12), 823-829.

Dong, M., Musthofa, M. A., & Nilfatri, N. (2024). Tinjauan Hukum Islam Terhadap Perlindungan Konsumen dalam Sistem Pembayaran pada Unit Usaha Air Bersih. Jurnal Al Mujaddid Humaniora, 10(1), 19-26.

Fatimah, S., Devi, E. K., Wandi, W., Mun'amah, A. N., & Sarwono, S. (2024). TINGKAT SOSIALISASI DAN PEMAHAMAN MASYARAKAT TANI KELAPA SAWIT DALAM MENUNAIKAN ZAKAT MAL DI KABUPATEN TANJUNG JABUNG TIMUR. Al-Mabsut: Jurnal Studi Islam dan Sosial, 18(2), 345-352.

Hidaya, T., Devi, E. K., & Ardiansyah, A. (2024). Peran Pengawasan Dan Pelaporan Dalam Mengurangi Kasus Money Politik Pada Pemilu Di Kecamatan Sadu. BESTARI: Jurnal Pengabdian kepada Masyarakat, 1(1), 27-34.

Ismail, M. S., & Musthofa, M. A. (2024). Eksistensi Religius dan Tantangan Zaman Tradisi Mandi Penimbul Dalam Ritual Pengobatan pada Masyarakat Mendahara, Kabupaten Tanjung Jabung Timur, Provinsi Jambi. NUR EL-ISLAM: Jurnal Pendidikan dan Sosial Keagamaan, 11(1), 163-176.

Ismawan, B. (2000). Community Empowerment: The Role of the Government, NGOs and Banks. Jakarta: Gramedia.

Judijanto, L., Devi, E. K., Fatimah, S., & Susanti, P. (2024). Pengaruh Kebijakan Pendidikan dan Distribusi Pendapatan terhadap Ketimpangan Ekonomi di Indonesia. Sanskara Ekonomi dan Kewirausahaan, 2(03), 178-187.

Judijanto, L., Devi, E. K., Hibrida, A. R., Arisanti, I., & Erliana, Y. D. (2024). Implementation of Work-Life Balance in Non-Profit Organizations in Region C:

Literature Review on its Impact on Employee Performance and Satisfaction. Sciences du Nord Humanities and Social Sciences, 1(01), 25-32.

Judijanto, L., Utami, E. Y., Devi, E. K., Sarmiati, S., & Sudarmanto, E. (2024). Analisis Dampak Investasi Cryptocurrency dan Volatilitas Pasar terhadap Profitabilitas Perusahaan Energi di Indonesia. Sanskara Akuntansi dan Keuangan, 2(02), 90-99.

Kartini, D. (2013). Community Empowerment and Development of Empowerment Models. Bandung: Alfabeta.

Maharani, A., Haeran, H., Munip, A., Fatimah, S., & Mun'amah, A. N. (2024). Pendampingan Promosi dan Inovasi Kemasan Terhadap Peningkatan Penjualan Minuman "Tuk Tuk Thai" di Rantau Rasau. Jurnal Bangun Abdimas, 3(2), 265-271.

Mardiasmo, D. (2016). Community Economic Empowerment Through Microfinance. Journal of Public Finance, 14(1), 47-60.

Maulana, A., Haeran, H., Munip, A., & Saputra, A. E. (2024). Strategi Pemasaran Layanan Keuangan dalam Meningkatkan Transaksi di Kantor Pos KCP Rantau Rasau. Jurnal Bangun Abdimas, 3(2), 289-295.

Ministry of Cooperatives and Small and Medium Enterprises (2022). Annual Report of the PNM Program. Jakarta: Ministry of Cooperatives and SMEs.

Musthofa, M. A., & Nurjali, N. (2024). Analysis of the Welfare Level of Palm Farmers at Sungai Sayang Village. Zabags International Journal Of Economy, 2(1), 66-76.

Mustika, Mega Ariyani, and Al Munip. "The Views of Islamic Business Ethics on Printing Business Competition." Zabags International Journal of Economy 2.2 (2024): 77-88.

Nurhadi, M. (2020). The Role of the PNM Program in Improving the Economic Welfare of Village Communities. Journal of Empowerment Management, 5(1), 10-24.

Nurjali, Nurjali, et al. "The Discovery Learning Method: An Islamic Religious Education Instructor's Strategy for Character Development." Zabags International Journal of Islamic Studies 1.1 (2024): 7-14.

Padli, I., Musthofa, M. A., & Haeran, H. (2024). Investasi Asuransi Jiwa Berbasis Unit Link Dalam Perspektif Hukum Islam. Jurnal Al Mujaddid Humaniora, 10(2), 34-40.

Padli, I., Musthofa, M. A., & Haeran, H. (2024). Investasi Asuransi Jiwa Berbasis Unit Link Dalam Perspektif Hukum Islam. Jurnal Al Mujaddid Humaniora, 10(2), 34-40.

Permodalan Nasional Madani (2021). PNM Mekaar Program Performance Report. Jakarta: PNM.

Pitri, A., Kuswanto, K., Pitriani, P., Aji, S. P., & Sarmila, S. (2023). Creative Economy Innovation Through "Batik Tulis" with Natural Dyes as a Sustainable Development Solution. Zabags International Journal Of Engagement, 1(2), 49-55.

Rijal, S., Devi, E. K., Saputra, A. E., Fatimah, S., & Sarwono, S. (2024). Pengaruh Integrasi Teknologi Blockchain dan Struktur Organisasi terhadap Efisiensi Audit Akuntansi pada Perusahaan XYZ di Indonesia. Sanskara Akuntansi dan Keuangan, 2(03), 175-183.

Sono, M. G., Rijal, S., Devi, E. K., & Utami, E. Y. (2024). The Effect of Innovation, Entrepreneurship and Business Development on the Economic Independence of Muslims. West Science Islamic Studies, 2(02), 80-90.

Sono, M. G., Rijal, S., Devi, E. K., & Utami, E. Y. (2024). The Effect of Innovation, Entrepreneurship and Business Development on the Economic Independence of Muslims. West Science Islamic Studies, 2(02), 80-90.

Sugiyono (2017). Quantitative, Qualitative, and R&D Research Methods. Bandung: Alfabeta.

Suryanto, T. & Sudaryanto, H. (2017). The Impact of the Madani National Capital Program on the Economic Improvement of Rural Communities in Indonesia. Journal of Economics and Development, 8(2), 35-50.

Undari, W., & Lubis, A. S. (2021). Usaha Mikro Kecil Dan Menengah (Umkm) Dalam Meningkatkan Kesejahteraan Masyarakat. Jurnal Penelitian Pendidikan Sosial Humaniora, 6(1), 32-38.

Utami, E. Y., Fatchuroji, A., Devi, E. K., Harsono, I., & Sutanto, H. (2024). Analisis Korelasi Manajemen Risiko dan Ketahanan Bisnis terhadap Keunggulan Kompetitif Perusahaan Sektor Jasa di Indonesia. Sanskara Manajemen Dan Bisnis, 2(02), 92-102.

Zuhdi, M. Ali, and Al Munip. "Upaya Pengelolaan Ikan Asin Dalam Meningkatkan Pendapatan Nelayan." Zabags International Journal Of Engagement 1.1 (2023): 22-27.