

CREATING COMMON PROSPERITY: ECONOMIC EMPOWERMENT POLICY FOR ALL

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Abstract

Economic empowerment is carried out to encourage, motivate and explore the potential of the community. That way, the condition of society will change from being helpless to being empowered. These empowerment efforts require support from various parties. Among them are the government and also non-governmental organizations. There is a goal of community economic empowerment that needs to be known, namely for the community to increase their income, solve the problems they face, and develop a system for accessing the necessary resources. The goal of community economic empowerment is to improve a community's quality of life, independence, and prosperity by addressing a variety of issues within that community. By granting more equitable access to financial resources and commercial possibilities, economic empowerment can contribute to the reduction of economic inequality. This study conducted an exploratory evaluation of the literature using a qualitative descriptive approach. Techniques for library research are used in the data collection process. This research discusses the definition and scope of economic empowerment, theories related to economic empowerment, economic empowerment policies, challenges and obstacles in implementing economic empowerment policies.

Keywords: Policy, economic empowerment

INTRODUCTION

When we talk about a city, it certainly cannot be separated from urban problems, one of these problems is poverty. Poverty is a condition where a

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person or group of people is unable to fulfill their basic rights to maintain and develop a dignified life. The basic rights in question are clothing, food and shelter.

If we look, the causes of poverty are actually related to each other, such as income, education, availability of goods and services, environmental conditions and geographical conditions. Quoted from the statement of Royce, E. (2022), someone is categorized as poor if their average monthly per capita expenditure is below the poverty line. The poverty line itself is divided into two, namely the Food Poverty Line and the Non-Food Poverty Line. The main factor causing poverty is the low quality of human resources (low education and low skills). In the world of work, a company will definitely look for someone who is considered capable of carrying out duties according to their position with the knowledge and soft skills they possess. Someone who does not have the skills appropriate to their job will be displaced because they do not match the criteria they are looking for (Dev, S. M. 2016)

The impact of this is the large number of unemployed people in Indonesia, the unemployment rate in Indonesia is 5.83 percent of the total 208.54 million Indonesian population who are of working age. This figure increased due to the impact of Covid - 19 where many people lost their jobs because they were laid off from their factories due to a lack of raw materials and decreased demand from consumers or were unable to continue their business. These factors usually occur in rural areas. However, urban areas also have to face urban poverty, the main cause of which is urbanization or population movement from villages to cities. This will become an urban problem if urbanization occurs and the City Government is unable to regulate and overcome the impact of this movement. As urbanization rates increase, it is necessary to develop urban areas to meet housing needs (Puspadjuita, E. A. 2018).

From this poverty, other economic problems can arise, including slums in the city. If urbanization continues, space for residence will become limited (Nuruddeen, T., & Ibrahim, 2014). So, migrant people from these villages will most likely build buildings in inappropriate places such as riverbanks, rubbish dump areas because their financial situation is insufficient to buy livable houses.

Poverty will also give rise to social inequality in society because the relationship between poverty and inequality is positive, which means that if poverty increases, there will be greater economic inequality too. Economic inequality is an unbalanced condition in society which results in striking differences, especially in relation to very high differences in income between

the upper class and the lower class. Economic inequality is the unequal distribution of income and opportunities between various groups in society. This topic is a problem in almost all countries in the world and often people in poverty have little opportunity to improve their socio-economic conditions. Economic inequality can include unequal access to education, gaps in access to health and medical services, inequality in employment and unfair wages and uneven infrastructure (Škare, M., & Družeta, 2016).

Even though the pandemic has ended, in fact the poverty rate in Indonesia is still relatively high. Data from the Central Statistics Agency shows that as of March this year, there were still 25.9 million Indonesians living under poverty. Apart from that, inequality in terms of income as measured by the Gini ratio is also widening. Even though various efforts have been made to minimize social and economic inequality, there are still challenges that must be overcome (Afandi, A., Wahyuni, D., & Sriyana, 2017).

Some of these challenges include unevenness in policy implementation in various regions, persistent regional inequality, and corruption problems that hamper the effectiveness of public policies. To face this challenge, further steps are needed to strengthen policy implementation, expand the scope of existing programs, and increase supervision of policy implementation. Things that cause the government to be less than optimal in implementing these policies include the inaccuracy of government policies which do not take into account differences in social and economic contexts in various regions, thereby reducing effectiveness in overcoming inequality (Tweedie, D., & Hazelton, 2019).

Insufficient budget is also a major factor in the failure of policy implementation. If the government does not provide adequate funds or does not manage them effectively, these programs cannot be implemented optimally. High levels of corruption and a lack of transparency can hamper policy implementation. High inequality will gradually become an obstacle to economic growth. Inhibited economic growth results in a country being unable to leave or being trapped in the middle class income group (Stilwell, F. 2016). To overcome this, the country must build inclusive economic policies, equitable and quality education, entrepreneurship and economic empowerment, strengthening potential economic sectors, and collaborative partnerships. The conclusion is that social and economic inequality is a complex challenge. To overcome this problem, efforts as above need to be made. , The government must also improve the quality of education throughout Indonesia to gain better

access and increase opportunities for women in economic life to reduce the gender gap.

So that underprivileged people can escape poverty, economic empowerment is needed. Community economic empowerment is an effort to change the conditions of a particular community in solving various problems related to improving the quality of life, independence and prosperity. This community economic empowerment is carried out to encourage, motivate and explore the community's potential. That way, the condition of society will change from being helpless to being empowered (Davidai, S. 2018). These empowerment efforts require support from various parties. Among them are the government and also non-governmental organizations.

There is a goal of community economic empowerment that needs to be known, namely so that people have the knowledge and skills to use in life. Apart from that, the community is also expected to increase income, solve the problems they face, and develop systems to access the necessary resources. Community economic empowerment is an effort to change the conditions of a particular community in solving various problems related to improving quality of life, independence and prosperity (Subiyakto et al., 2022).

RESEARCH METHOD

This study uses a qualitative descriptive approach by conducting an exploratory review of the literature. The data collection technique uses library study techniques. Literature study is an activity of collecting data from various sources/literature needed in research (Usrah, Habib, & Fakhurrrazi, 2021).

The author searches for trustworthy sources, including academic journals, reference books, and websites that discuss strategies for economic empowerment that promote shared wealth. The sources chosen are those with the power to bring about shared prosperity: universal programs for economic empowerment. Following the gathering of pertinent sources, facts and information are methodically examined in these sources.

RESULT AND DISCUSSION

Economic Empowerment Concept

According to Mopangga, H., & Bumulo, F. (2018) the term empowerment refers to the word empowerment which means strengthening, namely as an effort to actualize the potential that the community already has. Technically, the term empowerment can be equated with the term development. Empowering society is an effort to increase the dignity of layers

of society which in current conditions are unable to escape the trap of poverty and backwardness. The starting point for empowerment is the recognition that every human being or community has potential that can be developed.

Empowerment is to build power by encouraging, motivating and raising awareness of one's potential and efforts to develop it. Empowerment also means activities that require change, namely changing the condition of a person, group of people, organization or community towards a better condition (Surya et al., 2020). Here the word empowerment suggests the meaning of a tough and strong mental attitude. In substance, the aim of empowerment is to make those who are less fortunate or powerless become empowered, therefore through empowerment it is hoped that conditions will change for the better. Economic empowerment needs to be supported by all parties. Because economic empowerment will have a broad impact on the lives of people who are predominantly Muslim.

Thus, efforts to empower the community's economy are also on the people's agenda, where in principle the benefits from economic empowerment will return to the people. Economic empowerment is an effort to develop or empower the economy of previously underprivileged communities (Clark et al., 2019).

Many factors influence the prosperity of society. The condition of the housing they live in, whether there is electricity, facilities for obtaining clean water, the condition of infrastructure in general, and the level of income earned are several important factors that greatly influence the level of prosperity of a community. Of the various factors above, one of the most important factors is the income earned by the community. As a result of low income, the following problems will arise according to Kabeer, N. (2021):

1. Issues with undernutrition and inadequate health standards. This is evident from the high neonatal mortality rate, the yearly death rate, and the quantity of dietary calories that fall short of the required threshold.
2. Poverty remains pervasive. In developing nations, a sizable portion of the populace makes less than the poverty line. This indicates that their revenue is insufficient to meet their basic demands on a daily basis.
3. There is still a lack of education. Many families in underdeveloped nations struggle to cover their children's tuition costs due to poor income levels.

Consequently, the aim of community empowerment is to mold people into independent individuals and communities. This self-reliance encompasses autonomy in cognition, behavior, and decision-making. The situation known as community independence is one that the community experiences and is

defined by the capacity to reason, make decisions, and take appropriate action to solve problems by applying their existing resources.

Cognitive, conative, psychomotor, emotional, and additional material/physical resources are the talents under consideration. The ability to think critically and solve issues by drawing on one's knowledge and insight is the essence of cognitive conditions. A conative condition is an attitude toward behavior in the community that is developed and geared toward actions that are considerate of the principles of community empowerment. Individuals with affective problems have feelings that are anticipated to be addressed in order to empower attitudes and behaviors. In order to support the community in carrying out community empowerment development activities, psychomotor abilities are skills that the community possesses (Van der Rheede, 2016).

Empowerment in the economic sphere is usually related to independence in people's livelihoods. In this case, productive efforts that can become a source of income or become a source of life become the focus within the scope of economic empowerment, especially providing impacts or benefits for improving welfare.

According to Hameed et al., (2014), among the goals of economic empowerment for the community are:

1. Fulfill someone's daily needs simply
2. Meet family needs
3. Meet long-term needs

Economic empowerment can help reduce economic inequality by providing fairer access to economic resources and business opportunities. This allows more vulnerable individuals and groups to engage in productive economic activities. By providing access to training, capital and markets, economic empowerment can increase their income. Higher income can help them escape the cycle of poverty and improve their quality of life. Economic empowerment also focuses on developing independence. By increasing individuals' knowledge, skills and capacity, they can become more independent in managing their own businesses and overcoming economic challenges (Pratley, 2016).

Economic empowerment not only has an impact on economic aspects, but also on social welfare. When people feel they have control over their economic destiny, they tend to have a higher sense of self-worth and can contribute more actively to the development of their community. In Indonesia, community economic empowerment has become the main focus in efforts to

eradicate poverty. The government has launched various programs and policies to support community economic empowerment, such as the Family Hope Program, People's Business Credit, and various skills training. Apart from that, various NGOs, non-profit organizations and the private sector have also contributed to driving community economic empowerment initiatives in various regions in Indonesia.

These efforts have helped many individuals and groups to improve their quality of life and contributed to poverty alleviation at the local and national level. Economic empowerment is an important strategy in alleviating poverty. It provides vulnerable individuals and groups with better access to economic resources, training, and business opportunities, so they can increase their income, reduce economic inequality, and increase independence. In Indonesia, economic empowerment has become an integral part of government and civil society efforts to achieve inclusive and sustainable development. By continuing to encourage this initiative, it is hoped that poverty can be significantly overcome in the future.

1. ABCD Theory (Asset Based Community Development)

One model of approach that can be used in community empowerment efforts is the ABCD (Asset Based Community Development) approach. ABCD is a community empowerment model that prioritizes the utilization of assets and potential possessed by local communities. In this approach, the community is considered a valuable asset for the village. In empowerment, there is a need for a facilitator whose role is to identify the various potentials that the community already has. Implementation of community empowerment using the ABCD approach generally has 4 components that need to be implemented, namely Problem Based Approach, Need Based Approach, Right Based Approach, and Asset Based Approach. The Problem Based Approach is the potential that society has in the form of awareness of the problems they are facing. With this awareness, local communities will make changes or try to solve the problems they are facing.

2. Stakeholders Theory

In this context, community empowerment is understood as a form of effort taken by the government to develop, become independent and self-sufficient in society so that they are able to make changes aimed at improving the quality of regional potential. This community empowerment activity is of course inseparable from the role of stakeholders, such as the government as the maker, compiler and actor of empowerment, then the private sector, academics, empowered communities and various other

parties. The roles of these stakeholders, of course, cannot be carried out separately or independently, but must be carried out collectively and in synergy to achieve common goals. (Peet, R., & Hartwick, E. 2015).

Economic Empowerment Policies in Various Countries

Nowadays the process of globalization is taking place, with increasing intensity and speed. This process is a current that sweeps across the world and all aspects of human life. Economic globalization has expanded the reach of economic activities so that they are not limited to one country. Technological advances, especially in the fields of information, communication and transformation, have enabled the flow of people, goods and services and information to move more quickly, in larger quantities with better quality and at lower costs. The consequences of the economic globalization process are very large for any country (Omri et al., 2015). In entering the era of globalization in the 21st century, the process of increasingly widening inequality must be prevented, because the opportunities that arise from an open economy can only be exploited by more advanced regions, sectors or economic groups. In particular, attention must be given to supporting and empowering the community through people's economic development, namely small businesses including cooperatives, so that they are not further left behind, and can actually take advantage of the momentum of globalization for their growth. The disparities that are a reality in development require solutions with real support and empowerment for weak economic actors.

Taking sides with the people's economy means paying special attention to efforts to improve the people's economy. This attention is manifested in strategic steps that are aimed directly at expanding people's access to development resources accompanied by creating the widest possible opportunities for people at the lower levels to participate in the development process so as to overcome conditions of backwardness and strengthen their economic competitiveness (Wang, Z. 2018).

The development strategy focuses on efforts to encourage the acceleration of structural change so as to strengthen the economic position and role of the people in the national economy. This structural change includes the process of changing from a traditional economy to a modern economy, from a weak economy to a strong economy, from a subsistence economy to a market economy, from a position of dependence to a position of independence (Forbes, J. 2018).

The era where countries in the world tried to meet their needs independently (autarchy) has long been abandoned. In the current era of globalization, cooperation between countries is something that cannot be avoided. From the cooperation that is established, apart from better meeting needs through trade between countries, there are many other benefits that can be obtained by a country, such as problems in other countries can be used as a reference for a country regarding the same problems within its country.

Indonesia, as one of the emerging countries in the world, has collaborated with many countries in the world, both at the level of bilateral relations and participation in regional and international cooperation forums. It should be realized that from the various collaborations that have been carried out, Indonesia has reaped many benefits, which are not only based on economic motives but also non-economic ones. Indonesia can certainly learn a lot from the experience and knowledge that has been developed in other countries.

Apart from the various benefits that can be gained from collaborating with other countries, at the same time there are consequences that we must accept. For example, with the existence of a free market between countries, on the one hand the market for Indonesian products is getting bigger. This is because apart from having domestic consumers, domestic producers can now market their products to other countries. However, on the other hand, producers from abroad can also enter the Indonesian market, thereby increasing business competition for domestic producers.

Developing or empowering the economies of formerly impoverished communities is known as economic empowerment. Several government programs genuinely encourage this empowerment, such as:

1. Both the 1999 GBHN and Law Number 22 of 1999 Governing Regional Government make explicit the government's position on community empowerment. Developing regional autonomy broadly, realistically, and responsibly in the context of empowering communities, economic institutions, political institutions, legal institutions, religious institutions, traditional institutions, and non-governmental organizations, as well as all the potential of society within the framework of the Republic of Indonesia, is one of the goals outlined in the 1999 GBHN, particularly in the Regional Development Policy Direction.
2. Meanwhile in the Law. Number 22 of 1999 concerning Regional Government, among other things, it is emphasized that "The basic things in

- 2 Ibid 118-119 this law are to encourage community empowerment, foster initiative and creativity, and increase community participation.
3. Looking at the government policy formulation in these two policy documents, it can be concluded that community empowerment policy is an inseparable part of regional autonomy policy. Every effort made in the context of community empowerment will directly support efforts to stabilize and strengthen regional autonomy, and every effort made in the context of stabilizing and strengthening regional autonomy will have an impact on community empowerment efforts.
 4. In the Law. Number 25 of 2000 concerning the National Development Program (PROPENAS) for 2000-2004 and the Regional Development Program (BAPPEDA) states that the aim of community empowerment is to increase community empowerment through strengthening local community institutions and organizations, overcoming poverty and social protection of the community, increasing the self-sufficiency of the wider community. to help society improve economic, social and political life.

Challenges and Obstacles in Implementing Economic Empowerment Policies

To find out the challenges and obstacles in economic empowerment, including limited budget for training and limited knowledge from the government itself, resulting in difficulties in providing knowledge about a good economic system, lack of awareness among the people themselves who are reluctant to make comparisons with other regions, lack of awareness. from the community to immediately prepare all the requirements to create legality requirements for business groups, the lack of knowledge from the village government regarding how to create legality for business groups, limited budgets to allocate as capital for business groups, limited facilities and infrastructure to be allocated as places to be used as businesses, network or signal limitations so that its use is less than optimal and human resources from the community or business actors are still lacking, there are still business actors who violate the rules of fair trade competition, difficulties for information media in finding out about market developments (Cypher, J. M 2014).

To find out the efforts made to overcome obstacles in economic empowerment, including designing and budgeting the village budget to be allocated to training business actors and the village government asking for assistance from related agencies who are experts in the economy to become resource persons in the training, providing understanding to community, especially business actors, to make comparisons with other areas to provide an

overview of their business, carry out socialization regarding the requirements for making legalities and provide an understanding of the importance of legality, the village government seeks information from the service or agency that handles making legalities and immediately provides information to the community regarding how to creating legality, allocating village funds to Bumdes according to applicable regulations, utilizing existing facilities and infrastructure to be used as a place of business, increasing the network or internet signal by installing a speedy or similar and asking for help from parties who know more about using the website, providing understanding about good business competition and not harming other people, establishing good connections and communication with other parties in order to get the desired information, providing understanding to the community, especially people who are engaged in the economic sector and providing an understanding that Bumdes is a village partner and can be used as a forum for people who do business in the economic sector.

According to McCann, P., & Ortega-Argilés, R. (2018) Barriers to economic empowerment activities are:

1. Lack of experience, skills and knowledge as well as self-concept of local health cadres
2. Lack of public awareness. People are still indifferent regarding the empowerment program activities being implemented. This is based on the public's perception that new community activities only involve spending their time carrying out daily activities, especially fathers or young people.
3. Social and cultural characteristics (religion, economic conditions)
4. People prefer activities that generate money or income compared to community empowerment activities in the health sector. Apart from that, the lack of interaction with the outside community makes it difficult for health providers to enter community forums
5. Health messages from mass media
6. Lack of stakeholder support.

CONCLUSION

Economic empowerment is carried out to encourage, motivate and explore the potential of the community. That way, the condition of society will change from being helpless to being empowered. These empowerment efforts require support from various parties. Among them are the government and also non-governmental organizations. There is a goal of community economic empowerment that needs to be known, namely so that people have the

knowledge and skills to use in life. In addition, the community is expected to improve income, find solutions to issues, and create infrastructure for obtaining resources. The goal of community economic empowerment is to improve a community's quality of life, independence, and prosperity by addressing a variety of issues within that community.

Economic empowerment can help reduce economic inequality by providing fairer access to economic resources and business opportunities. This allows more vulnerable individuals and groups to engage in productive economic activities. By providing access to training, capital and markets, economic empowerment can increase their income. Higher income can help them escape the cycle of poverty and improve their quality of life. Economic empowerment also focuses on developing independence. By increasing individuals' knowledge, skills and capacity, they can become more independent in managing their own businesses and overcoming economic challenges.

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