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How Does PNPM-MP Impact the Income of Poor People? (Case Study of SPP Members in Sumanik Village, Tanah Datar Regency)

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Abstract: *In Nagari Sumanik, Salimpaung District, and Tanah Datar Regency, poverty issues require coordinated and collaborative actions from all parties. The local government launched the National Program for Rural Independent Community Empowerment (PNPM-MP) to improve poverty alleviation and job creation. PNPM-MP is a poverty alleviation effort that involves community members to improve the quality of life, independence, and welfare. The objectives of this study were to determine the differences in production before and after receiving SPP funds from PNPM-MP, the differences in employment opportunities before and after receiving SPP funds from PNPM-MP, and the differences in income before and after receiving SPP funds from PNPM-MP. This research found that there were significant differences in production, employment opportunities and income before and after receiving SPP funds from PNPM. Similarly, the Wilcoxon Signed Rank Test for income showed an asymp. Sig (2-tailed) value of 0.000 < 0.05, confirming a significant difference before and after receiving SPP funds.*

Keywords: PNPM-MP; Income; Production; Employment Opportunities; Wilcoxon

JEL: H53, D31, D24, J21, C14

1. INTRODUCTION

Many poor people live in both urban and rural areas. According to the national poverty alleviation strategy (Bappenas, 2024)**.** Poverty is defined as a condition where a person or group of men and women do not receive basic rights to maintain and improve their quality of life. The limited choice of jobs today often forces people to do high-risk jobs with inadequate compensation and no guarantee of survival. The government has initiated various poverty alleviation programs to address various poverty problems. One of these programs is the National Program for Empowering Independent Rural Communities (PNPM-MP). Direct Community Assistance (BLM) and women's savings and loan programs (SPP) help the family economy. The Head of the Village and Nagari Community Empowerment Service of West Sumatra said that as one of the provinces implementing the PNPM program, the revolving funds launched so far have many benefits, such as roads, bridges, irrigation, and educational facilities. In addition, the revolving funds managed by the Women's Savings and Loans (SPP) have succeeded in improving the village economy **(**Akral, 2018). Tanah Datar Regency continues to strive to improve the welfare of the community, one of which is the poverty alleviation program, where the program is PNPM. The Regent of Tanah Datar expressed his appreciation for the program because by rolling out financing to the community, it can eradicate poverty. As for all the villages in Tanah Datar Regency, one of the villages that received assistance from PNPM is Sumanik Village.

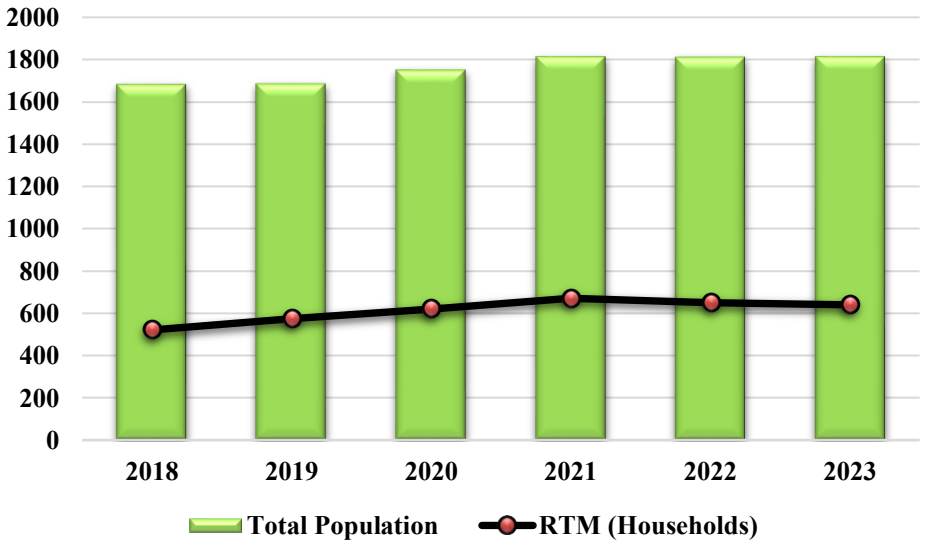

Figure 1
The population of Sumanik Village, Tanah Datar Regency in 2018-2023
Source: Sumanik Village Regional Statistics 2024 (Processed Data)

Based on the data above, it can be seen that in 2018 the number of poor households was 521 people, and in 2019 the number of poor households was 575, where in 2019 there was an increase in the number of poor households by 54 people. In 2020 and 2021 the number of poor households increased by 621 people and 671 people, but in 2022 and 2023 the number of poor households in Sumanik Village in the last two years has decreased. One of the reasons a village participates in the Women's Savings and Loans (SPP) program is because poor households that fluctuate with these levels of society have various jobs and incomes, ranging from civil servants, farmers, traders, and so on.

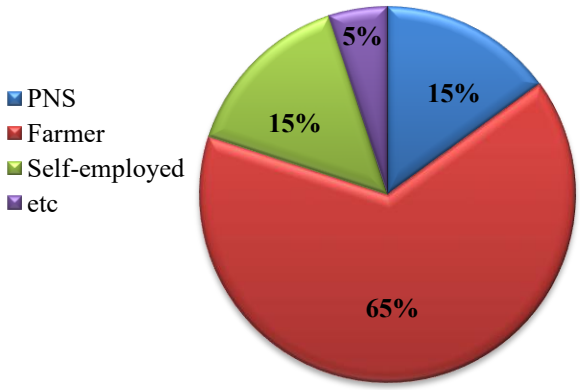

Figure 2
Livelihoods of Sumanik Village
Source: Sumanik Village Regional Statistics 2024 (Processed Data)

From the figure above, it is explained that the livelihood of Sumanik Village based on the type of work includes civil servants at 15%, farmers at 65%, self-employed at 15%, and others at 5%. The main activity of the population in this village is mostly farming, so to increase family income and improve the entrepreneurial spirit and the welfare of the community in general, the Women's Savings and Loans Group (SPP) was formed.

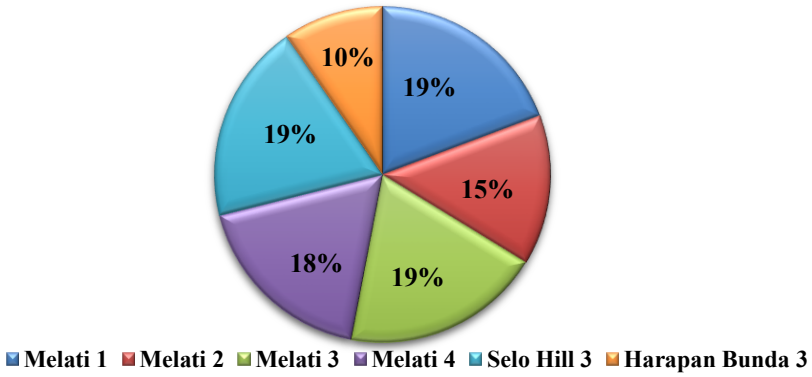

Figure 3
SPP Nagari Sumanik Group
Source: PNPM (2024)

Based on the data PNPM (2024) in the figure above, there are 5 SPP groups with a total of 75 members, including the Mawar Merah group with 24 members, the Selo Hill 3 group with 10 members, the Melati 4 group with 9 members, the Ikhlas Guguak Panjang group with 16 members, and the Melati 1 group with 16 members. From the researcher's observation regarding the SPP stated by the PNPM Salimpaung sub-district, the Women's Savings and Loans (SPP) program is a loan established specifically for women who are in business. With the Women's Savings and Loans program, it is hoped that it can increase the income of PNPM-MP members generated due to production. According to (Sadan Madji, 2019), income greatly influences the survival of a business. The ability of a business to finance all activities that support the continuation of a business greatly influences how much income the business can achieve. Income earned by the business owner after deducting production costs. Income can also be called income from a person obtained from the results of buying and selling transactions. Profits from sales activities will increase with increasing production. A business needs to increase capital to buy more goods to increase income.

According to (Diandrino & Pratomo, 2018), production is a theory that explains the relationship between the quantitative product and the production actors used. Production activities cannot be carried out if there are no raw materials to carry out the production process. The number of family dependents is the number of family members who are still dependents of the family; the more dependents a family has, the more it will affect the level of family expenditure so that family members are more enthusiastic about working to increase income.

Employment opportunities are one of the indicators that cause an increase in income seen from the level of need in doing business, where the main cause of credit assistance is seen from the increase in community income, and creating business opportunities with the large demand for production can create job and business opportunities. According to (Banten, 2021), employment opportunities are job opportunities that can be filled or not filled because they are a by-product of economic activities that develop in a place. Returning to employment opportunities, employment opportunities are a condition that characterizes the availability of jobs that can be filled by job seekers. In addition, employment opportunities indicate the path that job seekers can take to get a job and earn money from that job to support themselves and their families for welfare. The formulation of the problem in this study is: Is there a difference in production, employment opportunities, and income before and after receiving SPP funds from PNPM-MP?

2. LITERATURE REVIEW

2.1. Theoretical Basis

2.1.1 Poverty

The National Development Planning Agency (Bappenas) says that poverty is defined as a state of deprivation caused by events that cannot be avoided by a person with the strength he has. According to the Office of the Minister of State for Population Affairs (BKKBN), a person is considered to be in poverty if the person is unable to support his/her current quality of life and utilize

physical and mental resources to meet needs (BKKBN, 2024). The definition of poverty is the inability to pay for food and non-food needs, expressed as a percentage of income (BPS, 2024).

BAPPENAS lists several factors that indicate poverty, including inadequate access to and quality of food, poor access to education, lack of employment and business opportunities, lack of certainty of land ownership and control, deteriorating environmental conditions and availability of natural resources, lack of sense of security, low community participation, and high population burden caused by large family sizes and other factors that encourage migration.

2.1.2. Definition of PNPM Mandiri Rural

The national initiative known as PNPM Mandiri serves as a policy framework that serves as the basis and standard for implementing programs aimed at reducing poverty through community empowerment. The implementation of PNPM Mandiri involves the establishment and harmonization of systems, program processes, and procedures, as well as the provision of funds and support to stimulate community initiatives and innovations to reduce poverty sustainably (PNPM-MP, 2024).

PNPM Mandiri Rural emphasizes the importance of empowerment as the chosen approach to achieve its vision and mission, which includes making Poor Households (RTM) the target group, strengthening the participatory development system, and developing institutions. After going through the learning stage carried out by the Sub-district Development Program (PPK), it is hoped that the community can complete the empowerment stage through PNPM Mandiri Rural, namely achieving independence and sustainability (Mandiri, 2018).

2.1.3. Production Theory

Various inputs are combined in the production process, an economic activity, to produce output. Products and services have greater utility or added value in this industrial process. Several elements of production are involved in the production process, such as labor, capital, land, and expertise (Sukirno, 2023). The final result of a production process is called the production value, which is determined by multiplying the price of each product in rupiah by the amount of output sold or absorbed by the market.

The production value of a good changes drastically depending on how much interest customers have in buying it. As demand for the product increases, more of the product is sold on the market, increasing the production value. Of course, to carry out production activities, a plan must be made that outlines what will be produced, how much the budget is, and how to control or supervise it. In addition, because the distribution of production results through sales is ultimately what supports production, consideration must also be given to how the production results will be distributed. The factors of production are humans or labor, money or funds, raw materials, auxiliary materials, and procedures. Without these factors, production activities cannot be carried out.

2.1.4. Employment Opportunities

According to Keynes (1986), the number of job opportunities indicates the level of absorption or active participation of the workforce as a whole in economic activities. Furthermore, job opportunities can also be interpreted as the number of individuals who work or have obtained jobs; the greater the number of individuals employed, the greater the job opportunities. According to (Rizki, 2021), job opportunities are gathering as many people as possible to be accommodated and work in an agency.

According to the Central Bureau of Statistics (BPS), the number of people employed by a company or organization is referred to as employment opportunities. If the number of available workers and available jobs are balanced or cover each other, then all available workers will have access to employment opportunities.

2.1.5. Definition of Income

The three main socio-economic classes were identified by the fathers of classical economics, Adam Smith and David Ricardo, in (Anggraini, 2019), as the distribution of income of workers, capitalists, and landlords. Labor, capital, and land are the three components of production that are determined by the three. National income is the total amount of money received by all factors together. According to their idea, landlords will get relatively better results along with the development of society, while capitalists, or capitalists, will get relatively worse results.

Menurut (Mankiw, 2018), defines personal income as money received by households and non-corporate businesses. Contributions to social security and business income taxes are also

subtracted from personal income. Furthermore, household interest income from government debt holdings and household income from government transfer programs such as social security are also counted as part of personal income.

2.2. State Of The Art and Novelty

The proponent's research in the previous study (Sufiawan, 2021), analyzing the Effectiveness of Mitigating the Vulnerability of Community Economic Welfare Through the Allocation of Social Assistance during the COVID-19 Pandemic in Payakumbuh City, is very clearly different from the proponent's research at present and in research (Ainiyah Siregar, 2022), (Muthia Imelda, 2022). In this study, the proponent analyzes the impact of the National Independent Rural Community Empowerment Program (PNPM-MP), which is still within the scope of social assistance launched by the government to the poor; only the beneficiary families and their intended use are different. In this case, the researcher uses the Wilcoxon Test analysis method, and the analysis variables, namely production, and number of dependents, are different from research such as (Haryanto, 2017), analyzing production, labor, and income before and after taking out loans in Sragen Regency; research (Kirwati, 2018), analyzing using a simple regression analysis method; then research (Harahap, 2024), analyzing using a qualitative descriptive method; research (Amran, 2019), analyzing revolving loans and community income, and using a simple regression analysis method; research (Susanti, 2023), analyzing the impact of poverty alleviation through the National Community Empowerment Program (PNPM) using descriptive qualitative methods; research (Purwanto, 2018), on the Effectiveness and Impact of the National Independent Rural Community Empowerment Program (PNPM) on the Income of Poor Families using the simple regression method.

2.3. Hypothesis

The hypothesis in the study is that there is a difference in production before and after receiving SPP funds from PNPM-MP; there is a difference in employment opportunities before and after receiving SPP funds from PNPM-MP; and there is a difference in income before and after receiving SPP funds from PNPM-MP.

3. METHOD

The type of research used in this study is quantitative descriptive. By using primary data sources, namely data obtained by asking questions guided by researchers to several members of the PNPM-MP group in Nagari Sumanik through distributed questionnaires. Data collection techniques in the form of observation, questionnaires, documentation, and literature study. The population and sample in this study were all the people of Nagari Sumanik who were related to the National Community Empowerment Program (PNPM) funds, totaling 83 people. The sampling technique used was total sampling, or saturated samples, namely the sampling technique if all members of the population are used as samples (Sugiyono, 2016). The data analysis method in this study is using the Wilcoxon test. The requirements carried out before the Wilcoxon test are validation, reliability, and Wilcoxon tests. In this study, the data obtained is non-normally distributed data, so in the use of hypothesis testing, it will be changed by using non-parametric statistical methods, namely by using the Wilcoxon test.

1. Validation Test
   If r-count > r-table (two-tailed test with sig 0.1), then the question items correlate significantly with the total score (declared valid).
2. Reliability Test
   If r-count > r-table, then the instrument is declared unreliable.
3. Wilcoxon Test
   The Wilcoxon test is a test used to determine whether or not there is a difference between two dependent variables that are paired or related and is used as an alternative to the paired sample T-Test if the data is not normally distributed.
   Wilcoxon test formula:

$$= \frac{\boldsymbol{T - 1/4(n+1)}}{\sqrt{\boldsymbol{1/24(n+1)(2n+1)}}}$$

   Description:
   n = number of data, and T = Number of ranks of positive or negative value differences

4. RESULTS AND DISCUSSION

4.1. Research Result

Respondents in this study were residents of Nagari Sumanik who were members of the National PNPM program in Salimpaung District, Tanah Datar Regency. The following are some of the respondent criteria:

1. Respondents based on age

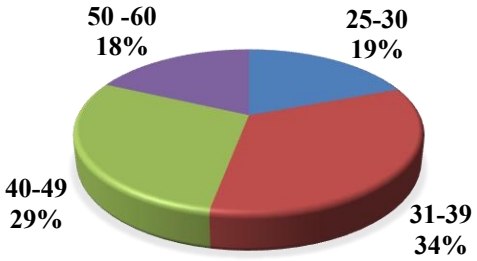

Figure 4
Respondent Diagram Based on Age
Source: Primary Data (2024)

Based on Figure 4, it can be seen that the majority of respondents who participated in the SPP Program were in the 31-39 year age range, as many as 34%, while the second rank was the 40-49 year age range, as many as 29%, and for the third rank, respondents aged 25-30 years were 19%, while respondents with a small number were aged 50-60 years were 18%.

2. Respondents based on last education

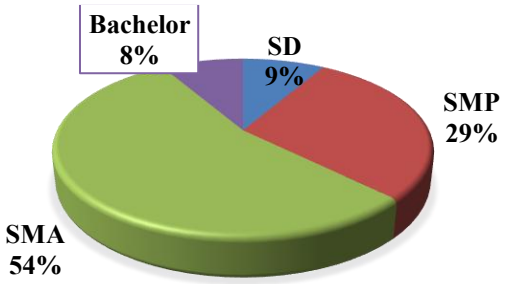

Figure 5
Diagram Based on Last Education
Source: Primary Data (2024)

Based on diagram 5, it can be seen that respondents with the highest level of education who participated in the SPP program were high school graduates at 54%, followed by junior high school graduates at 29%, then elementary school graduates at 9%, and the lowest level of education was bachelor's degree graduates at 8%.

3. Respondents based on business type

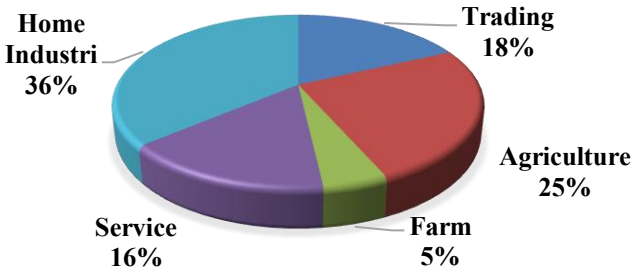

Figure 6
Diagram Based on Business Type
Source: Primary Data (2024)

Based on the type of business owned by SPP members receiving PNPM funds in figure 3. Of respondents who use funds to develop businesses in the trade sector, such as food stalls, sales, and others 18% of respondents use funds for agricultural businesses such as planting rice and gardening such as chili, corn, and others. 25% of respondents, respondents who have home industry businesses such as making crafts, batik, making chips, and others are 36%, respondents with businesses in the sewing service sector are 16%, and respondents with livestock businesses are 5%.

4. Amount of Funds Received

Table 1
Number of Respondents Based on PNPM Funds

No	Loan Amounts	Total	Persentase
1	1000000	1	1%
2	1500000	1	1%
3	2000000	17	20%
4	2500000	5	6%
5	3000000	35	42%
6	3500000	2	2%
7	4000000	8	10%
8	4500000	1	1%
9	5000000	11	13%
10	6000000	0	0%
11	7000000	1	1%
12	8000000	1	1%
Total		**83**	**100%**

Source: Primary Data (2024)

Based on the table above, 1,000,000 is 1 (1%), 1,500,000 loan is 1 (1%), 17 (20%) 2,500,000 loan is 5 (6%), 3,000,000 loan is 35 (42%), 2 (2%) 3,500,000 loan is 2 (2%), 8 (10%) 4,500,000 loan is 1 (1%), 11 (13%) 5,000,000 loan is none (0%), 1 (1%) 6,000,000 loan is 1 (1%), 8,000,000 loan is 1 (1%).

4.1.1. Model Testing Results

1. Validity Test

Table 2
Validity Test Results

Correlations

		P. Before	P. After	Pr. Before	Pr. After	TK. Before	TK. After	Total
P. Before	Pearson Correlation	1	.952**	.460**	.481**	.334**	.616**	.985**
	Sig. (2-tailed)		.000	.000	.000	.002	.000	.000
	N	83	83	83	83	83	83	83
P. After	Pearson Correlation	.952**	1	.378**	.396**	.366**	.655**	.991**
	Sig. (2-tailed)	.000		.000	.000	.001	.000	.000
	N	83	83	83	83	83	83	83
Pr. Before	Pearson Correlation	.460**	.378**	1	.992**	.154	.317**	.420**
	Sig. (2-tailed)	.000	.000		.000	.164	.003	.000
	N	83	83	83	83	83	83	83
Pr. After	Pearson Correlation	.481**	.396**	.992**	1	.156	.334**	.439**
	Sig. (2-tailed)	.000	.000	.000		.158	.002	.000
	N	83	83	83	83	83	83	83
TK. Before	Pearson Correlation	.334**	.366**	.154	.156	1	.687**	.356**
	Sig. (2-tailed)	.002	.001	.164	.158		.000	.001
	N	83	83	83	83	83	83	83

TK. After	Pearson Correlation	.616**	.655**	.317**	.334**	.687**	1	.646**
	Sig. (2-tailed)	.000	.000	.003	.002	.000		.000
	N	83	83	83	83	83	83	83
Total	Pearson Correlation	.985**	.991**	.420**	.439**	.356**	.646**	1
	Sig. (2-tailed)	.000	.000	.000	.000	.001	.000	
	N	83	83	83	83	83	83	83

**. Correlation is significant at the 0.01 level (2-tailed).
Source: Primary Data (2024)

Based on the results of the validity test in the table above, it can be seen that income before SPP and income after SPP has a calculated r of 0.985 and 0.991; production before and after SPP has a calculated r of 0.420 and 0.439; and employment opportunities before and after SPP have a calculated r of 0.306 and 0.646, where the six values are > r table value 0.1796, which means valid. If seen from the significance value, it can be seen that the value of the sig. Table. of the six is 0.000, which means the value is smaller than 0.05, which can be stated that the research data is valid.

2. Reliability Test

Table 3
Reliability Test Results

Reliability Statistics

Cronbach's Alpha	*N of Items*
.723	7

Source: Primary Data (2024)

Based on the results of the reliability test, it can be seen that the value of Cronbach's Alpha is 0.723, which can indicate that the data from the SPP Group before and after is greater than 0.6 and has a value of 0.61 to 0.80, so this means that the questionnaire data is reliable.

4.1.2. Wilcoxon Test

1. Production

Table 4
Descriptive Wilcoxon Test of SPP Member Production

Ranks

		N	Mean Rank	Sum of Ranks
Pr.After - Pr.Before	Negative Ranks	0[a]	.00	.00
	Positive Ranks	78[b]	39.50	3081.00
	Ties	5[c]		
	Total	83		

a. Pr.After < Pr.Before
b. Pr.After > Pr.Before
c. Pr.After = Pr.Before
Source: Primary Data (2024)

Based on the results of the SPP member production test before and after SPP, the sum rank value of the negative group stating that there was a decrease in the amount of production after receiving SPP funds was 0 respondents, those who experienced an increase in the amount of production were 78 respondents, and 5 respondents who had the same amount of production after receiving SPP funds. Descriptively, the majority of respondents experienced an increase in production after the intervention, without any decrease. This indicates a positive trend in the production results of SPP members.

Table 5
Wilcoxon Test Results of SPP Member Production

Test Statistics[a]

	Pr.After - Pr.Before
Z	-7.675[b]
Asymp. Sig. (2-tailed)	.000

a. Wilcoxon Signed Ranks Test

b. Based on negative ranks.

Source: Primary Data (2024)

Based on the results of the Wilcoxon Signed Rank Test analysis that has been carried out, it was found that the Z value is -7.675 with a value (asymp. Sig 2 Tailed) of 0.000 < 0.05, so it can be concluded that Ha is accepted, where there is a difference between production before and after SPP from PNPM. Because p = 0.000, these results indicate that there is a significant difference between production before and after intervention. The majority of SPP members experienced an increase in production that did not occur by chance, so the intervention effect can be considered statistically significant.

As many as 78 out of 83 respondents experienced an increase in production, while none experienced a decrease. The Z value = -7.675 and p = 0.000 indicate that this increase in production is statistically significant at the 5% significance level (α = 0.05). Thus, it can be concluded that the intervention or program implemented was significantly successful in increasing the production of SPP members.

2. Employment opportunities

Table 6
Descriptive Wilcoxon Test of SPP Members' Employment Opportunities

Ranks

		N	Mean Rank	Sum of Ranks
TK.After - TK.Before	Negative Ranks	0[a]	.00	.00
	Positive Ranks	49[b]	25.00	1225.00
	Ties	34[c]		
	Total	83		

a. TK.After < TK.Before
b. TK.After > TK.Before
c. TK. After = TK.Before
Source: Primary Data (2024)

Based on the results of the job opportunity test for SPP members before and after SPP, the sum rank value of the negative group stating that there was a decrease in the number of job opportunities after receiving SPP funds was 0 respondents; those who experienced an increase in the number of job opportunities were 49 respondents, and 34 respondents who had the same number of job opportunities after receiving SPP funds from PNPM. Descriptively, more than half of the respondents experienced an increase in employment opportunities after the intervention. No respondents experienced a decrease, while some others remained in the same condition.

Table 7
Wilcoxon Test Results for SPP Members' Employment Opportunities

Test Statistics[a]

	TK.After - TK.Before
Z	-6.424[b]
Asymp. Sig. (2-tailed)	.000

a. Wilcoxon Signed Ranks Test
b. Based on negative ranks.
Source: Primary Data (2024)

Based on the results of the Wilcoxon Signed Rank Test analysis that has been carried out, it was found that the Z value is -6.424 with a value (asymp. Sig 2 Tailed) of 0.000 < 0.05, so it can be concluded that Ha is accepted, where there is a difference between job opportunities before and after

SPP from PNPM. Because p = 0.000, these results indicate a significant difference in the employment opportunities of SPP members before and after the intervention. Most respondents experienced an increase in employment opportunities that did not occur by chance, so the intervention effect can be considered statistically significant.

Of the 83 respondents, 49 respondents (59%) experienced an increase in employment opportunities after the intervention, while 34 respondents (41%) remained the same, and none experienced a decrease. The Z value = -6.424 and p = 0.000 indicate that this increase in employment opportunities is statistically significant at the 5% significance level (α = 0.05). Thus, it can be concluded that the intervention carried out has a significant impact on increasing employment opportunities for SPP members.

3. Income

Table 8
Descriptive Wilcoxon Test of SPP Members' Income

Ranks

		N	Mean Rank	Sum of Ranks
P.After - P.Before	Negative Ranks	0[a]	.00	.00
	Positive Ranks	82[b]	41.50	3403.00
	Ties	1[c]		
	Total	83		

a. P.After < P.Before
b. P.After > P.Before
c. P.After = P.Before

Source: Primary Data (2024)

Based on the results of the SPP member income test before and after SPP, the sum rank value of the negative group stating that there was a decrease in income after receiving SPP funds was 0 respondents; those who experienced an increase in income were 82 respondents, and 1 respondent who had the same amount of income after receiving SPP funds from PNPM. Descriptively, almost all respondents experienced an increase in income after the intervention. No respondents experienced a decrease in income, and only one respondent's income remained the same.

Table 9
Wilcoxon test results for SPP member income

Test Statistics[a]

	P.After - P.Before
Z	-7.885[b]
Asymp. Sig. (2-tailed)	.000

a. Wilcoxon Signed Ranks Test
b. Based on negative ranks.
Source: Primary Data (2024)

Based on the results of the Wilcoxon Signed Rank Test analysis that has been carried out, it was found that the Z value is -7.885 with a value (asymp. Sig 2 Tailed) of 0.000 < 0.05, so it can be concluded that Ha is accepted where there is a difference between income before and after SPP from PNPM. Because p = 0.000, these results indicate a significant difference in the income of SPP members before and after the intervention. Almost all respondents experienced an increase in income that did not occur by chance, so the effect of the intervention can be considered statistically significant.

Of the 83 respondents, 82 respondents (98.8%) experienced an increase in income after the intervention, while 1 respondent (1.2%) had the same income and none experienced a decrease.The Z value = -7.885 and p = 0.000 indicate that this increase in income is statistically significant at the 5% significance level (α = 0.05). Thus, it can be concluded that the intervention carried out has a significant impact on increasing the income of SPP members.

4.2. Discussion

The National Program for Rural Community Empowerment (PNPM-MP) has made a significant contribution to increasing income, production, and employment opportunities for poor

people. Based on research in Sumanik Village, it was found that 98.8% of respondents experienced an increase in income after receiving Women's Savings and Loans (SPP) funds, while none experienced a decrease in income. Production and employment opportunities also increased significantly with a p-value < 0.05. Theoretically, this increase in income is in accordance with the production theory put forward by (Sukirno, 2023), which explains that greater production will produce higher economic value. Keynes's (1986) employment theory is also relevant because increased production creates a higher demand for labor, thus opening up more job opportunities at the local level.

Comparative analysis shows that areas that did not receive PNPM-MP experienced slower economic growth. Kirwati's study (2018) found that areas without PNPM-MP intervention had lower levels of production and employment opportunities. Meanwhile, in Sumanik Village, the program succeeded in increasing micro-business production and creating jobs for 49 out of 83 respondents.

The impact of PNPM-MP has the potential to be sustainable in the long term if supported by good financial management, consistent community participation, and policy support from the government. Strengthening local institutional capacity and diversifying income sources are the main keys so that the benefits of this program continue to be felt in the future. However, challenges such as dependence on initial funds and changing economic conditions need to be addressed through adaptive policies and ongoing assistance.

5. CONCLUSION AND SUGGESTION

CONCLUSION

This study shows that PNPM-MP has a positive impact on increasing the income of poor people, especially through the development of microenterprises and increasing access to economic resources. This success indicates that community empowerment-based programs are effective in overcoming poverty at the local level.

Policy implications that can be considered for the future management of PNPM-MP include:

1. Continuous training is needed for community groups and village officials to improve managerial skills and sustainability of businesses funded by PNPM-MP;
2. Encourage communities to develop businesses in potential sectors in their areas so as not to be trapped in the same business sector, so that the risk of competition can be minimized;
3. The monitoring system needs to utilize digital technology to monitor the development of beneficiary businesses in real time and provide timely interventions when needed;
4. PNPM-MP needs to be integrated with other social programs, such as skills training and gender-based capital assistance, to strengthen the program's long-term impact.

SUGGESTION

To strengthen empirical evidence on the effectiveness of PNPM-MP, future research can focus on:

1. Using a longitudinal research design to track changes in household income and prosperity over a longer period;
2. Comparing the impact of PNPM-MP across regions with different socio-economic characteristics to understand local factors that influence program success;
3. Exploring the lived experiences of beneficiaries through in-depth interviews and case studies to understand the barriers and opportunities they face;
4. Utilize the Difference-in-Differences (DiD) or Propensity Score Matching (PSM) method to ensure the validity of causality between PNPM-MP and income changes.

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