# Poverty Alleviation through Operational Strategy in the National Program for Empowering Urban Independent Communities in Makassar City

# Elpisah

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**Abstract:** The purpose of this study is to know and analyze the operational strategy in the National Program for Urban Community Empowerment Empowerment of poverty alleviation in Makassar. In this research is a combination (Mixed Methods). Combined research can be done through qualitative and quantitative research simultaneously. In this study using quantitative methods with explanatory research type in which the relationship between one variable to another variable that has a causality relationship relationship.

Research design is a research design based on the variables to be studied. By that, the research design used is the collection of data related to the variables studied by using the techniques of observation, documentation, interviews and questionnaires. Population used by all poor people in Makassar City under the guidance of PNPM Mandiri Urban in Makassar City. The sample used from total population is done by purposive sampling technique that is sampling based on requirement and research criteria. A total of 382 respondents. Technical analysis of the data in this study using SEM (Structural Equation Models) using lisrel program.

The results of this study indicate that entrepreneurship has a positive and significant influence on poverty alleviation of PNPM Mandiri Urban, and the result of analysis on operational strategy shows that operational strategy has no influence on poverty alleviation of PNPM Mandiri Urban.

**Keywords:** Strategy Operational, Entrepreneurship and Poverty Alleviation.

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## I. Preliminary

Economic development which is one of the main elements in national development is defined as a process that causes income per capita population of a society increases in the long term. From this definition, it can be concluded that economic development contains three elements: economic development as a process means continuous change in which already contains elements of its own power for new investments, efforts to increase per capita income and increase in income per capita must take place in the long term. Development is defined as a planned and systematic process to a better national situation (Kartasasmita: 1994).

High and sustainable economic growth is a key condition for the continuity of economic development and welfare improvement. Therefore, it needs additional income every year to reduce poverty. Poverty basically refers to situations of misery and helplessness experienced by a person either due to his inability to meet the necessities of life and due to the inability of the state or society in providing social protection to its citizens (Suharto, 2009: 16).

The phenomenon of poverty is a global problem. Despite efforts to cope, the World Bank says there are still more than 1.2 billion people living on less than a dollar a day. Especially in Makassar City, macroeconomic indicators of Makassar City in 2009, economic growth was recorded at 9.20% and in 2013 increased to 9.88%. Gross Domestic Product (GRDP) increased significantly from Rp 31.26 trillion to Rp 58.54 trillion in 2013. (BPS Report 2014).

Data on economic growth and poverty rate in Makassar City 2009-2013 in table 1.1.

Table 1.1. Economic Growth and Number of Heads of Poor Families in Makassar City 2009-2013

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Year	Economic growth (%)	Poor KK
2010	9.2	70160
2011	9.83	68356
2012	9.65	62192
2013	9.48	46355
2014	9.88	44.217

Source: Bappeda Makassar Report, 2016

Bappeda and BPS reports show a decline in poverty rate from year to year but this figure is still relatively high when compared with the increase of economic growth and PDRB Makassar. This means comparison between economic growth rate and poverty rate is still far away. Getting people out of the poverty trap, minimizing inequality among non-poor populations remains a priority of all stakeholders, especially governments, both central and local governments.

Implementation, these programs often can not run according to the target and goals. The program is designed from the center regardless of the characteristics and issues of each region. In addition, these programs are deemed to have succeeded in overcoming poverty only when the program is still ongoing. After the program is complete, the government and the community are also completed in carrying out the activities that have been declared in the program. This makes the poverty alleviation program ineffective. In other words, every program is temporary regardless of its sustainability.

PNPM Mandiri Urban, especially in Makassar City, has two strategies: basic strategy and operational strategy aimed at alleviating poverty through empowerment activities, and entrepreneurship education, to change the mental attitude of dependency and to develop work ethic, so it is hoped to grow self-reliance.

#### 1. PNPM Mandiri Urban

PNPM Mandiri Urban, hereinafter referred to PNPM MP is oriented to build the foundation of powerless society with a number of intervention activities on the change of attitude / behavior / perspective of society based on universal values. In the next phase to build the transformation oriented towards independent community through a number of interventions that learning partnerships and synergy between government, local communities and groups concerned with the various parties (channeling program) to access a variety of opportunities and resources needed by society. Furthermore, in the final stages of the transformation of social conditions towards civil society, PNPM MP intervenes in crowded, slum and poorest locations by conducting special activities. It is expected that through these activities can encourage the improvement of community's ability in developing the quality of sustainable housing environment.

## 2. PNPM Mandiri Urban Approach

Poverty alleviation requires a thorough handling of adequate regional scale that allows for the integration of sectoral, regional and participatory approaches in which case the sub-district is chosen as a program locus capable of meeting planning from the municipal and district levels and from the community level. BKM / LKM forums at the sub-district level are vital. Be aware of the above thinking, the approach or rational efforts in achieving the program objectives with regard to the principles of program management is community-based development.

#### 3. PNPM Mandiri Urban Operational Strategy

- a. Optimizing the full potential and resources of the community, central government, local government, private sector, associations, universities, non-governmental organizations, community organizations and other concerned groups in a synergistic manner.
- b. Strengthen the role of municipal / district governments as managers of poverty reduction programs in their regions;
- c. Developing community institutions that are trusted, entrenched, and accountable.
- d. Optimizing the sector's role in integrated services and development activities at the community level.
- e. Improving the ability of learning in the community in understanding the needs and potential and solve various problems that it faces.
- f. Applying the concept of participatory development in a consistent and dynamic and sustainable.

## 4. Principle of PNPM Mandiri Urban

- a. Relying on human development. The implementation of PNPM Mandiri is always based on the improvement of human dignity as a whole.
- b. Autonomy. In the implementation of PNPM Mandiri, communities have the authority to independently participate in determining and managing development activities on a self-managed basis.
- c. Decentralization. The authority for the management of sectoral and territorial development activities is delegated to the local government or community in accordance with its capacity.
- d. Oriented to the poor. All activities undertaken prioritize the interests and needs of poor and disadvantaged communities.
- e. Participation. Communities are actively involved in every process of development decision-making and mutually cooperative development.
- f. Gender equality and equity. Both men and women have equality in their roles at every stage of development and in enjoying equitably the benefits of development activities.

- g. Democratic. Every decision of development is carried out by musyarawah and mufakat by staying oriented to the interests of the poor.
- h. Transparency and Accountability. Communities must have adequate access to all information and decision-making processes so that the management of activities can be carried out openly and responsibly morally, technically, legally, or administratively.
- i. Priority. Governments and communities should prioritize the fulfillment of the need for poverty alleviation by optimally utilizing limited resources.
- j. Collaboration. All stakeholders in poverty alleviation are encouraged to realize cooperation and synergy among stakeholders in poverty alleviation.
- k. Sustainability. Every decision must consider the importance of improving people's welfare not only now but also in the future while maintaining environmental sustainability.
- 1. Simple. All rules, mechanisms and procedures in the implementation of PNPM Mandiri must be simple, flexible, easy to understand, and easy to manage, and be accountable by the community.

## 5. Program Manager of PNPM Mandiri Urban

The management of PNPM Mandiri consists of the following activities: Preparation, Participatory Planning, Participatory Planning in Villages, Participatory Planning in Kecamatan, Coordinative Planning at Regency / City.

The implementation of PNPM Mandiri activities is carried out by the community on a self-managed basis based on the principle of autonomy and facilitated by a government tool assisted by a facilitator or consultant. Implementation of activities includes the selection and determination of the management team of activities, disbursement or submission of funds, mobilization of labor, procurement of goods / services, and implementation of proposed activities. The personnel of the activity management team selected and assigned by the community is responsible for the physical, financial, and administrative realization of activities / work carried out as planned.

In the event of self-managed activities, if the required goods / services in the form of materials, tools, and experts (consultants) individuals who can not be provided or can not be done alone by the community, the relevant technical agencies can help the community to provide these needs. In the process of procurement of goods / services carried out must be considered the principles of efficient, effective, open, fair, and responsible. Monitoring and supervision is the activity of observing the progress of the implementation of the development plan, identifying and anticipating problems that arise and / or will arise.

#### 6. The concept of Entrepreneurship

In the daily life of entrepreneurship many are interpreted with business activities, traders, entrepreneurs. It is not entirely true, it is entrepreneurship part of its activities including business, commerce, but entrepreneurship is more focused on the concept of psychology (wira, brave, fighters, virtuous, great character (Basrowi.2011, Zulkarnain, 2006)., that entrepreneurship comes from the word wira and effort Wira is defined as a fighter, a hero, a superior person, an example, a virtuous, courageous and great-natured person. That means doing something, working, so entrepreneur is a fighter who does something.

Drucker (1959) in Suryono (2009: 2) explains that entrepreneurship (entrepreneurship) is the ability to create something new through innovative creative thinking. Creative and innovative thinking is the key to successful entrepreneurship. Creative thinking will give birth to new ideas, gave birth to innovations that diwujutkan with something new that has added value.

The problem that arises is how to develop entrepreneurial spirit in people. Agus Wibowo (2011) put forward the results of research at Harvard University (United States) concluded that a person's success is 20% supported by the level of intelligence and 80% by entrepreneurial spirit supported by social intelligence. According to Basrowi (2011) the initial steps to develop entrepreneurial spirit / spirit in each person are: (1) through formal education, (2) attending seminars, workshops, (3) through training (TOT), (4) self-taught. Another opinion positioning morale or enthusiasm of work is the basis for developing entrepreneurial spirit.

There are several factors that cause success in entrepreneurship. Suryana (2001: 67-68) describes some of the causes of success in entrepreneurship, among others: Ability and willingness. If a person has the ability, but has no will and or has the will but does not have the ability he will fail as well. Ability related to work skills, willingness related to work motivation (morale). Strong adhesive and hard work. Entrepreneurship must have strong firmness. With a strong adhesive he will work hard. People who have a strong but not hard but firm stubbornness will not be good entrepreneurs. Get to know the opportunities and try to reach when there is a chance.

#### 7. Problems of Poverty

Poverty is an ever-changing and multidimensional concept, very open, influenced by the defining interpretation of the subject, thereby defining poverty will never get a single definition. In general, poverty is always interpreted as a condition that is not sufficiently economically, especially with basic consumption needs such as clothing, boards and food (Tim Khanata 2006: 19). Ala (1996) reviews poverty from the aspect of basic needs. They distinguish relative poverty and absolute poverty. Jikia in terms of the causes of poverty is divided into natural poverty (natural), structural poverty and cultural poverty.

Martanto, U. (2007: 48) explains structural poverty is poverty as a lack of empowerment of a group of people to live a decent life due to the workings of exploitative social, political and economic structures. As a result other than not being able to meet the needs of clothing and food clothing is also not able to get the education and health services are feasible. Poverty indicates a situation of deficiencies that occur not because the desired by the poor, but because it can not be avoided with the power it has (Soegijoko, 1997: 137).

The inequalities of opportunity to accumulate a social power base that includes: assets, financial resources, organizations and social networks, knowledge and information to gain employment make one poor (John Friedman in Ridlo (2001: 8) The definition of poverty can be reviewed from economic reviews, social and political. Economically poverty is a lack of resources that can be used to improve welfare.

The causes of poverty can occur due to natural and economic conditions, structural and social conditions, as well as cultural (cultural) conditions. Natural and economic poverty arises from the limitations of natural resources, people, and other resources so that production opportunities are relatively small and can not play a role in development. Structural and social poverty is caused by uneven development results, institutional arrangements and policies in development. Cultural poverty (culture) is caused by attitudes or living habits that feel sufficient to trap someone in poverty (Nugroho and Dahuri, 2004: 167-168; Soegijoko, 1997: 137; and Nasution, 1996: 48-50).

According Ginandjar Kartasasmita in Ridlo (2001: 11), according to the time pattern of poverty can be divided into: (1) *Persistent poverty*, the poverty that has a chronic or hereditary such a critical area of natural resources or isolated. (2) *Cyclical poverty* is poverty that followed the pattern of the overall economic cycle. (3) *Seasonal poverty*, poverty is seasonal as often encountered cases of fishermen and farmers crops. (4) *Accidental poverty*, ie poverty because of natural disasters or the effects of a policy.

## 8. Poverty Reduction Strategies and Programs

Law No. 25 of 2004 on the National Development Planning System states that the strategy is the steps containing indicative programs to realize the vision and mission. While the program is a policy instrument that contains one or more activities implemented by government agencies / institutions to achieve goals and objectives and to obtain budget allocations, or community activities coordinated by government agencies.

Efforts to reduce the poor through development are designed to solve three major problems: unemployment, inequality of income distribution and poverty (Soegijoko, 1997: 148). The World Bank's latest poverty agenda is: 1) Opening economic opportunities for the poor through labor-intensive programs and increasing productivity of small businesses and smallholders; 2) Investment of human resources especially improvement of education and health services; 3) Provision of safety nets to protect livelihoods. (Mikkelsen, 2003: 1997). As long as government policies are not able to cope with poverty, the poor have their own strategies for coping with poverty by: owing to various sources of informal loans, working odd jobs, wives and children working, using natural resources around them, working out of the region, and saving through reducing or changing food types and managing finances (CTF Study Team, 2004).

The role of government is to create a social environment that allows for growth, the social environment that encourages human development and the actualization of greater human potential. Which encourages human development and the actualization of human potential is greater. Development emphasizes the improvement of human development and human well-being, human being is central focus of development, humans are involved in the implementation of development by determining the objectives, sources of supervision and to direct the processes that affect their lives (Tjokrowinoto, 1995: 35).

According to Dillon (2001) the paradigm of poverty reduction in the current era of regional autonomy is that anti-poverty policies or programs can succeed if the poor become the main actors in the fight against poverty (Mubyarto 2002). The approach in poverty alleviation programs should be based on the profile of poverty and *people driven* under which the people will be an important actor in every formulation of policy and political decision making.

#### A. Research Results

## **Respondents Respondents Description of the Operational Strategy**

The operational strategy is the strategy of PNPM Mandiri Kota Makassar in optimizing all resources owned by the society, government and seasta in realizing the main goal of PNPM in eradicating poverty in Makassar City.

The average respondent rating for the question items of the community resource role is optimized at 4.58 with the category very often. This shows that the role of community resources has been greatly optimized by. The average respondent rating for local government items is involved in the PNPM activities of 4.56 with very frequent categories. This indicates that local governments have been heavily involved in PNPM activities. In response to private institutions involved in PNPM activities amounted to 4.54 with the category very often. This indicates that private institutions have been very frequently involved in PNPM activities, the respondent's assessment for the question items that sounded community involved the organizational structure of PNPM of 4.57 with the category very often. This shows that the community is very often involved PNPM organizational structure. Respondents' answers about community organizations were involved in PNPM activities of 4.60 with very frequent categories. This indicates that the organization is very often the community is involved in PNPM activities. Description of the respondent's answer about getting the support from the government average of 4.60 with the category very often. This indicates that very often get funding support from the government. Furthermore on the Procurement of entrepreneurship training amounted to 4.60 with category occasionally. This suggests that sometimes there is entrepreneurship training. On the statement that the respondents develop the potential of the average community entrepreneur appraisal of 3.19 by category occasionally. This suggests that it sometimes develops the potential of community entrepreneurship. Then the average assessment of respondents for the provision of motivation to the public of 4.51 with the category very often. This shows that very often motivates the community. The average respondent's assessment for items of cooperation with the government in poverty alleviation amounted to 4.53 with the category very often. This shows that very often do the cooperation with government in poverty alleviation. Furthermore the average assessment of respondents for items of community activity in PNPM activities amounted to 4.51 with the category very often. This shows that the community has been very active in PNPM activities. In giving solutions to problems faced by the community of 4.55 with the category very often. This shows that very often provide solutions to problems faced by the community. And sharing and meeting with the community to discuss the problem of PNPM activities amounted to 4.56 with the category very often. This shows that very often sharing and meeting with the community to discuss the problem of PNPM activities.

#### **Respondents' Answer Descriptions on Entrepreneurship**

Entrepreneurship is the spirit, attitude, behavior and ability of the people of Makassar City under the guidance of PNPM Mandiri Urban Makassar in handling the business and / or activities that lead to the search effort creating, applying work, technology and new products by improving efficiency in order to provide services which is better and / or gain greater benefits.

The average choice of respondents for items question the desire of the community to live prosperously amounted to 3.57 with the category often (wanted). This shows that there is a desire of people to live prosperous. Respondents' answers about the ability of the community to create new ideas and ideas amounted to 3.14 with the category sometimes. This shows that sometimes people are less able to create new ideas and ideas.

Furthermore, the ability of the community to determine the business objectives of 3.41 with the category sometimes. This indicates that sometimes people are less able to determine business goals. for the question items ability of the community to optimize the existing resources by 3.08 by category occasionally. This shows that sometimes people are able to optimize the existing resources. On the items the ability of the community to work with others by 4.57 with the category very often. This shows that the ability of the community has been very frequent to cooperate with others.

On the question items ability to realize creative values of 3.56 with the category often. This shows that ability often realizes creative values. While the items think of ways to achieve success of 3.14 with the category sometimes. This shows that sometimes people think about ways to achieve success. The average choice of respondents for question items knows the business risk of 3.08 with the occasional category. This shows that people sometimes know the business risks. Next on the item the courage faces the risk of 3.21 with the occasional category. This shows that people sometimes dare to face risks. Item ability to handle risk of 3.11 with category occasionally. This shows that society sometimes has the ability to handle risks.

On item tenacity question in managing business amounted to 3.45 with category occasionally. This shows that people sometimes have the resilience in managing the business. Next on the self-employed items in work of 3.37 with the occasional category. This shows that people sometimes have independence in working. On the question was able to choose a better chance of 3.60 with a category often. This shows that the community can already choose a better opportunity. Next on the item question the ability to manage the

business of 3.27 with the category occasionally. This shows that the community is sometimes able to manage the business. Respondents' questions about the readiness to face failure of 3.27 with the category occasionally. This shows that the community sometimes has the readiness to face failure.

## **Description of Variable Poverty Alleviation**

The poverty alleviation referred to in the study is a condition that is not sufficiently economically, especially with basic consumption needs such as clothing, shelter and food in Makassar City 2014.

Respondents' answers about sharpening the ability of the public at 4.40 with the category very often. This shows that PNPM has very often hone the ability of the community. Next on the question items do an entrepreneurial program of 3.05 with a category sometimes. This suggests that PNPM sometimes does an entrepreneurship program. On items channeling funds aimed to alleviate poverty by 4.33 with the category very often. This shows that PNPM has been very frequent in channeling funds aimed at alleviating poverty.

Respondents' answers about guiding the public in the management of funds amounted to 4.40 with the category very often. This indicates that PNPM has been very often conducting community guidance in fund management. On the question item about the development of community insight of 4.25 with the category very often. This indicates that PNPM has been very often doing the development of community insight. Next on the item creativity community development of 3.88 with the category often. This shows that PNPM has often done the development of community creativity.

On the development items of community confidence of 4.34 with the category very often. This shows that PNPM has been very often doing the development of people's confidence. Furthermore the item guides the community in setting up a better life goal of 4.34 with the category very often. This shows that PNPM has been very often doing community guidance in preparing better life goals.

At the time of giving motivation to the public equal to 4,25 with category very often. This shows that PNPM has very often done giving motivation to the community. Then for the question items guide the community in the managerial ability of 4.17 with the category often. This shows that PNPM has often done to provide guidance to the community in managerial skills. On the question items guide the public in decision making of 4.38 with the category very often. This shows that PNPM has very often provided guidance to the community in decision making.

Respondents' answers about guiding people in cooperation with others amounted to 4.55 with the category very often. This indicates that PNPM has very often provided guidance to the community in cooperating with others. Then the question items guide the community in various institutions that support poverty alleviation amounted to 4.42 with the category very often. This shows that PNPM has very often provided guidance to the community in various institutions that support poverty alleviation. In the procurement item of entrepreneurship training amounted to 4.43 with category very often. This shows that PNPM has very often conducted entrepreneurship training. And the last for item questions help the public in marketing their work of 3.66 with the category often. This shows that PNPM has often helped the community in marketing their work.

## **Measurement Model of Operational Strategy**

The operational strategy variables in this study are built through fifteen items of questions through the magnitude of the contribution value of each question item as involved in the following figure.

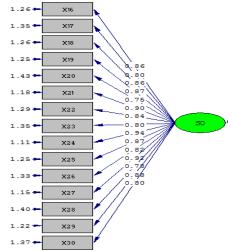


Figure 5.2 Test Validity Item Question Variable Operational Strategy

Figure 5.2 shows the variables operational strategy (SO), which was built through the question items scattered in four dimensions, namely the dimensions of human resource optimization potential (X2.1), which has the role of a community resource indicator (X16), the role of local government (X17), the role of private institutions (X18), the role of civil society organizations (x19), and the role of non-governmental organizations (X20). Dimensions of the government's role in poverty alleviation (X2.2) has five indicators, namely: financial support (X21), entrepreneurship training (X22), the provision of employment (X23), support the motivation (X24), and support collaboration with PNPM (X25), Institutional dimension of society (X2.3) includes indicators of society's active in the activities of PNPM (X26), the activity of the community in providing solutions faced (X28),and society's active in social activities (X29). Last dimensions of the service sector has indicators of service provision solutions (X27) and the delivery of services in the management of funds (X30). Contributions can be explained through the assessment of *construct reliability* and *variance extracted* for each indicator of operational strategy variables as shown in Table 5.4.

Table 5.62 Validity and Reliability starategi Operational Variables

Indicator	standardized Loading	(Standardized	T *	error Variance	Ket
		Loading) $^2 = R^2$			
X 16	.8592	.3691	12.5233	.2617	Valid
X 17	.8047	.3238	11.5595	.3525	Valid
X 18	.8589	.3688	12.5171	.2623	Valid
X 19	.8669	.3758	12.6624	.2485	Valid
X 20	.7539	.2842	10.6975	.4316	Valid
X 21	.9044	.4090	13.3557	.1820	Valid
X 22	.8401	.3528	12.1796	.2943	Valid
X 23	.8044	.3236	11.5552	.3529	Valid
X 24	.9412	.4429	14.0576	.1142	Valid
X 25	.8667	.3755	12.6576	.2489	Valid
X 26	.8203	.3364	11.8307	.3271	Valid
X 27	.9193	.4225	13.6359	.1550	Valid
X 28	.7762	.3013	11.0725	.3975	Valid
X 29	.8811	.3882	12.9227	.2236	Valid
X 30	.7956	.3165	11.4021	.3671	Valid
amount	12.6929	5.3904		4.2192	
	$Construct\ reliability = 0.9745$				
	$Variance\ Extracted = 0.5609$				Valid

Source: Data Olah, 2017

Value *construct reliability* of the 15 items of operational strategy question meets the recommended value, so we can say the overall indicator has a degree of conformity of shape operational strategies. The value of t <sub>arithmetic</sub> of the overall indicator showed a value greater than t <sub>table</sub>, ie 1.9665 so it can be said that the entire item in question has a significance level shape operational strategies. Furthermore, the value of *the construct reliability* at 0.9745 has met the recommended value that is equal to 0.7 where it can be explained that the information contained on the fifteenth item questions can be represented in explaining the operational strategy. Furthermore, the value of *variance extracted* by 0.5609 greater than the recommended value of 0.5 which explains that the information contained on the fifteenth item questions can be represented to explain the variable operational strategy. The indicator is the dominant motivation support indicator (X24), indicators of service provision solutions (X27), and funding support (X21).

## Measurement Model Enterprise

Measurement model of entrepreneurship was assessed through the contribution of each indicator of the dimensions that make up the entrepreneurship variable (EP). The dimensions of entrepreneurship consists of: creativity (I1.1) consists of indicators of the desire to live in welfare (I1), the ability to create new ideas and new (I2), the ability to increase its business objectives (I3), the ability to increase the existing resource (I4), ability to work together (I5). Dimensions innovation (I1.2), which consists of the ability to realize the values (I6), think of ways to achieve success (I7), persistence in the business process (I11), the ability to choose an opportunity (I13), and the ability to process business (I14). Furthermore, the dimensions of *risk taking* (I1.3) consists of indicators assess the risks of business (I8), the courage to face the risk (I9), the ability to manage risk (I10), independent in business (I12), and readiness to face failure (I15).

As for the value of each indicator of entrepreneurial variables can be seen in the following figure.

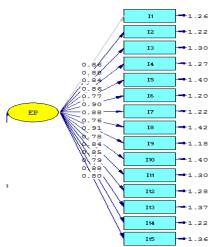


Figure 5.3 Test Item Question Variable Entrepreneurship

Figure 5.3 explains that the indicators of entrepreneurial variable based on the value of the 3-dimensional path coefficient, ie creativity, innovation, and *risk taking*. To determine the amount of the contribution value of each indicator and dimension of entrepreneurship variable based on the value of *standardized loading* as shown in Table 5.5.

**Table 5.63** Validity and Reliability Variable Entrepreneurship

Indicator	standardized Loading	(Standardized	T *	error Variance	Ket
		Loading) $^2 = R^2$			
I .1	.8621	.3716		.2569	Valid
I .2	.8822	.3891	10.1886	.2218	Valid
I .3	.8380	.3511	9.7830	.2978	Valid
I .4	.8554	.3659	9.9448	.2682	Valid
I .5	.7719	.2979	9.1512	.4042	Valid
I .6	.8963	.4017	10.3155	.1967	Valid
I .7	.8849	.3916	10.2136	.2169	Valid
I .8	.7590	.2880	9.0247	.4240	Valid
I .9	0.9050	.4095	10.3932	.1810	Valid
I .10	.7769	.3018	9.2008	.3964	Valid
I .11	.8378	.3509	9.7808	.2982	Valid
I .12	.8506	.3617	9.8998	.2765	Valid
I .13	.7948	.3158	9.3735	.3683	Valid
I .14	.8817	.3887	10.1849	.2225	Valid
I .15	.8029	.3223	9.4512	.3554	Valid
amount	12.5995	5.3076		4.3848	
Construct reliability = 0.9731				Valid	
	$Variance\ Extracted=0.5476$				

Source: Data Olah, 2017

The same thing is indicated by the value of *Construct Reliability* of the fifteen indicators that make up entrepreneurship, where the courage to face the risk indicators (I9) has a dominant value of other indicators. Overall indicators of entrepreneurship has a value of contributions in accordance with the recommended value of 0.7 means that the fifteenth indicator has a degree of conformity in the form of entrepreneurship, while the value t of each indicator is greater than 1.9665 shows that the whole item indicator has a significant influence in shaping entrepreneurship. Furthermore, based on *the variance extracted* explained that the information contained on each indicator can be represented to explain entrepreneurship.

## Poverty Measurement Model

Poverty reduction was measured using three dimensions where each dimension consists of five indicators. The third dimension is the economic opportunity (Y1.1), investment in human resources (Y1..2), and the safety nets (Y1.3). Furthermore, the value of each indicator variable poverty reduction can be seen in the following figure.

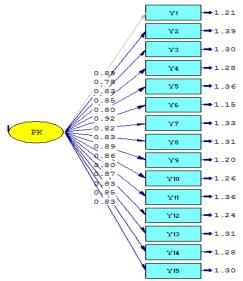


Figure 5.4 Validity Test Questions Item Variable Poverty

Three-dimensional measuring poverty in figure 5.4 shows that there are indicators that have contributed the most dominant influence on poverty reduction, the creativity of the community development indicators (Y6) of investment in human resources dimension (Y1.2).

Overall levels of conformity and the contribution of each indicator in explaining poverty alleviation construct variables can be explained by examining *the construct reliability* and *variance extracted* as shown in the following table.

Table 5.64 Validity and Reliability Variable Poverty Alleviation

Indicator	standardized Loading	(Standardized	T *	error Variance	Ket
		Loading) $^2 = R^2$			
Y .1	.8877	.3940		.2119	Valid
Y .2	.7821	.3058	9.5682	.3883	Valid
Y .3	.8337	.3475	10.1012	.3050	Valid
Y .4	.8473	.3590	10.2392	.2821	Valid
Y .5	.8022	.3218	9.7778	.3565	Valid
Y .6	.9223	.4253	10.9797	.1494	Valid
Y .7	.8175	.3342	9.9360	.3316	Valid
Y .8	.8292	.3438	10.0557	.3124	Valid
Y .9	.8917	.3976	10.6820	.2049	Valid
Y .10	.8574	.3676	10.3414	.2648	Valid
Y .11	.7971	.3177	9.7246	.3647	Valid
Y .12	.8699	.3784	10.4664	.2432	Valid
Y .13	.8323	.3464	10.0876	.3072	Valid
Y .14	.8459	.3578	10.2251	.2845	Valid
Y .15	.8343	.3481	10.1078	.3039	Valid
amount	12.6506	5.3450		4.3104	
	Construct $reliability = 0.9738$				
	$Variance\ Extracted=0.5536$				Valid

Source: Data Olah, 2017

Shown in Table 5.6 that of the fifteen indicators to measure poverty pengentasa value *construct reliablity* larger than the recommended value, amounting to 0.7. So it can be said that the fifteen indicators of the three dimensions has a requirement for the degree of correspondence in the form of poverty alleviation construct variables. Furthermore, the value of *variance extracted* explained that the fifteen indicators of the three dimensions can be represented kosntruk variable explaining poverty alleviation latent variables.

## Hypothesis testing

Having described the measurement model and the structural model of each of the latent variables above, further tests of significance influence between latent variables as suggested through this research hypothesis. In general equation used to see the relationship between the four latent variables, it can be examined test the hypothesis, through the Poverty Reduction Strategy Operational National Program for Community Empowerment Urban in Makassar as follows.

Direct Impact on Poverty Reduction Strategy Operational and Indirect Influence through Entrepreneurship:

	<u> </u>		
Latent variables	Direct Impact	Indirect Influence	Total
Operational strategy	.2194	$0.2194 \times 0.3262 = 0.0716$	0.2194 + 0.0716 = 0.2910
Entrepreneurship	.3262		.3262

Source: Processed Data, 2017

Based on the result of determination above table, it can be explained that the magnitude of the coefficient of determination (R $^2$ ) is 0909. Coefficient of determination states that variable compensation, commitment and communication can only explain or contribute to the variation changes the performance of employees amounted to 90.9 percent. While the remaining 9.1% is influenced by other variables that are not included in this study.

#### II. Discussion

## 1. Improved Entrepreneurship through operational strategies

Based on the analysis of the data by using *structural equation modeling* with the help of LISREL program operational starategi influence the results obtained against PNPM Urban entrepreneurship program. The analysis showed that the operational strategy memunyai positive and significant impact on entrepreneurship PNPM Urban. Thus, the increase in the value of the operational strategy will result in an increase in the value of entrepreneurship PNPM Urban in Makassar. Penigkatan operational starategi value can be done by improving the entrepreneurial training and developing the entrepreneurial of the community. The increase in both of these items will cause an increase in the entrepreneurial spirit of the Community.

The program of PNPM Urban in Makassar which is divided into three main parts: environmental, social, and economic. The activities of each of these programs related to entrepreneurship should be undertaken with the maximum. Such activities revolving funds to the group usahan guidance and supervision should be done properly. Social programs such as sewing training should be continued until the operations of the business community as activities pemasan sewing products, training make design shirt or pants.

#### 2. Poverty by promoting entrepreneurship

Based on the analysis of the data by using *structural equation modeling* with LISREL program assistance obtained results of the entrepreneurship program on poverty alleviation PNPM Urban. The analysis showed that the entrepreneurial memunyai positive and significant impact on poverty reduction PNPM Urban. This is because the ability of the Community will result in community entrepreneurship can create jobs for other people. In addition, with the entrepreneurial community will get a better income. Wibowo (2011) express the results in Harvard Univercity (USA) concluded that a person's success was 20% of them supported by the level of intelligence and 80% of them by the entrepreneurial spirit that is supported by social intelligence.

So, entrepreneurs are fighters who do something. In the spirit of striving for a better life, it is expected that the welfare of the Community will increase. Drucker (in Suryono, 2009: 2) explains that entrepreneurship ( entrepreneurship) Is the ability to create something new through innovative creative thinking. Creative thinking and innovative kewirausahaa the key to success. Creative thinking will give birth to new ideas, spawned innovation diwujutkan with something new that has added value. So according to Drucker entrepreneurship is the ability to create new things that have added value, through the management of different resources, such as technological development, the discovery of new things, improved products (goods, services), finding new ways to get new products to get new products.

#### 3. Poverty Alleviation through operational strategies

Based on the analysis of the data by using *structural equation modeling* with the help of LISREL program operational starategi influence the results obtained against PNPM Urban poverty alleviation. The analysis showed that the operational strategy has been without influence on PNPM Urban poverty alleviation. Thus, the increase in the value of the operational strategy can not increase the value of poverty in Makassar but not necessarily operating strategies can be ignored because of the operational strategy is an important factor in making the application program PNPM Urban.

Variable operational strategy had no effect on poverty alleviation Makassar City because most of the program's budget PNPM Urban in Makassar focused on environmental programs followed by the last program is a program of social and economic.

Allocation of funds PNPM Urban in Makassar greater in its environmental program Madiri Urban PNPM program in Makassar which helps in physical improvements such as roads, water channels, and others. The budget for the environmental program from 2011 to 2014 on average over 70% of the total allocation of funds PNPM Urban in Makassar. Total BLM PNPM Urban during the last four years amounted to Rp 60,802,337,700, - as much as 75.24% is allocated for physical development. Physical construction of the road to

assist the community in performing daily activities but less helpful in improving the welfare. Physical Devt indirectly will impact on poverty alleviation through increased empowerment of human resources.

Road improvements will better impact on poverty reduction if it is supported by a community economic enhancement program. Allocation of funds for economic programs such as revolving fund for a very small community business groups from other programs. Over the past four years the allocation of funds for the economic program at 6,92% of the total allocation of 60,802,337,700, -. The low budget allocation for the economic program PNPM Urban making activities in Makassar not berpngaruh against poverty. Increased budgets for the economic program are expected to increase the level of welfare of Makassar. This increase can dialkukan by performing a proportional allocation of funds or comparable to the allocation of funds in the environmental program. Allocation and for environmental programs to be followed by the allocation of funds for the economic program.

## **III. Conclusions And Suggestions**

#### **Conclusions**

Based on the results of research and discussion, it can be summed up as follows:

- 1. Operational strategy has positive and significant impact on the entrepreneurship program PNPM Urban. This is because the program PNPM Urban consisting of environmental, social and economic aims to improve the entrepreneurial community.
- 2. Entrepreneurship program has a positive and significant impact on poverty reduction PNPM Urban. It is caused through entrepreneurship training provided by the PNPM Urban will help the community to be able to create jobs. In addition, the public entrepreneurship will earn additional income.
- 3. Operational strategy has been without influence on PNPM Urban poverty alleviation. This is due to the allocation of funds PNPM Urban in Makassar City is dominated by the environmental program that focuses on physical pembangnan while the budget for the economic program is smaller than other programs.

#### Suggestion

- 1. This study can be a reference to the strategy in the improvement of the entrepreneurial spirit and poverty reduction, especially in Makassar.
- 2. Increased community entrepreneurship can be done by doing pebaikan on variable operational strategy. Increasing the value of the operational strategy can be done by way of multiplying community entrepreneurship training budget, develop the entrepreneurial potential of communities through training and maximize the role of co-location.
- 3. Strategies for poverty reduction in Makassar can be done by improving the value of improvements after implementing the basic strategy and entrepreneurship PNPM Urban public in Makassar without ignoring operational strategy. Penigkatan value of entrepreneurial people in Makassara can be done by performing the way to motivate people to live in prosperity, provide assistance to improve the ability of people creating ideas and new ideas, to train people to be able to determine the purpose of the effort, to train the community's ability to optimize resources in the surrounding.

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