

Research Article

Microfinance and Community Empowerment Through Kampung Madani Program PT Permodalan Nasional Madani

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Abstract.

Poverty remains an economic development issue in Indonesia. One of the government strategies in poverty alleviation is through microfinance, which includes community empowerment program implemented by PT Permodalan Nasional Madani (member of Ultra-micro Holding SOE). This research aims to describe the implementation of Kampung Madani community empowerment program managed by PT Permodalan Nasional Madani. Based on the previous studies, the Kampung Madani program scheme can be considered as a prototype of empowerment program that is proven to be able to increase community income. The background of this research is the poverty condition in Indonesia and the implementation of microfinance and community empowerment program as an effort to increase the income of micro enterprises and improve the quality of life of the community. This study uses descriptive qualitative methods to identify effective community empowerment models that have a significant impact on the community. The sample used is Cibodas Village, West Bandung Regency, West Java Province, which is considered a successful representation of Kampung Madani.

Keywords: poverty, community empowerment, microfinance, Kampung Madani, PT PNM

1. Introduction

Poverty is a critical problem that has become the concern in achieving sustainable development goals (SDG's). Poverty is not just a financial shortage, but a condition where individuals or groups of people do not have adequate access to the resources needed to meet their basic needs [1]. Poverty is one of the factors inhibiting a country to develop, because poverty will cause a decrease the quality of human and lower economic productivity. The World Bank emphasizes that an understanding of poverty must include multidimensional dimensions by taking into account factors that affect inequality and marginalization [2]. According to the World Bank, the factors that cause poverty are

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social conflict, hunger, poor nutrition, inadequate health facilities, low education levels, poor sanitation, and limited access to formal financial services.

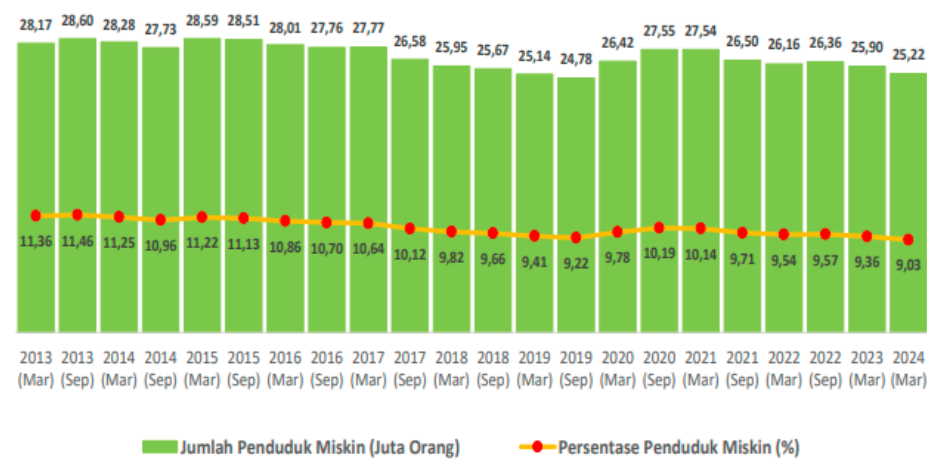


Figure 1: Number and Percentage of Poverty in Indonesia March 2013-March 2024 Source: Central Bureau of Statistic, 2024 [3].

Based on Figure 1, the number of poor people in Indonesia in March 2024 was recorded at 25.22 million people or 9.03 percent of the total population. In general, during the period March 2013 to March 2024, the poverty rate in Indonesia fluctuated with a slightly declining trend, both in terms of number and percentage. Although the poverty rate decreased from 25.90 million y.o.y, it is still relatively high when compared to other countries in the Southeast Asian region such as Thailand at 5.4 percent, Vietnam at 3.9 percent, and Malaysia at 0.13 percent. Poverty alleviation faces a big challenge with the high poverty rate in rural areas, where the percentage of poor people in urban areas is 7.09 percent, while the percentage of poor people in rural areas is 11.79 percent. The concentration of the economy activities in urban areas leads to inequality development results and creates an income gap between urban and rural communities [4].

Poverty reduction programs have been a concern for every period of government. The government has issued several regulations related to the implementation of poverty alleviation programs in Indonesia, from laws to ministerial regulations. These regulations include: (i) Law Number 11 of 2009 on social welfare, (ii) Law Number 13 of 2011 on the Handling of the Poor, (iii) Presidential Regulation Number 15 of 2010 Jo. Presidential Regulation Number 96 of 2015 on the Acceleration of Poverty Reduction, and (iv) Presidential Instruction Number 4 of 2022 on the acceleration of the elimination of extreme poverty in Indonesia. These regulations regulate the policies, measures, synchronization, and institutions involved.

Various regulations and programs that have been carried out by the government have not significantly reduced the poverty rate. Government aid interventions through direct cash transfer programs (bansos), “keluarga harapan”, and various kinds of subsidies have not answered the problem of poverty completely in Indonesia. This is because the poor are trapped in a vicious cycle of poverty or endless poverty, while the interventions carried out only provide additional income that is temporary, but consumption and savings patterns do not change. Another study conducted by the Global Subsidies Initiatives (GSI) in 2014 stated that there should be a shift in social protection policies from direct cash transfers (BLT) to productive assistance. The high poverty rate must be evaluated by the government to find the right instrument to accelerate poverty reduction. There are several factors that cause the failure of poverty reduction programs, including social aid “bansos” programs, making the poor always hope for the government to provide cash, besides other factors caused by a lack of knowledge about the different factors that cause poverty [5]. The poverty alleviation program must be a sustainable program in the form of improving community skills [6]. Community empowerment is one of the efforts made by the government to overcome poverty. Through empowerment, people’s abilities can be improved to enable them to improve their welfare. Support from outside parties such as empowerment programs from the government can provide opportunities for the poor to get out of poverty and achieve economic independence.

Micro enterprises play an important role in the Indonesian economy to support economic improvement and social welfare. In Indonesia, more than 99 percent of business units are classified as micro and small enterprises. However, micro business faced a limitation to access the financing from formal institution. Financing for micro and small enterprises means increasing competitive advantage, increasing productivity, creating jobs, and contributing to poverty alleviation [7]. When considered from an economic perspective, the causes of poverty can be seen in three ways, which are: 1) In micro terms, poverty arises because of the inequality of resource ownership patterns that lead to unequal income distribution, 2) Poverty arises due to differences in the quality of human resources, and 3) Poverty arises due to differences in access to capital [8].

Based on Figure 2, there are still 68% or around 30 million ultra-micro businesses in Indonesia do not have access to formal funding. The limitation to micro business to access loans from financial institution are they do not have assets for collateral coupled with a lack of entrepreneurial skills [9]. This condition happens because there is market failure in microfinance market, that needs an intervention from the authorities.

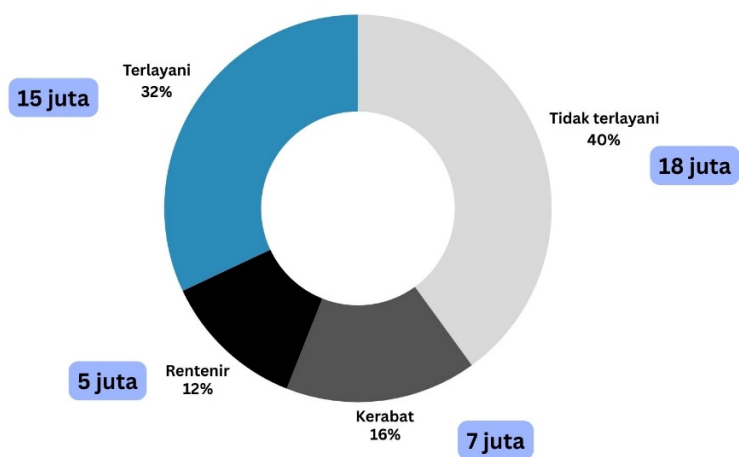


Figure 2: Distribution of Access to Funding for Ultra-Micro Enterprises. Source: Ministry of Cooperation and Medium-Small Enterprises, 2018.

Government intervention in microfinance can contribute to poverty reduction [10]. Due to that condition, microfinance in Indonesia has developed as one of the instruments that support financial inclusion in poverty alleviation. The large number of micro and small enterprises can be both a problem and a solution in economic development. It becomes a problem when small microenterprises do not receive protection and incentives. In the other hand, when microenterprises managed properly through positive policies, it can increase the economic productivity and improve the national economy. Microfinance can provide opportunities for low-income households and their enterprises to gain access to traditional economic resources such as microcredit and loans [11].

Microfinance and community empowerment are effective instruments in poverty alleviation. Both instruments provide direct access to vulnerable groups to utilize economic resources that were formerly inaccessible. Through microfinance, the poor and vulnerable people can obtain capital assistance to develop their businesses and increase their income. Meanwhile, through community empowerment, skills training, financial literacy and the development of local institutions can help them manage resources more productively and sustainably. However, there are still challenges and obstacles faced including limited capital and high infrastructure costs to expand the reach and services of microfinance. In addition, according to the OJK (2022) the level of financial literacy among the poor is still low, reaching only 49.68%, resulting in a lack of understanding of financial products [12].

One of the parties that plays a role in the empowerment and microfinance program is PT Permodalan Nasional Madani (PT PNM), which is a subsidiary of a State-Owned Enterprise (BUMN). PT PNM is a financial institution founded under Government Regulation Number 38 year 1999. The purpose of establishing PT PNM is to improve the welfare of the community through providing access to capital and empowerment to micro, small and medium enterprises (MSMEs). In addition, the establishment of PT PNM aims to support the development of a people-centered economy, reduce poverty levels, and strengthen the MSME sector which is the backbone of the Indonesian economy.

PT PNM not only provides financing, but combines capacity building activities for its customers by increasing added value, mentoring, and building an ecosystem that has benefits for its customers and the surrounding environment. In 2022 PT PNM launched a program called “Kampung Madani” which is a local or area-based empowerment program that looks at the population of customers and non-customers. Furthermore, a community empowerment program is prepared according to the various conditions that exist in the region. Kampung Madani is basically the implementation of sustainable development goals in four main pillars, namely social, economic, environmental, and governance.

Based on the description of PT PNM's role in microfinance distribution and community empowerment, the purpose of this paper is to describe the “Kampung Madani” program in poverty alleviation implemented by PT Permodalan Nasional Madani (PNM).

2. Theoretical Study

2.1. Poverty

According to the World Bank (2000), poverty is a deficiency that is often measured by the level of welfare, in absolute terms a person is declared poor if the level of income or standard of living is below the poverty line [13]. The World Bank uses a poverty line measure of income worth US\$2.15 per capita per day [14]. The Central Bureau of Statistics (BPS) states that poverty is an economic inability to meet basic food and non-food needs [15]. Meanwhile, according to BAPPENAS, poverty is a condition of food and nutrition shortages, educational backwardness, criminalism, unemployment, prostitution, and other problems stemming from the low level of income per capita of the population [16]. The problem of poverty is a complex and multidimensional problem that has become a development priority both in the global world and Indonesia. A

person is considered to be poor if he or she has a low income, poor health, low level of education, consumption of food with low nutritional value, occupancy of a house that is uninhabitable, and other indicators of concern [17]. The development programmes implemented pay great attention to poverty alleviation efforts in order to achieve sustainable development goals and improve community welfare. Poverty conditions are very sensitive to employment, family economy, education level of family members, fulfilment of health level of family members as well as local cultural conditions and community security [18].

Poverty can be divided into 4 types, according to the conditions, namely: 1. Absolute poverty, which is poverty when the income is below the poverty line or not enough to meet the basic needs such as clothing, shelter, food, health and education needed by individuals to improve the quality of life, 2. Relative poverty, which is poverty caused by the influence of development policies that have not reached all people, resulting in income inequality, 3. Cultural poverty, which is poverty that refers to the problem of the attitude of a person or group of people caused by cultural factors, in which there is no desire to improve the level of life, unproductive and wasteful, 4. Structural poverty, which is poverty caused by low access to resources that occurs in a socio-cultural system that does not support poverty alleviation [19].

Theoretically, poverty is measured based on economic indicators using three approaches, namely the production, income, and expenditure approaches. The poverty indicator used in Indonesia by the Central Bureau of Statistics (BPS) is the poverty line based on the expenditure approach. Economically, poverty can be defined as a lack of resources that can be used to fulfill the needs of life and improve the welfare of a group of people. Resources in this context involve not only financial aspects, but also all types of wealth that can improve the welfare of society in a broad sense.

2.2. Community Empowerment

Empowerment comes from the basic word “power”. Empowerment refers to providing strength or authority to groups that are vulnerable and lack the ability to live independently, particularly in fulfilling their essential needs like food, clothing, housing, education, and healthcare [20]. According to Alfitri (2011) as cited in Habib (2021), empowerment is an economic development concept that embodies social values, representing a new developmental approach that is people centered, participatory, empowering, and sustainable [21].

Empowerment is a development process where people take the initiative to start a process of social activities to improve their own conditions. Community empowerment is a process of improving the quality of life of individuals or groups by giving them control and responsibility which aims to provide the means to play an active role in solving problems and improving their living conditions [22]. Community empowerment succeeds when communities are ready and willing to embrace change and engage fully in the programs on offer. Program participants are not just consumers, they are also producers. Their involvement in the development and creation of the program ensures they take ownership of its future.

According to Suhendra (2006) in Margayaningsih (2018) states that that empowerment is an ongoing, dynamic and synergistic process that encourages the involvement of all existing potential in a way that evolves continuously. This process enables communities to fully realise their identity, dignity and potential as they evaluate and respond to changes that occur. The main purpose of empowerment is to give strength to the community, especially to weak groups that have been powerless. Once empowered, people can live more prosperous lives, fulfil their main life needs, and create an independent society.

2.3. Microfinancing

According to Kasmir (2008) financing is the provision of money or bills that can be equated with it, based on an agreement or agreement between a bank and another party that requires the financed party to return the money or bill after a certain period of time in return or profit sharing [24]. According to the Law of the Republic of Indonesia Number 7 of 1992 concerning banking, the definition of credit is the provision of money or bills that can be equated with it, based on an agreement or borrowing agreement between a bank and another party that requires the borrower to repay the debt after a certain period of time with the amount of interest, reward or profit generation. Credit provided by banks or other financial institutions is given to people or institutions that need it. Financing or credit is the practice of channeling funds from surplus parties to parties in need, both productive and consumptive. Microfinance is a micro-scale loan with a simple procedure to the poor and/or low-income community.

Microfinance has grown rapidly since the success of the Grameen Bank program introduced by Muhammad Yunus (Nobel Peace Laureate 2006) in Bangladesh in the

early 1980s. Financial institutions around the world began to pay more attention to microfinance in an effort to alleviate poverty, as well as to make a profit.

2.4. PT Permodalan Nasional Madani

PT Permodalan Nasional Madani (Persero), known as PT.PNM, is a leading financial institution that plays a pivotal role in driving the growth and empowerment of micro and small enterprises. The government established PNM to improve access to capital and provide capacity building for micro and small businesses across Indonesia. Article 2 of Government Regulation No. 38 of 1999 clearly states the purpose of establishing PNM: to provide financing services, including credit programmes and management services, for the development of small and medium enterprises and other business activities. PT PNM was established to implement and support government policies, especially in the field of empowerment and development of small and medium enterprises.

PT PNM has a vision of becoming a leading financial institution, providing financial services, empowerment, and creating added value for ultra-micro, micro, and small businesses. PT PNM's mission can be summarised as follows: 1) to provide access to financing services for ultra-micro, micro and small business actors, as well as empowerment that provides added value and benefits to increase customer business capacity; 2) to strengthen business performance and innovate in order to become more efficient and risk controlled under good governance principle; 3) to develop micro and small business ecosystems, providing financial contributions and sources of growth for micro and small customers to the holding; and 4) to enhance employee productivity and competence in order to achieve excellence, fairness, and professionalism in managing group-based financing.

PT PNM bears a particular responsibility for the empowerment of the community, with a specific focus on micro and small-scale entrepreneurs. The objective of empowerment is achieved through the provision of microcredit services, which form part of the government's strategy for the development of micro and small businesses. In order to fulfil its obligations, in 2015 PNM initiated the PNM Membina Ekonomi Keluarga Sejahtera (PNM Mekaar) programme. The programme's objective is to empower poor women and support their businesses by providing microcredit without collateral and capacity building. After eight years, there were 15,065,006 active PNM Mekaar customers in 2023. PT.PNM continues to provide services to the community, as evidenced by the

expansion of PNM Mekaar branch offices to 3,489 and their presence in 6,165 sub-districts across Indonesia.

2.5. Previous Research

TABLE 1:

No.	Title and Author	Problem Formulation	Research Results
	<i>Effect of Microfinance and Small Loans Center on Poverty Reduction in Wa West District, Ghana.</i> (Sulemana <i>et al.</i> , 2023)	The poverty rate in Ghana fluctuates hence the establishment of MASLOC with the aim of poverty reduction. Early attempts to fight poverty by following the traditional path of involving the government receiving grants and loans have not proven to make a significant impact.	Microfinance interventions such as MASLOC contribute to poverty reduction. MASLOC improves income levels, consumption patterns, access to necessities, and acquisition of valuable assets.
2.	Microfinance Institutions Development Strategy to Support Rural Poverty Alleviation. (Saleh <i>et al.</i> , 2011)	Rural farmers face problems in accessing sources of capital, markets and technology, as well as weak farmer organizations. Financial institutions can be utilized to encourage financing of economic activities in rural areas.	MFI development is an effective solution for poverty alleviation. MFIs have the advantage of commitment to empower the community with more flexible procedures.
3.	<i>Banking on Rural Innovation for Poverty Reduction: A Case Study of Value-Chain Lending in Mozambique.</i> (Simoneti <i>et al.</i> , 2007)	Lack of financing in rural areas of low-income countries with the problem that the banking system largely accepts the context of uncertainty and high risk involved in rural production as a given. Thus GAPI was established as a proactive approach to financing rural development.	Poverty alleviation in low-income countries must address the problems faced by rural production. GAPI's experience in Mozambique shows that finance can play an important role in reducing poverty by developing productive activities in rural areas.
4.	Implementation of Community Empowerment Program to Reduce Poverty Rate in Pontianak City. (Maria <i>et al.</i> , 2023)	The failure of poverty reduction programs is caused by the poor always expecting the government to provide assistance, as well as a lack of knowledge about the factors that cause poverty. Poverty alleviation programs do not last long and run out in a short time.	The implementation of the community empowerment program to reduce poverty in Pontianak City has been running well as seen from the indicators of program suitability and utilization. The community empowerment program is focused on reducing poverty in the form of empowerment and training.
5.	Poverty and Microfinance (Rahayu, 2018)	The high percentage of poverty indicates the need to address poverty by developing alternative approaches that seek to relocate economic activity within the community.	Microfinance does not only address poverty, but is an empowerment effort for the poor that has an impact in aspects: economic, socio-political, cultural, personal or psychological aspects.

3. RESEARCH METHODS

This research employs a descriptive analysis approach. Descriptive analysis is a research method that aims to provide a comprehensive and detailed account of the implementation of community empowerment and microfinance programmes in improving community welfare through “Kampung Madani” programme implemented by PT Permodalan Nasional Madani (PNM). The data used in this research are of two types: primary and secondary. The primary data were obtained through interviews with informants representing various government bodies, including the Ministry of BUMN and the Coordinating Ministry for Economic Affairs, as well as local governments, PT PNM management, and PT PNM customers. Secondary data were obtained from references and literature studies relevant to the research.

4. RESULTS AND DISCUSSION

4.1. Implementation of Microfinance through PNM Mekaar

In accordance with the findings of previous research, poverty alleviation must be pursued through a multi-faceted approach. This entails the provision of social assistance to alleviate the financial burden and foster economic empowerment, thereby ensuring a sustainable income growth and, at the same time, expanding access to essential services such as health and education, which are crucial for human capital development. The government has identified four key areas of focus for the empowerment agenda, with the objective of accelerating the elimination of extreme poverty by 2024. These areas are: The government has identified four key areas for intervention in order to accelerate the elimination of extreme poverty by 2024. These are:

- 1) increasing income/access to employment and basic infrastructure through labor-intensive programs and individual/group assistance;
- 2) increasing human resource capacity, through vocational programs and job training;
- 3) increasing the capacity of MSMEs, through increasing market access, as well as mentoring and strengthening entrepreneurship;
- 4) increasing access to MSME financing, through increasing access to formal financial institutions both banks and non-banks.

The PNM “Membina Ekonomi Keluarga Sejahtera” (PNM Mekaar) initiative, which commenced in 2015, provides capital loans to low-income women engaged in microenterprise. Beside providing micro loan, the objective of the PNM Mekaar is to bring guidance and support to the community in order to enhance the quality of life for all. The Mekaar programme services are oriented towards women micro and small business actors who are group-based or joint responsibility without collateral. This is intended as a solution to problems with limited access to financing in their business. This objective of the programme is aligned with a previous study conducted by Sulemana et al. (2023), which stated that microfinance contributes to poverty alleviation efforts by providing access to capital and needs, as well as increasing income.

In 2018, PNM Mekaar established financing criteria that must be met by its customers including the following: 1. PNM Mekaar services are specifically for women micro business actors with family conditions who have a maximum income index of IDR 800 thousand per month, 2. PNM Mekaar financing does not require physical, but is a group joint responsibility with the condition of discipline to follow the preparation process and Weekly Group Meetings (PKM), 3. One group consists of a minimum of two subgroups and a maximum of 6 subgroups with each subgroup consisting of 5-30 customers, 4. Each group is led by a chairman, 5. Group meetings must be held every week.

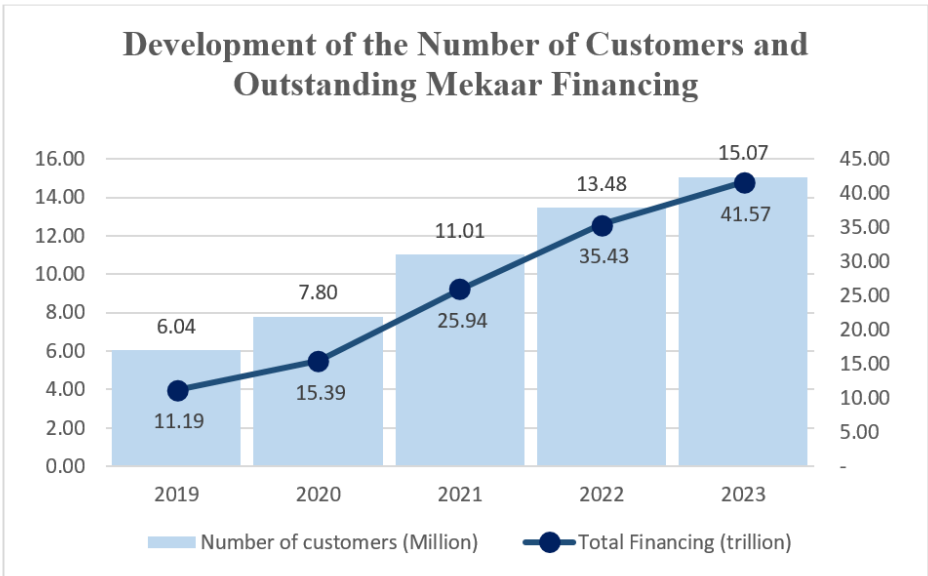


Figure 3:

PNM Mekaar is PNM’s flagship program that has experienced large market growth. Based on the graph above, in 2023 the total number of PNM Mekaar customers reached 15,065,006 customers with *outstanding* financing of 41.57 trillion rupiah. The number

of customers and outstanding financing continues to increase every year because the requirements provided by PNM Mekaar are simple for prospective customers to fulfill. To be able to join the Mekaar program, the steps that must be taken are: 1. Collecting the identity cards 2. Due diligence form and income surveys, 3. Selection of required materials by PNM Mekaar, 4. Verification, 5. Preparation of financing in the form of training for five days, 6. Customer approval, and 7. Loan Disbursement.

PNM Mekaar's role in channeling financing is to serve and facilitate capital for low-income women who are just starting a business or who already have a micro-business. PNM has several requirements or procedures that must be met to avoid non performing loan that might occur such as the inability of customers to repay the loans given. Based on research conducted by Mendonca *et al* (2023), financing carried out by PNM Mekaar can help business actors who lack capital and help increase income because it offers lighter interest and affordable weekly installments [25]. PNM Mekaar customers have more optimal business income because they are not exposed to high interest costs from informal finance institution in paying loan installments.

4.2. The “Kampung Madani” Program in Improving Community Welfare

The Kampung Madani program run by PT PNM is one of the concrete efforts to empower communities and poverty alleviation in Indonesia. This program focuses on capacity building in rural and semi-rural areas with a holistic approach that integrates the provision of access to microfinance, business assistance, and capacity building. Kampung Madani is a PNM-assisted village concept which is a local, regional, and area-based empowerment program that looks at the population of customers and non-customers by considering the ease of program replication tailored to a variety of local conditions.

The development of Kampung Madani was formed with the aim of improving PNM's *brand* image that focuses on empowering the community but not limited to its customers. Kampung Madani will increase awareness of PNM products which will also support the increase in the number of customers because the community feels the benefits of the presence of PNM which not only provides financing but also empowerment. Kampung Madani was also formed with the aim of building connectivity and a sense of belonging that involves local institutions or institutions from the program that is carried out in a sustainable manner. The development of the civil village program

puts forward the concept of sustainable development goals with the carrying capacity and resources available in the Kampung Madani area.

The development of programs in Kampung Madani is based on several sustainable development goals that look at improving welfare from various aspects. The pillars of Kampung Madani empowerment program activities refer to several pillars including:

1. Economic pillar (PNM tough) where the activities carried out aim to improve the economy and added value of customers' businesses and the surrounding environment. Examples of economic pillar activities include *online* business training, worm cultivation training, and so on.
2. Education pillar (PNM smart) where the activities carried out from the empowerment program are carried out in order to increase literacy and interest in education for customers, customer families, and the surrounding environment. Examples of education pillar activities include smart rooms and increasing financial literacy.
3. Health pillar (PNM sehat), activities and empowerment programs are carried out to increase literacy and sensitivity to the health of customers and customer families with activities such as increasing the capacity of the importance of business hygiene.
4. Environmental pillar (PNM lestari) with programs or activities that are carried out leading to increased literacy and sensitivity to the environment and disaster mitigation. Examples of environmental pillar activities include capacity building for waste sorting, compost processing from livestock manure, ecotourism, and others.
5. Social and cultural pillars (PNM Berbudaya) where the programs and activities carried out aim to increase social awareness and sensitivity to culture. Examples of social and cultural pillar activities include the formation of associations.

The empowerment program actions that can be carried out in Madani Village are very diverse according to the problems found in the field. This is in line with the findings of the Saleh *et al.* study (2011) where microfinance institutions have advantages in the community empowerment process with more flexible program procedures [26].

4.3. The “Kampung Madani” Program in Cibodas Village

The Kampung Madani programme has been implemented in a number of regions across Indonesia. One such village is Cibodas in the Lembang district of West Bandung. Given that the majority of the Cibodas community's livelihoods are based on dairy farming, PT PNM conducted training for villagers with the objective of increasing the value of cow dung. To facilitate the implementation of the programme, PT PNM has undertaken the

repair of biogas digesters that were no longer functioning, as well as the construction of sanitation facilities and learning spaces.

Training is provided to communities in order to empower them. This training includes instruction in the farming of worms using cow dung waste, which has been used as a living medium for the worms. The harvested worms are sold to buyers identified by PT PNM. The mean yield per farmer is reported to be in the range of 50-70 kilograms per month with a market value of 25,000 rupiah per kilogram. This indicates that the practice of worm farming has the potential to augment gross income by a range of Rp1,250,000 to Rp1,750,000. The cow manure used for biogas and vermicompost is then employed as a superior quality organic fertiliser. The findings of the research conducted by Maria et al. (2023) are consistent with this assertion, whereby the implementation of community empowerment programmes will lead to an increase in income, particularly in cases where such programmes focus on reducing poverty through the provision of forms of empowerment and training [27].

The Worms Cultivation as an empowerment programme, which was initially only available to PT PNM customers, has now been disseminated to other non-customers in the village, who have been able to increase their income through earthworm production. The role of PT PNM as a microfinance institution is in accordance with the study of Simoneti et al. (2007), which states that microfinance has an important role in reducing poverty, especially through productive activities in rural areas [28]. The provision of financial services and empowerment activities to rural communities facilitates an increase in productivity and the creation of sustainable economic activities. Furthermore, as posited by Rahayu (2018), microfinance serves not only as a poverty reduction instrument through financing, but also as an empowerment tool for the low-income communities with impacts to various aspects including economic development [29].

5. CONCLUSIONS

Poverty is still a challenge in Indonesia that requires the attention of all stakeholders, from government to corporate entities to the community. Poverty is also associated with limited access to finance and limited access to resources and skills. The government has taken several initiatives to increase the income of low-income people through various programmes, one of which is the microfinance programme complemented by the community empowerment programme carried out by PT PNM. Such a programme

should be sustainable with the main objectives of providing access to finance for micro-entrepreneurs, improving skills and productivity of the community.

The Kampung Madani Programme, launched by PT PNM, is one of the best models for implementing measures aimed at improving community welfare. The programme includes access to micro-finance, business support and vocational training. Kampung Madani also contributes to sustainable development, as has been done in the village of Cibodas, West Java Province, where PT PNM is providing training to low-income women's groups on how to add value to cow dung, which is used as biogas and as a medium for growing worms. The programme has not only improved the skills of the community, but has also been shown to increase community income and strengthen the local economy. The Kampung Madani programme has also been able to spread to other villagers and has had a positive impact on the productivity and well-being of the community.

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