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MICRO-ENTERPRISE EMPOWERMENT THROUGH A SYNERGY OF SOCIAL RESPONSIBILITY BETWEEN LOCAL GOVERNMENT AND LOCAL BANK IN INDONESIA: CHALLENGES, OUTCOMES AND MODELS OF EMPOWERMENT

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ABSTRACT

This paper aims at analyzing factors, realizations, results of activity and empowerment models of formulations of store retailer in the utilization of revolving fund program through a synergy of social responsibility between local government and local bank. This was a qualitative research with a case study approach. The object of this research is a Micro-Enterprise (Store Retailer) backed with an interview result from the synergy between Local Government and Local Bank in the form of empowerment and social responsibility. This research is supported by primary and secondary data. Model formulations of empowerment can provide a practical guide to Merangin Local Government and Local Bank to apply empowerment and Social Responsibility towards Micro-Enterprise especially store retailer in the utilization of revolving fund (Business Credit of Community Economic Empowerment/KUPEM). Partnership policy in the form of commitment and consistency of local government and local bank social responsibility to empower store retailer actually does not only provides capitalization credit facility but also how to empower it. Model recommendations of sharing program-based empowerment can integrate functions and roles of each institution so resulting in an optimal result. There is not yet a study and model formulations of UMKM (Micro, Small, and Medium enterprises) empowerment that discuss the utilization of revolving fund program at store retailer. Models of empowerment resulted can be tested to the next research.

KEY WORDS
Empowerment, social responsibility, synergy, store retailer, local government, local bank.

After economic crisis attacked Indonesia in 1998, there are many observers who discuss the role of UMKM which is able to survive on crisis current. One conference followed by a national leader is Sustainable Development Goals (SDGs) which aim to implement sustainable development as a changer of millennium development goal by which global development paradigm has been internationally agreed on by 198 countries of United Nations (UN) member in the Millennium High Level Conference of UN on September 2000. Development directives globally agreed cover: poverty alleviation and high starvation; manifesting primary school for all; promoting gender equality and women empowerment; reducing child mortality, raising maternal health; fighting over HIV/AIDS spread, and other chronic diseases (malaria and tuberculosis); securing the sustainability of environment; and developing global partnership for development (UNDP, 2007).

SDGs place poverty problem on the first point since it has been existing since the first time of human civilization in all over the world. Poverty is a multi dimensional problem which is not only caused by economic factors but also has been an inability condition;individual, family, and group so will trigger other social problems. In order to overcome that problem, it can be seen in Law Number 17 of 2007 on the 2005- 2025 Long-Term Development

Planning which one of its missions is leveling development and being fair to alleviate poverty and jobless drastically. In this terms, economic development is actively and efficiently led to the empowerment of natural resources and human resources so will result in an output in the form of product which can improve society's welfare.

Development among related sectors must be developed on the basis of benefiting from each other and supporting micro, small, and medium enterprise. Small-enterprise sector plays an important role in answering development challenges i.e. workers sizing for workforces whose number continuously grows and export improvement. The role of micro, small, and medium enterprise is able to attract observers after economic crisis, in which small and medium enterprise still survive while economic crisis attacks (Marimbo, 2008). UMKM role is considered as a fortress for a county in dealing with economic crisis so that having an important role in economics by cutting the number of jobless and poverty, in addition, UMKM also plays as a business driver and gives contribution to the achievement of GDP, production and export outputs (Mahembe, 2011; Chakrabarty, 2012; Rajmohan & Durairaj, 2012). UMKM development can encourage the process of decentralization among regions and is possible to be a balancer power to fight against economic strength from large company. In general, UMKM development extensively accelerates the achievement of economic purpose and socio-economics, including poverty alleviation (Cook and Nixson, 2000).

UMKM is now confronting a big challenge blocking business development i.e. the limitation of capitalization access. It needs facilities from local government and local bank to help small-enterprises, given their vital role in growing up a big commitment towards an effort to maximize small-enterprise sector (Jusuf, 1996). Any government policy that indicates partisanship towards UMKM is in the form of empowerment, human resources improvement, capitalization or market access. As an effort to improve UMKM's ability and role in national economic is required synergi between local & central government, business actor, private sector and communities.

The type of synergy which government must provide to the business actor except regulation that eases to run business is local government and local bank also gives Corporate Social Responsibility (CSR) in the form of revolving fund utilization program called KUPEM. Revolving fund utilization is a local government and Jambi Development Bank policy for poverty alleviation. Government is an organization of people having power, how they can order someone else. Thus, the root of social responsibility concept derives from an idea that the existence of individual or organization cannot be separated from societies. Individual or organization has an obligation to act/behave which is able to bring benefits for society at large (Toma et al., 2011).

Any UMKM empowerment discussed in this research focuses on the empowerment of store retailer accepting the utilization of revolving fund. An interesting part of this research is the gap which becomes challenges on the implementation of revolving fund utilization program: Firstly, in accordance with Governoor Regulation No. 369/2002 on the implementation instructions of KUPEM Program, it says that execution at field can generate a problem potential in the form of not-potential receiver, limited total capital loan, and tight requirement. Secondly, there is a facilities limitation, skilled human resources, and non-performing loan impacted on fund channeling of the next year. Thirdly, the result of the previous research shows that not optimal yet to execute UMKM empowerment program has an influence over the achieved result. As the research conducted by Alcock & Graig (1998) revealing that local policy is less effective to reduce the case of poverty, it needs to build a strong network with capital provider to be successful.

The discourse of this study is focused on activity factors of store retailer empowerment, the realization of local government and local bank social responsibility as a process of store retailer empowerment, activity result of store retailer empowerment through revolving fund utilization and model formulations of empowerment in the utilization of revolving fund through a social responsibility synergy between local government and local bank in Merangin, Jambi Province, Indonesia. The originality of this research is there is no other papers and model

formulations of UMKN empowerment that discusses the utilization of fund revolving program at store retailer.

LITERATURE REVIEW

Micro-Enterprise

Indonesia has many definitions of micro-enterprise. Several institutions or even law define micro-enterprise by their own. Micro-enterprise is commonly defined based on the total workers and sales turnover. Based on Law Number 20 of 2008 article 1 on Small, Micro, and Medium Enterprise, it says that micro-enterprise is a productive business owned by individuals and/ individual business entities which fulfill the criteria of micro-enterprise as regulated in this law. Micro-enterprise criteria based on Law Number 20 of 2008 article 6 are as follows:

1. Having net worth at most IDR 50.000.000 (fifty millions rupiah) excluding land and establishment; or
2. Having sales result at most IDR 320.000.000 (three hundred millions rupiah).

In addition, UMKM definition can be differentiated based on the total employees. Micro-enterprise has employee less than 10 people, small-enterprise has 6-10 employees and medium-enterprise has 20-100 employees. Micro-enterprise is a business activity which is able to expand employment, extensively provide economic service to societies, and play a role in the process of equity and income increase of societies, encourage economic growth, and play role in achieving national stability. Ganewati (2001) states that micro-enterprise based on the trade and investment can be developed into 4 groups as follows: (1) Going-global micro-enterprise, (2) Internationalized micro-enterprise, (3) Potential micro-enterprise, and (4) domestic-oriented micro-enterprise. Classical theory has a different idea from the modern one in terms of micro-enterprise role. According to the view of classical theory, micro-enterprise plays a role in the process of industrialization, worker absorption, goods and services provision for low-income societies and urban economic development. The most popular and important role of micro-enterprise is its capability to provide working opportunities. Micro-enterprise has a complementary role with large companies in the creation of working opportunities or economic development, Giaoutzi, et al (as quoted in Sulistyastuti, 2004). UMKM characteristics in a development country, according to Fisher & Reuber (2000), can be seen from total workers, sectors of activity, and efficiency. Most of business activities engage in retailing, trade or manufacture area.

UMKM has several weaknesses, among other things, the weakness of access and market share extension, the weakness of capital access, the lack of access on information and technology, the weakness of organization and management, the weakness of business channel building and partnership (Steel and Webster, 1991; Aryeetey et al, 1994; Gockel and Akoena, 2002). Those all derive from the weakness of human resources (HR) which impacts on the low quality of products and services so having less competitive, both at local or national and international market (Prawirokusumo, 2001). Schmitz (as quoted in Mursito, 2012) states that there are several problems faced by small industry i.e. internal problem (limitation of insight, knowledge, capital, and network) and external problem (low demands of product, there is no guarantor institution if UMKM is facing a risk). In order to overcome the weakness of capital access, despite having no banking sector access, UMKM players are still capable to rely on other sources like informal credit. Approximately more than 90% of micro-entrepreneurs (home industry) rely on their own capital. Meanwhile, it they borrow funds for capital, more than 70% rely on loan sharks with high rates. This is truly different from the large companies who can borrow from bank with normal interest rate. However, UMKM can still survive (Husein, 2005).

Store Retailer

Marketing activity must not be separated from transaction or exchange activity both goods and services, in which its process includes marketing institution like producer, distributor, and retailer, before finally being accepted by end consumer. Retailers are those

who sell goods and services to the end consumer. This is the last nexus of goods and services channeling. Retailer are essential for producers since they can get valuable information about their product, while for consumer, retailers are truly benefiting since they do not need more effort to get products or goods that they want.

According to Lucas et al. (1994), retailer is a direct marketing process of goods and services to consumers or personals, families, or household necessities. Today's consumers are truly spoiled and they can be served by several retail shops with various goods to fulfill needs and wants. Retailer organizations are various and new arrivals are coming up. According to Kotler (as quoted in Foster, 2008), there are several types of store retailer as follows: specialty store, department store, discount store, retailer, super store and catalog showroom.

a. Specialty store is a store having limited but various product line. Example: sport store, furniture store, clotting store and book store.

b. Department store has several lines of product, especially apparel, household appliances, and household equipments, in which every line of product is operated as a limited department managed by special buyer.

c. Supermarket is pretty big store, providing foods, drinks, household needs, cosmetic stuffs, and even medicines.

d. Convenience store is relatively a small store next to housing area.

e. Super store, combination store and hyper market
Super stores are those bigger than conventional department store with 35,000 square feet in width, this store aims at fulfilling consumer needs for types of foods and non-foods sold routinely and constantly.
Combination store is a diversification of supermarket by providing medicines product with receipt, this store is commonly 55,000 square feet in width.
Hyper store is larger than combination store by 80,000 - 220,000 feet square in width. This hyper store is a combination between department store, discount store, and principals of warehouse retailer.

f. Discount store is a store that sells standard goods with lower price than conventional trader that determines lower margin and higher volume.

g. Warehouse store is a store without discount issues, decreasing service operation that sells with high volume and low price.

h. Catalog showroom is catalog principals and price cutting towards a lot of product selections having high mark up, fast moving and branded.

Community Empowerment

Community empowerment can be backgrounded by society's helplessness and unavailabity to develop their self. The purpose of community empowerment is to train community's independence and to improve ability to have a better life. Simply put those communities empowerment is required as long as there is still individual or group of societies who are not empowered yet, or in other words capability and potential owned is not optimally dug up. Mardikanto (2013) states that community empowerment is a basic element that enables society to survive, and in a dynamic definition is a self-improvement and achieving improvement.

Ndraha (1990) states that community empowerment programs are actually not a something just did but has been long run. Under the term of community development, community empowerment program has been conducted by the British government since 1948 in the regions in Africa which become its colony with the aims of building communities' willingness to want and be able to build his/her self. Empowerment-based development is also in relation to the communities economic empowerment. According to Mubyarto (1998) community empowerment program is led to the development of human resources in urban area, business opportunities creation which is in relevant to the communities willingness.

In order to empower UMKM, Wie (2006) finds that traditional paradigm in a public policy results in a direct assistance program, in which the government provides subsidy to credit program, which is called small "Scale Investment Credit" (KUK) and training and

guidance program as well. However, most of that program is less effective since there is UMKM who does not receive assistance program since it locates in a rural area which is difficult to achieve. They finance their business activities with their own save and borrow from their partner or the lender (Tambunan, 2011). Small-enterprise empowerment is essential and strategic in anticipating future economy especially in terms of strengthening national economic structure. National economic crisis like what happened today truly influences stability of social, economic, politics which impact on large business activity which is getting slumped, while the small one is still able to survive his/her business activity (Prawirokusumo, 2001). Development of UMKM has a big potential in improving communities standard of living.

Partnership

Partnership is an agreement among sectors in which individual, group or organization agree to cooperate to fulfill an obligation or to do a certain activity, jointly take a risk or benefit, and regularly supervise cooperation relationships, Tennyson (cited by Wibisono, 2007). There are three partnership principals, namely equity, transparency, and benefiting from each other. Sulistyastuti (2004) states that partnership model is ideally reflecting equal shares to the three actors of development i.e. government, private sector, and communities. An equal model of partnership will give positive image for government by acting transparently and developing participative partnership. Budimanta and Rudito (2004) liken corporate social responsibility and good governance as two sides of a coin which change societies as a community and citizen as its focus and stakeholders approach as the actor. Implementation context of corporate social responsibility, participation of each stakeholder truly determines the efforts of community empowerment which at the same time giving benefits for companies and societies. In the context of cooperation, local government can make profit in the form of additional fund possibility and capability from private sector, while private sector is able to get financial profit and promotion as well as provision of social responsibility and attitude of their business.

According to Mulyadi (2003), low level of stakeholders participation, especially communities and local government, impacts on there is no coordination between program run by company and regional development program run by local government and incompatibility of program with communities need. On the contrary, most of stakeholders getting involved as participant in CSR program can be a potential of a new conflict if every stakeholder has a different interest, opposite each other and truly has possibility to hurt each other.

From the explanation discussed above, it is clear that in order to face the next challenge, micro-enterprise should be strengthened. Thus, in terms of empowerment, it is needed big effort and patience from all related parties, both government and all entrepreneurs in Indonesia. One of the most strategic efforts is through business partnership. The government can involve higher education institution to jointly think about partnership pattern which is relevant to develop between small-entrepreneur and big business. By improving big effort and high spirit, micro-enterprise is expected able to be a driver and an encourager to the realization of a tough and independent entrepreneur.

Social Responsibility in Social Economy Empowerment

Social responsibility is individual's care and obligation in a society to give attention to others. The type of care and obligation is an active participation of individual in social life. To this research, social responsibility is defined as organizational care towards stakeholders especially communities or societies around the working area. According to Mardikanto (2013), activities categorized as a social responsibility must have several elements like continuity, community empowerment and having two side role.

In Indonesia, there are many activities related to Coporate Social Responsibilities, such as Partnership and Environmental Guidance Program (PKBL) whose implementation is conducted by State owned-Enterprise (BUMN). Social and Environmental Responsibility conducted by BUMN or private company as mandated in Law Number 40 of 2007 on Limited

Company is The company's commitment to participate in a sustainable economic development to improve the quality of life and valuable environment for both The company itself, local community, and communities in general. However, it should be appreciated that BUMN and private sector has had a direct and indirect awareness to do their social responsibility to communities.

According to Okoye (as quoted in Tsukamoto, 2009), CSR is a flexible and developed concept to follow the dynamic relationship between company and all stakeholders, so will be possible to have no single definition. In general, CSR is defined as a set of policy of company's practice related to stakeholders, values, fulfilling of law provision, communities and environments reward, and commitment of business world to contribute to sustainable development.

METHODS OF RESEARCH

This research design aims to analyze factors, realizations, results and empowerment models from revolving fund utilization program (KUPEM) of store retailer in Merangin, Jambi province, Indonesia. The reason to choose store retailer as the sample of this research is that kind of business is more dominated than others. Merangin district is the second largest district receiving the utilization of revolving fund (KUPEM) program in the development of working capital for small-enterprise. The subject of this research collected purposively, in which the key informant is The Head of Economic and Human Resources who are in charge of executing revolving fund utilization (KUPEM). Another informant, KUPEM implementation team of Merangin District (Merangin Local District and Bank Jambi), is given purposive snowball sampling

Qualitative research with case study approach tries to formulate models of empowerment in the utilization of revolving fund through a synergy of social responsibility between local government and local bank in Merangin District. This approach is holistically led to the background and individual without isolating individual or organization into the variable (Moleong, 2012). The strategy of case study is selected since the research question is "how" and the research focuses is in the contemporary phenomenon and program context is empowerment activity. This research used primary and secondary data. Primary data is in the form of in-dept interview with respondent or informant, while the secondary one is an earlier study and the needed document. Data analysis technique of this research used an interactive model, that is the implementation of data analysis consisted of data reduction component, data presentation, conclusion drawing, interactive verification, interconnected, and post-data collection (Miles and Huberman, 1992).

RESULTS AND DISCUSSION

Factors of store retailer empowerment activities through revolving fund utilization
Policy of store retailer empowerment activity
Policy is a direction or guideline in which the purpose of an organization or company want to be achieved related to the purpose and plan of an organization, government, company, political party etc. This is in line with Laswell (1970) and Anderson's (1979) findings stating that policy is a realization program of achievements, directive values and practices and is a set of behavior having a certain purpose which has to be followed and conducted by their follower to solve the problem.

Local government policy in implementing an activity program can be seen from applied regulation as a reference or guideline of its implementation. Legal framework applied to empower store retailer through KUPEM program revolving fund of Jambi Province in Merangin District is Jambi Governoor regulation Number 369 of 2002 on KUPEM Implementation Instructions of Jambi Province and Merangin Local Government Regulation in the form of Decision Letter of Merangin regent on the formation of Coordination Team of KUPEM Implementation in Merangin District for Capital Empowerment and Certification of Rights of Farmer/Craftsmen/Retailer Land.

In order to support empowerment activity of store retailer in the utilization of KUPEM program revolving fund of Jambi Province in Merangin District so Merangin Local Government has prepared matching funds sharing to utilize government funds for small and medium-enterprise implied into Merangin Local Budget and explained in Regent Regulation of annual Merangin Local Budget explanation. Bank Jambi participation in the implementation of KUPEM program is one of the forms of care, attention and alignments in order to alleviate poverty. For that matter, it needs to optimize synergy between local government and local bank in which the policy taken should direct into the sharing program-based policy so the policy made by those two sides in the utilization of KUPEM program revolving fund will complete each other and result in a better and bigger outcome.

Conditional

Conditionally, it can be known that the characteristics of store retailer through the utilization KUPEM program revolving fund of Jambi Province in Merangin District can be grouped from the status of business ownership as a owner and manager at the similar time, capital ownership status which is a combination of self-capital and borrowing or credit, total workers ranges between one to two employees, even there is a business owner who directly service consumer, business capitalization structure at first ranges between three millions until 6 million rupiah, source of goods at market, department store or distributor and skill owned is commonly very simple and obtained over generation and spontaneous at trade.

Characteristics of the store retailer is in line with Zairis' (2013) research proposing that retail manager has a higher role as the determiner of store retailer performance, finance limitation in capitalization can psychologically affect store retail manager, retail manager can do many roles of multi factor, among other things, sale-oriented, supervision and customer-oriented.

There is a limitation of human resources, the weakness of marketing management, the lack of willingness to access goods information, less of control of goods stock, lack of ability to anticipate market opportunities and room unavailability for store retailer. While from the program implementation side is total credit small, tight requirement of administration, there is no formal training yet, uncertified facilitator and temporary delay of KUPEM program revolving fund. This result is in accordance with a research conducted by Abor & Quartey (2010) revealing that there is an important role played by UMKM in Ghana, but in case of UMKM development, there is a weakness like the lack of access on proper technology, limited access of international market, law existence, and regulation that perverts sector development; weak institutional capacity, lack of skill of management and training, and the most important is financing.

Suppoting factors are a support from local government policy in the form of the utilization of KUPEM program revolving fund, support from KUPEM implementation team of Merangin District, capitalization support and operational funds, there is time and place of activity implementation, support of transportation facilities in the form of operational vehicle and access of land road and view on positive condition of economic growth of Merangin District. Understanding of social responsibility definition in the utilization of revolving fund in Merangin District is the form of care and attention of Merangin Local Government and Bank Jambi as a form social responsibility economically especially to store retailer. Later on, understanding of partnership has been fulfilled through equity or balance principals by the creation of attitude to honor each other, respect each other and trust each other in accordance with functions and each role, transparency of financing information management

Understanding of Social Responsibility and Partnership

Social responsibility is a planned, systematic and can-be-evaluated activity. Other things related to social responsibility, according to Meehan et al. (2006), are that C in CSR does not always mean Corporate, but can be also defined as Commitment, Consistency, and Connections, so other forms of CSR are Commitments Social Responsibility, Consistency Social Responsibility, and Connections Social Responsibility. The research result shows that the planned social responsibility through the utilization of KUPEM program revolving fund in

the activity of micro business empowerment at store retailer has been planned by Local Government and Bank Jambi by the formation of implementing team of KUPEM in Merangin District as one of the program of poverty alleviation to solve the problem of business capitalization of micro, small, and medium enterprise (UMKM) especially in Merangin District. In addition, the Local Government and Local Bank should listen aspiration from the assistance receiver which can be a user of revolving fund next time.

Next, understanding of partnership definition has fulfilled the principals of equity and balance by the formation of attitude to honor each other, respect each other, and trust each other based on each function and role, transparency of financial information management through a report of channeling and realization of monthly return of KUPEM loan and benefiting from each other i.e. interest utilization of credit return.

Social responsibility realization of local government and local bank
Scope of store retailer empowerment activity

Scope of store retailer empowerment activity through revolving fund utilization in Merangin District includes human development, business development, environmental development, and institutional development referred to Sumadyo (as quoted in Mardikanto, 2010) who formulates 3 major efforts in each community development called Three Developments, i.e. Human Development, Business Development, and Environmental Development. Any form of human development in the activity of store retailer empowerment through revolving fund utilization is the improvement of competence of knowledge & skill, work ethic improvement of store retailer by developing optimism spirit to make effort so that able to motivate to work better, encourage bravery of retailer so that able to minimize fear to fail in running a business. It is in accordance with Mardikanto's (2013) research proposing that capacity development of individual includes personal capacity, working capacity and professionalism development.

The type of business development conducted is in the form of understanding of strategy on product marketing, legality formation of firm through business permits (SIUP) and Company Registry Insignia (TDP), giving understanding of the importance to maintain cooperation between trader and big market/distributor and development of capitalization infrastructure. It is supported by Mardikanto (2013) proposing that business development covers commodity selection and type of business, feasibility study and business plan, business firm formation, investment planning and determination of sources of financing, HR management and career development, production and operation management, logistic and financial management, research and development of business information system, networking and partnership development, as well as supporting facilities and infrastructures development.

Environmental development model executed is urging store retailer about the needs of keeping their establishment clean and awareness related to the importance of building social connection with big store/distributor and consumer/costumer to the sustainability of business and life. This condition is supported by Mardikanto's (2013) idea that along this time definition of environment is commonly defined as merely major physical environment that relates to the preservation of natural resources and living environment.

Step and empowerment activity system

The first stage of communities empowerment activity include giving (1) explanation about the existence of the KUPEM program, the determination and introduction of working area by having a meeting to agree that the implementation is in all sub-districts and villages of Merangin District (2) Providing socialization by involving the role of apparatus of sub-district and village, communities organizing that involves store retailer, activity implementation through a channeling process including socialization and recording, distribution, KUPEM funds returning, coordination, supervision and control as well as reporting, avocations of activity in the form of policy legitimating support of Merangin District Government and political support in the form of implementation agreement from Merangin

Legislative Council and politicization to get political support from Merangin Legislative Council in terms of implementation sustainability of revolving fund of in Merangin District.

Empowerment activity beneficiary
      The beneficiary is a micro-enterprise of store retail. Realization of social responsibility that has been conducted is credit interest rate which is very affordable, easy to manage business legality (SIUP and TDP) and understanding provision to the retailer of marketing strategy. In this case, Social responsibility that has been done also gives benefit for company conducting CSR that is strengthening performance and economic benefits which are more efficient and sustainable, improving commitment of workers, stabilizing company's accountability in relation to social and communities investment, decreasing vulnerability and instability or company's operation in relation to the strengthening of relationship with communities and confirm reputation and image of company.

Result of Store Retailer empowerment
      Based on the research result, it can be known that activity result of store retailer empowerment through the utilization of revolving fund in Merangin District is as follows:
- The existence of micro- enterprise of retail stores are profits made and the availability of goods in relation to the needs and wants of consumer.
- The increase of retail store income is due to the addition of total goods sold to consumer and purchasing power improvement.
- Self-improvement of store retailer is starting to understand negotiation strategy to get discount and waivers of time to pay off credit to the suppliers at bug store/distributor. Another change is store retailer starts communicating his/her aspiration to the local government through KUPEM implementation team of Merangin District so can be registered again as a beneficiary of KUPEM program revolving fund of Jambi Province in Merangin District and other programs of business capitalization from Merangin Local Government.
- Mentality improvement of store retailers is through trader's care and attention in maintaining cleanliness of merchandises and establishment even tough not continuous yet, there is a willingness from the trader to change the broken merchandises when the consumer making payment, trying to build relationship with supplier and gain trust that has been given. Trying to provide the best service to the consumer such as giving special price and discount as well as offering proper merchandise.

This research result supports the previous study conducted by Mardikanto (2010) stating that communities empowerment is implication of people centered development. In addition, it is also in accordance with Cattaneo and Chapmanti's (2010) finding that the success of empowerment is a personal meaningful improvement in a power obtained by someone through his/her own effort. In relation to that matter, development addressed to society always refers to the effort of quality improvement of people life both physically, mentally, economically, and socio-culturally.

Model formulations of store retailer empowerment in the utilization of revolving fund through a synergy of Social Responsibility between local government and local bank
      Model formulations of store retailers empowerment in the utilization of revolving fund program through a synergy of social responsibility between local government and local bank proposed in this research is completing the scheme of channeling or returning procedure of KUPEM funds for investment activity/business capital of small trader in district/city of Jambi Province that has been existed and entering variables that appear in the interview and Focus Group Discussion (FFD). This is intended to make the utilization of revolving fund program does not only lead to the activity of channeling and returning of credit but also more than that of being able to empower store retailers.
      Model formulation of store retailers empowerment in the utilization of revolving fund program, through a social responsibility synergy between local government and local bank in

Merangin District of Jambi Province built based on the result of this research is the input of empowerment consisted of policy synergy, conditional identification and the similarity of definition understanding. The process is consisted of empowerment system synchronization, capacity development, program implementation, element implementation of social responsibility and partnership principals' implementation. Output of this model is in the form of relevance strengthening of empowerment policy, capacity increase of empowerment target, reinforcement of empowerment institution performance and care reinforcement of empowerment institution and cooperation reinforcement of empowerment institution. Outcome is in the form of store retailers' empowerment in the utilization of KUPEM program revolving fund of Jambi Province in Merangin District. The model can be seen in Figure 1 below.
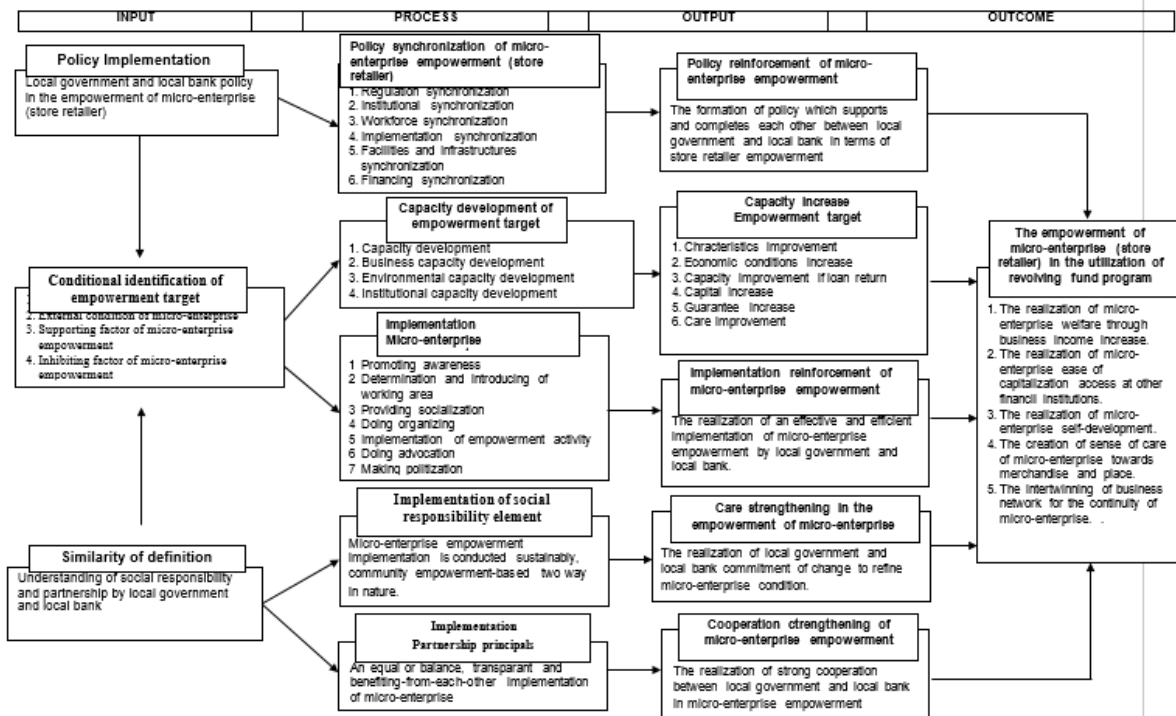

Figure 1 - Model formulations of store retailer empowerment in the utilization of revolving fund program

From the empowerment model as explained above, it can be described that policy synergy in the activity of store retailer empowerment through KUPEM program revolving fund of Jambi Province in Merangin District conducted by Merangin Local Government and Bank Jambi means the balance of various elements which can result in better and bigger outcome. This policy synergy is based on the sharing program of each institution. This is intended to prevent overlapping condition even a policy made can complete each other among two institutions (Merangin local government has a policy in the activity of store retailer empowerment through KUPEM program revolving fund and Bank Jambi support the activity of that empowerment by making a policy to provide an expert, making an institution of business development and making public facility completed with easy of internet access at every unit of Bank Jambi). Based on Covey (1989) combination or element/part of combination can result in a better and bigger outcome than being executed independently, in addition, combination of several elements will result in a more advanced product.

CONCLUSION

Elaboration of implementation activity factors can be concluded that there are several policies, namely government policy in the form of implementation instructions of KUPEM

implementation and operational funds activities. Bank Jambi policy at field of banking service is such as report compilation of loan channeling and returning. Later on, there is a policy of KUPEM implementation team formation consisted of Economic sector of Merangin regional secretary, Cooperation, Industry and Trade Agency of Merangin District and Bank Jambi. Conditionally, there is a limitation of human resources, the weakness of marketing management, the lack of willingness to access goods information, the lack of control on stock, inability to anticipate market opportunity and unavailability of room for store retailer. In terms of social responsibility realization of local governments and local bank, there are limitations in the form of human, business and institutional capacity development which causes to run not optimally.

The results of empowerment activities of retailers store in Merangin District are as follows: (a) the sustainability of micro-enterprise or store retailer proven by profit made and seek for the provision of merchandise as consumer requests, (b) micro-enterprise improvement by having income and consumer which is relatively growing, (c) self-improvement of store retailers by improving ability to ask for discount and payment relief to the supplier, business method which actively offers and introduce another product to consumer, embracing self to communicate aspiration to the local government so will be registered again as a beneficiary and other programs. Moreover, model formulations of empowerment can provide an outcome in the form of synergy between the three parties involved i.e. business actors, local government and local bank.

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