

## THE ROLE OF SOCIAL WORKER AT SUB-DISTRICT LEVEL IN STRENGTHENING ENTREPRENEURSHIP OF KUBE TO OVERCOME CULTURAL POVERTY

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### Abstract

The Ministry of Social Affairs implemented the *KUBE (Kelompok Usaha Bersam)* or known as micro business group which is managed and owned by beneficiaries of the Family Hope Program/*Program Keluarga Harapan (PKH)* by developing home business. This activity is accompanied by social work in sub district level under the coordination of Board of Social Service Regency with the duties and roles as person in charge during implementing the program for strengthening their entrepreneurship spirit so that they do not depend anymore on public assistance, this dependency is a manifestation of the culture of poverty. The aim is to describe the role of social work in strengthening entrepreneurship of KUBE. Research method used qualitative and data collection through interview. Data analysis used SWOT analysis to discover the appropriate strategy. The results showed that the role of social work in business supervising as an enabler, broker, mediator and educator need to be improved. The recommendation goes to institution related to KUBE development, higher education, community agent and Corporate Social Responsibility Program to strengthen the knowledge of social worker in micro business to improve spirit of social entrepreneurship and their business management. The role of social worker was very important to break cultural barrier in business development.

**Keywords:** Cultural Poverty, Home Business, KUBE, Entrepreneurship, Social Worker

### 1. Introduction

The Ministry of Social Affairs in 2010 under Directorate General of Social Empowerment and Poverty Alleviation launched KUBE (*Kelompok Usaha Bersama*) or known as micro business group which is managed and owned by beneficiaries of the Family Hope Program/*Program Keluarga Harapan (PKH)* by developing home business. The aims of program is to empower poor community groups by providing business financial source through the Direct Social Empowerment Assistance (BLPS) program to manage Productive Economic Enterprises (UEP). The Family Hope Program (PKH) received a total assistance of Rp. 10,000,000.00 (ten million rupiah) for 1 (one) group. Requirements to

establish and be membership of KUBE are poor family, each has 10 members or less, members are between 15-55 years old and are married, and running business activities, already has bookkeeping or financial records. KUBE uses groups as an approach to developing and changing behavior among poor families to improve their standard of living in both economic and social aspects (Suradi, 2012).

However, KUBE has not yet achieved its goals due to low business management capabilities, weak entrepreneurial culture which has resulted low economic empowerment and performance level (Sariningsih, et.al, 2024). The objectives of KUBE is to increase the business capabilities, income generating, business development and social awareness and also solidarity among members and with the surrounding community. The stages business development consisted of 1) Growth (The newly formed), 2) Development (has succeeded in managing Productive Economic Enterprises, administration and group activities that have been running for at least 2 years), and 3. *Mandiri/Independent* (Build the Microfinance Institution (LKM) and active as member). There were still inhibiting factors, namely conflict among members causing KUBE management to malfunction, lack of skills, Human Resources (HR) and unfair competition (Silvia, & Sujianto, 2022).

KUBE is supervised by *Tenaga Kerja Sosial Kecamatan* (TKSK) or social worker in sub district level as a business development assistant. TKSK is a person who is given tasks, functions, and authority by the government for a certain period of time, to implement and/or assist in the implementation of social welfare activities in accordance with the assignment area in the sub-district level (Permensos Number 24 of 2013). The number of TKSK currently in Indonesia is 7160 people, one person is based in each sub-district with a work area covering villages or sub-districts or other similar names. The formation and assignment aims to 1) increase community participation in the implementation of social welfare, 2) strengthen coordination, integration, and synchronization of programs and activities for the implementation of social welfare programs, 3) establish cooperation and synergy between social welfare programs and other development programs at the sub-district level (Kemensos.go.id)

Social worker has an important role as business educator and facilitator, however, in practice, the implementation of the role as a motivator and educator is still weak (Sariningsih, et.al, 2024). This role can be carried out well if there is a good cooperation between social worker and KUBE actors so that there is a transfer of knowledge that can be applied to business development. The roles implemented are not optimal due to the absence of regulations that specifically regulate their roles, the lack of knowledge and skills related to on the research findings, suggest that there are regulations that specifically regulate their tasks (Sugiyanto & Suradi, 2020).

The poverty alleviation process based on KUBE is carried out within entrepreneurial organization management. Respondents' creativity and innovation are still low, so the recommendation put forward is to increase the entrepreneurial spirit of KUBE members and their social assistants (Suradi, 2012). The role of social assistants is very important to improve business management skills and the entrepreneurial spirit of KUBE actors. However, the culture of poverty theory claims that poverty is caused by the values and behaviours of people living in poverty. The aim and purpose is to describe the role of social work in strengthening entrepreneurship of KUBE to overcome the culture of poverty. The

determining factors for the success of KUBE in the form of venture capital, entrepreneurship and the role of business mentor had a significant effect (Fitria & Fachrurozi, 2023).

## 2. Literature Review

KUBE is a business managed and owned by the poor beneficiaries of social assistant. Their business development are guided by Social Facilitators (PKH Facilitators, TKSK and other Facilitators) since in preparing proposals, assist in field verification activities. It is a social organization that implements social welfare and is formed by the community, both those with legal entities and those without legal entities (Law No. 11 of 2009). As a social organization, the implementation refers to the management principles of the Human Service Organization.

Set of organizations whose principal function is to project, or enhance the personal well being of individuals by defining, shaping, or altering their personal attributes as human service organizations. KUBE aims to change the personal attributes of its members to achieve better welfare. KUBE's performance assessment as a humanitarian organization refers to the effectiveness and efficiency of its activities. This measurement is important to ensure the sustainability of this income increasing program.

The social companion in this case is a social worker and the relationship between the social worker and the client is focused on strengthening the ability of mastering through problem solving. Social Worker are very important to achieve the goals to increase the family welfare, they play multiple leadership roles in groups as a broker, mediator, educator and facilitator. Social assistants in this case are PKH and TKSK assistants who have duties and roles in the context of being brokers, mediators, educators and facilitators attached to the following activities:

- 1) As the person in charge in the field for social assistance programs (PKH, non-cash food assistance, gas subsidies, fertilizer subsidies, BLSM, etc.);
- 2) Together with the District/City Social Service, synergize data on beneficiary families and integrate the distribution of social assistance

In carrying out its role as a social assistant, it refers to various variations of the role of social workers as follows:

- 1) Enabler: Social advisor to articulate client's needs, to clarify and identify their problems, to explore resolution strategies, to select and apply a strategy and to develop their capacities to deal with their own problems more effectively;
- 2) Broker: The main function as a broker is to help clients reach the necessary resources, this requires social workers to be familiar with available social resources, have general knowledge about eligibility according to the demands of society and be sensitive to what is needed by the community. A broker must be able to help clients meet the needs of food and adequate housing, connect with the resource system so that clients get social assistance legally or connect with other resource systems;
- 3) Advocate: Directive role in which the social worker advocates for a client or for a citizen;
- 4) Activist: Social advisor seeks institutional change, often the objective involves a shift in power and resources to a disadvantaged group;

- 5) Mediator: The social worker plays a role in helping group members to resolve conflicts. In order to be successful in this role, the social worker must believe that the other side of the differences within the group is very possible and has a positive function for the betterment of the group, partisanship must be avoided but a win-win solution must be sought. Identify any differences that arise and discuss them for the common good, so that they can help members negotiate with their environment and other systems;
- 6) Negotiator: Social advisor brings together those who are in conflict over one or more issues and seeks to achieve bargaining and compromise to arrive at mutually acceptable agreements;
- 7) Educator: The educators role involves giving information to clients an teaching the adaptive skills;
- 8) Initiator: An initiator calls attention to a problem or even to a potential problem;
- 9) Empowerment;
- 10) Coordinators;
- 11) Researchers;
- 12) Group Facilitator: The ability of social workers to share some of the same or different characteristics that are displayed.

Small business entrepreneurship involves the process of creating and managing a business on a smaller scale, usually with a focus on a local community or niche market. It includes the ability to identify opportunities, develop innovative ideas, and operate a business with limited resources. Entrepreneurship give rise to new products and services, fresh applications for existing products and services, and new ways of doing business

Cultural poverty is a concept related to poverty where individuals or groups, despite having access to opportunities for improvement, may not actively strive to do so due to ingrained attitudes and behaviours. While this concept is debated, it suggests that certain cultural norms or values can be barriers to economic advancement. In Indonesia, while overall poverty rates have decreased, the impact of cultural factors on poverty is a subject of ongoing discussion.

Cultural poverty refers to a set of beliefs and behaviours that can perpetuate a cycle of poverty, even when external assistance is available. It's not about a lack of knowledge or skills, but rather a lack of motivation or desire to improve one's economic situation. This concept is controversial and not universally accepted. Some argue that it can be used to blame individuals or groups for their circumstances, while others believe that certain cultural norms can hinder economic opportunities. While Indonesia has made progress in reducing poverty, it is important to consider the role of cultural factors in the persistence of poverty, particularly in certain regions or communities.

Certain cultural practices or values might discourage entrepreneurship, education, or the pursuit of new opportunities, thus limiting economic advancement. In some communities, there may be resistance to change, a reluctance to embrace new technologies, or a preference for traditional ways of life that may not be conducive to economic growth. Studies on poverty in Indonesia often explore the role of culture, highlighting how cultural norms can interact with economic and social factors to shape people's lives. Poverty in Indonesia is influenced by a range of factors, including



economic inequality, access to education, healthcare, and other social services, as well as cultural norms.

### 3. Methods

The research method used qualitative (Creswell, 2015), and the data collection through Focus Group Discussion and interview where social worker as key informants and additional informants are representatives from the Office of Social Affairs in Bandung city. Data analysis used SWOT analysis to discover the appropriate strategy. Data and information for self-evaluation are then analysed using SWOT Analysis between components by utilizing SWOT (Strength, Weaknesses, Opportunity, Threat) descriptions in each component to formulate problem-solving strategies. Kind of data consisted of the social worker role as follow:

- 1) Enabler: Social advisor to articulate client's needs, to clarify and identify their problems, to explore resolution strategies, to select and apply a strategy and to develop their capacities to deal with their own problems more effectively;
- 2) Broker: The main function as a broker is to help clients reach the necessary resources, this requires social workers to be familiar with available social resources, have general knowledge about eligibility according to the demands of society and be sensitive to what is needed by the community. A broker must be able to help clients meet the needs of food and adequate housing, connect with the resource system so that clients get social assistance legally or connect with other resource systems;
- 3) Mediator: The social worker plays a role in helping group members to resolve conflicts. In order to be successful in this role, the social worker must believe that the other side of the differences within the group is very possible and has a positive function for the betterment of the group, partisanship must be avoided but a win-win solution must be sought. Identify any differences that arise and discuss them for the common good, so that they can help members negotiate with their environment and other systems;
- 4) Educator: The educators role involves giving information to clients an teaching the adaptive skills;

KUBE's success in the medium category (Tampubolon et.al, 2016). One of the reasons why KUBE is not yet optimal as an ultra micro business is the weakness of business skills and management (Cunningham cited in Soeharsono, 2018). The management aspect is a significant obstacle in the development of KUBE businesses, there are findings of a lack of creativity, a lack of innovation and low skills, capital and marketing capabilities need to be improved as well as low performance (Sariningsih, 2011).

The development of an entrepreneurial culture can be carried out in stages through discussion points with the help of designed learning media and a business environment that focuses on displaying human economic business activities to fulfil their life needs. (Soeharsono, 2018). Entrepreneurship is the person who perceives an opportunity and creates an organization to pursue it (Alma, 2007). An entrepreneur must have the courage to take risks, which is related to creativity and innovation. (Meredith, 2005). The target for developing the basic principles of entrepreneurship is to increase economic empowerment and independence as well as social perception (Cunningham cited in Soeharsono, 2018).

The management process as an entrepreneur will include developing ideas and strategies, managing people and managing systems to ensure business growth. (Meredith, 2005).

#### **4. Research And Discussion**

##### **4.1. The Role of Social Work in Strengthening Entrepreneurship of KUBE to Overcome the Culture of Poverty.**

In this research the TKSK as social worker activities limited to the role as enabler, broker, mediator, educator and initiator (Zastrow, 2017). Social work is a person who works for the social services or for a private organization providing help and support for people who need it (Cambridge Dictionary, 2025). The levels in social work's bureaucratic hierarchy are then set out as a precursor to highlighting the existence of a parochial professional culture in social work, within which social workers enjoyed a substantial degree of autonomy and discretion as 'bureau-professionals' (Harris, 2003).

TKSK works under the coordination of the Social Service in sub district area, acts as the vanguard in identifying social problems at the grassroots level and providing appropriate solutions, has an important role in providing social services to the community, especially in dealing with poverty and social problems, including as a supervisor in developing KUBE businesses. They receives honorariums, not salaries like civil servants, which are given as compensation for tasks that have been carried out. The salary or honorarium received in 2022 usually ranges from IDR 300,000 to IDR 1,000,000 per month. The exact amount can vary depending on the area and the tasks carried out. Due to their task in assisting the development of KUBE businesses, TKSK must have sufficient knowledge and skills regarding business management and entrepreneurship, which they do not have. TKSK activities involve technical assistance, consultation, and capacity building, assisting KUBE-FM in increasing productivity, business sustainability, and socio-economic impact for its members (Ananta & Cholid, 2019). Several KUBE received financial assistance from CSR, and contribution of these members is related to the intensity of gathering in meetings and workmanship (Achmad, 2021).

Entrepreneurs are found throughout the world of business because any firm, big or small, must have its share of entrepreneurial drive if it is to survive and prosper (Bygrave & Andrew, 2011). Entrepreneurship and cultural poverty are two interrelated and complex issues, with entrepreneurship being a tool to address cultural poverty, but also exacerbating it. Entrepreneurship can provide higher incomes, create new jobs, increased incomes and jobs, can improve access to better education and health services, provide self-confidence and independence, encourage innovation and creativity.

However, the negative impacts of entrepreneurship on cultural poverty include shifts in values and traditions that may be perceived as threatening to local culture. can increase social inequalities, prioritizing material gain at the expense of broader cultural values, such as a sense of community, solidarity and social justice, increased exploitation of labour, where workers are underpaid or do not have adequate social security, changes in the local economic landscape, where traditional or community-based economic activities can be replaced by more modern or commercial economic activities. Entrepreneurship can be an effective tool for addressing cultural poverty, but it is also important to consider

its potential impact on local values and traditions. It is important for governments, civil society and the private sector to work together to create an inclusive and sustainable entrepreneurial environment that can increase incomes and employment, and maintain and strengthen local cultural values.

Cultural poverty refers to a set of beliefs and behaviours that can perpetuate a cycle of poverty, even when external assistance is available. It's not about a lack of knowledge or skills, but rather a lack of motivation or desire to improve one's economic situation. The culture of poverty theory argues that individuals who grow up in poverty are socialized into a distinct way of life that perpetuates their poverty. It suggests that poverty is not just a lack of material resources but also a lack of the skills, knowledge, and behaviours necessary to escape poverty. According to this theory, the culture of poverty is passed down from one generation to the next, creating a cycle of poverty that is difficult to break (Easy Sociology, 2024).

The role of social worker in sub district still in low level, especially as an educator, they lack of skills and knowledge of business management. On the other hand, they have to transfer of those knowledge to KUBE business actors, are beneficiary families who received social assistance and gradually they must be economically independent, but their dependence on social assistance is very high. They argue that they cannot run a business so that it becomes a major obstacle in the graduation process. Thus it is not surprising that many businesses do not develop their business.

The research finding based on Focus Group Discussion and interviewed have been analysed through SWOT analysis (Table 1.), is a strategic planning framework used to evaluate a business, project, or organization's internal strengths and weaknesses, as well as external opportunities and threats. By identifying these factors, the analysis helps in understanding the current situation and developing strategies for improvement and growth.

**Table 1. SWOT Analysis**

<b>Internal Factor</b>	<p><b>Strength (S)</b></p> <ul style="list-style-type: none"> <li>- As a broker share information about business sources, general knowledge about community needs.</li> <li>- As a mediator, try to connect source of food and housing adequately.</li> </ul>	<p><b>Weaknessness (W)</b></p> <ul style="list-style-type: none"> <li>- As a mediator still in low level in helping solve conflicts to gain win-win solution;</li> <li>- Need improvement in negotiation with other source systems.</li> <li>- The role of initiator for potential problem solving is still low.</li> </ul>
<b>External Factor</b>	<p><b>SO Strategy</b></p> <ul style="list-style-type: none"> <li>- Improving the ability of social workers as enabler to identify KUBE's needs as an enabler.</li> </ul>	<p><b>WO Strategy</b></p> <ul style="list-style-type: none"> <li>- Providing training on business planning to widening knowledge as an educator.</li> </ul>
	<p><b>Opportunity (O)</b></p> <ul style="list-style-type: none"> <li>- As an enabler can help to identify management. business problems and classify them.</li> </ul>	

<ul style="list-style-type: none"> <li>- Explore strategies, choose of them and implement strategies.</li> <li>- Develop problem-solving capacity.</li> </ul>	<ul style="list-style-type: none"> <li>- improving business problem solving skills to support educational role.</li> </ul>	<ul style="list-style-type: none"> <li>- As an educator should follow training on business planning to help KPM in preparing business proposal.</li> </ul>
<p><b>Threat (T)</b></p> <ul style="list-style-type: none"> <li>- If as an educator could not provide information of business management entrepreneurship, the KUBE will bankrupt</li> <li>- Lack of management skills will decrease motivation in business.</li> </ul>	<p><b>ST Strategy</b></p> <ul style="list-style-type: none"> <li>- Providing training in entrepreneurship, financial management, production management and marketing management.</li> <li>- Improving the ability to strengthen motivation for business development in order to meet basic needs for food, education, health and decent housing.</li> </ul>	<p><b>WT Strategy</b></p> <ul style="list-style-type: none"> <li>- Providing training to improve the ability to apply financial management, marketing management and production management as an educator.</li> <li>- Applying business management in the KUBE business development process</li> </ul>

**Source: Research finding, 2025**

Social work is a profession that aims to restore the social functioning of clients by connecting them to various resources, including to meet KUBE with economic resources and teach them how to optimize their resources they have. Their work can bring about significant change for individuals, groups and communities. In addition, social work highlights the potential impact of various technological advances. The role of social work in business field is relatively new because of its intervention in the development of group businesses, so that knowledge and application of entrepreneurship and business management concepts are needed. Finally, they can help KUBE business actors who receive social assistance. Knowledge and application of business management must be a special skill of social workers who will help clients in business development. The specifications of these social worker's role are not included yet in the basic tasks of social workers even though they are very important to help clients to a better standard of living, usually including the following:

- Identifying communities in need of support
- Assessing clients' needs, circumstances, and support systems
- Working with clients to determine achievable and actionable goals and plans to meet them
- Intervening in crisis situations involving abuse, mental health emergencies, or trauma
- Maintaining client records, case files, and documentation
- Connecting clients to resources, such as health care and food assistance
- Developing and strengthening programs and services that benefit clients
- Providing psychotherapy services, if a licensed clinical social worker (LCSW)



While these tasks are fundamental to the role of a social worker, their responsibilities can vary depending on the situation. The strategy based on SWOT analysis are followed related to their role:

1) SO Strategy

- Social worker participate in training to strengthen the entrepreneurial culture organized by higher education or social organization.
- Training is carried out in stages starting from KUBE mentors.

2) WO Strategy

- Social worker participate in training on preparing business plans and simple financial records organized by higher education or social organization.
- Training is carried out from the very start before KUBE proposed their business, the knowledge they have can be applied to business proposal.

3) ST Strategy

- Collaborate with higher education or social organization that organize entrepreneurial counselling to strengthen value-based management'
- Social worker actively provide scheduled mentoring.

4) WT Strategy

- Build a Management Information System (MIS) for data information and monitoring and evaluation of the West Java Provincial Government and Social Service.
- Implement value-based management to strengthen social commitment among head of KUBE.

KUBE is a kind of self-help group which also sometimes referred to as mutual-help groups, are groups in which members share the same issue, condition, or situation and thus are in a position to provide help and support to each other. A variety of self-help groups exist to help people address a wide range of issues, including emotional concerns, physical disabilities, eating and food issues, addiction, bereavement and illness. Self-help groups are self-governing groups made up of individuals who share the same or a similar concern or issue. Members provide emotional support and advice to each other. Typically membership is free or involves only a minimal fee or donation. The belief behind self-help groups is that the shared experience of group members is highly valuable in the promotion of understanding and healing.

The role of social worker is very important because KUBE activities are expected to increase the knowledge and insight of its members because they are required to have managerial skills in managing the business being run, and strive to explore and utilize the resources available in the environment for the success of their group. In addition, it is expected to be able to realize sustainable cooperation by optimizing all local potentials.

Management is the process of using organizational resources to achieve organizational goals effectively and efficiently through planning, organizing, leading, and controlling (Jones & George, 2007). Strategic management is the process of developing a business plan to guide a company as it strives to achieve its vision through carrying out its mission. (Zimmerer & Scarborough, 2005). Planning includes steps to target organizational goals, establish overall strategies to achieve those goals, and develop a series of comprehensive plans to integrate and coordinate the organization's work. Planning concerns results (what

to do) and means (how to do it) (Robbins & Coulter, 2007). The objectives of accounting (Astuti & Andayani, 2022) in general:

1. Provide information about finances, both assets and liabilities of the company;
2. Provide information about changes in various economic sources (net) of the company;
3. Provide financial information of the company that can help in making estimates of the company's potential profits;
4. Provide information about changes in various economic sources of the company, both assets, debts and capital;
5. Provide other information related to financial reports to help users of the report.

Submission of KUBE funding proposals requires business planning, so the theory of business management used is strategic management. In essence, management is the process of achieving and combining strategic management processes:

1. Develop a clear vision and make it into a meaningful mission statement;
2. Assess the company's strengths and weaknesses;
3. Look at the surrounding environment to find out the opportunities and threats faced by the company;
4. Identify key factors for the company's success;
5. Analyse competition;
6. Develop company goals and objectives;
7. Formulate strategic options and choose the right strategy;
8. Realize the strategic plan into an action plan;
9. Determine the right control (Zimmerer & Scarborough, 2005).

Management is also the process of achieving and combining human, financial and physical resources to achieve the primary goals of an organization that aims to seek profit, or a non-profit organization (Nisjar & Winardi, 1997). Another reason that underlies that KUBE should have started to orientate itself towards strategic management in line with the increasing *marketplace/e-commerce*. KUBE showed a significant influence on the economic empowerment of rural communities (Anwar, & Firdaus, 2019). A business approach aimed at increasing community empowerment in preventing and overcoming social risks and social problems, especially those related to poverty and unemployment (Nadila, 2022). Family Hope Program (PKH) Mentor or social worker play an important role in empowering poor communities (Rahmawati & Kisworo, 2017).

Malaysia also provides a consistent definition of poverty and extreme poverty based on The Tenth Malaysia Development Plan (2011-2015) (Government of Malaysia, 2011). It is simpler to define poverty conceptually than operationally. Poverty is thought of as an amalgamation of different features that goes beyond the claim of not having enough money and is not limited to a single-faceted reality. The term "poor" refers to a variety of negative social and psychological effects, including spousal abuse, criminality, a belief that social investments are inadequate and issues with the expansion of human capital, unequal service delivery, and weak political engagement. Thus, each nation has its own definition of poverty.

With a population of 28.5 million, Malaysia is a multi-ethnic and multi-religious nation that is mostly made up of the indigenous Malay, Chinese, and Indian populations. Malaysia has succeeded in making the transition from a poor to a middle-income country since

gaining independence in 1957. Despite tough external factors, Malaysia's economy has occasionally grown. It may also undoubtedly take pride in its success in the fight against poverty. Despite its effectiveness in reducing poverty, a vulnerable population still lives in poverty in the nation due to a variety of social and geographic factors.

The poverty line was initially modified to account for variations in mean household size and cost of living between Malaysia's three main regions, Peninsular Malaysia, Sabah, and Sarawak. For either urban or rural locations, no modifications were made. Three regional poverty lines were the consequence of this (besides the national one). From the time of their inception in 1976 until 2004, these poverty lines—adjusted for inflation and shifting mean household sizes—were in use. Adjusted to account for differences in living expenses, household size, and rural versus urban location. The new poverty line also classifies households with incomes below their food poverty line or households unable to meet their minimum food needs as being in acute deprivation or "hard-core poverty." The unadjusted mean national poverty line in 2009 was RM6.50 per person per day (equal to US\$3.00 per day, PPP).

Each state in the nation currently has an updated and unique Poverty Line Income (PLI). The updated edition includes a separate classification based on urban and rural areas, different household sizes, and other changes. Basic characteristics of each household considered while calculating the PLI, such as the number of occupants, location, and demographics. Currently, the minimum spending required to live a tolerable life is considered while defining Malaysia's poverty line income, and the Consumer Price Index (CPI) is used to update the PLI annually. Two separate PLIs were used to show the differences in household size and cost of living between Peninsular Malaysia, Sabah, and Sarawak. In accordance with the 9th Malaysia Plan, PLI was determined for Peninsular Malaysia to be 4.1 at RM763 (US\$254) per month and for Sabah and Sarawak to be 4.9 at RM912 (US\$304) per month, respectively. The PLI's lower half was established as the absolute poverty level (Department of Statistics Malaysia, 2010).

Despite the progress made in lowering poverty (to less than 4%), some vulnerable groups of the population have not changed because of numerous adverse conditions. The economic development model is being explored to create a more inclusive strategy. In Malaysia, capacity development is being carried out in the framework of reducing socioeconomic disparities through fostering economic growth while also providing aid to those in need. The strategy to achieving inclusivity is based on two goals: (1) enabling equal opportunities for all, and (2) offering a social safety net for the underprivileged groups. Equitable access to health, education, and fundamental infrastructure are being prioritised for the second goal. As general subsidies are phased down, specific income assistance mechanisms will be improved.

In contrast to the experience of many developing nations, social policies in Malaysia have developed in an orderly and incremental manner thanks to a supportive environment over a significant period of stability. Additionally, Malaysia has had successive strong governments and a public sector that is dedicated to enhancing the welfare and well-being of all Malaysians. The methods developed in Malaysia to lessen poverty covered a few significant grounds. The plan included both an ongoing commitment to welfare and a fresh push toward independent life. As a result, new initiatives and increased capacity building

were implemented to care for the weak or the so-called bottom millions of societies. The following industries received top priority such as agricultural sector advancement, stabilizing small and medium-sized businesses, the welfare of students is improved, pre-school education is strengthened, reading and numeracy are improved, excellent schools are established, house ownership is increased, and public health facilities are expanded, improved social safety nets, increasing retirement programme microfinance.

Beside that, Malaysia's also shared prosperity vision 2030 aims to raise the bottom 40 percent of households in terms of income (B40). The shared prosperity vision thus seeks to (1) develop all citizens at various levels through economic restructuring of full community participation towards a more advanced, knowledge-based, and highly valued community, (2) address income and wealth disparities through eradicating inequalities and ensuring that no one is left behind, and (3) achieve a united, prosperous, and dignified nation through nation-building in becoming Asia's economic centre (Economic Planning Unit: Twelfth Malaysian plan, 2019). The country aims to end poverty by 2030 through offering employment opportunities and career advancement plans. However, there is a gap between the country's objectives and actual efforts to eradicate poverty (Percetakan Nasional Malaysia Berhad, 2021). The B40 group is the focus of Malaysia's efforts to eradicate poverty. Despite several initiatives to improve the B40 group, the objectives have not been met. Despite the formulation of numerous policies, the country continues to lag far behind its desired results, which is caused by a conflict between organisational practise and government policy.

Malaysia could pay greater attention to inclusive talent development strategies aimed at the B40 youth to rebalance the two components. The literature from the past has backed this inclusive youth training strategy. 10 The B40 group is a representation of the current level of poverty in Malaysia. Due to mismatches or a lack of the appropriate information, skills, talents, and attitude, many of the B40 group households typically occupy lower-level jobs or are unemployed. Training programmes that concentrate on data sciences, green accounting, and forensic economics are some of the more essential information, skills, and talents in this industrial revolution (IR) 4.0 era. (Economic Planning Unit: Eleventh Malaysia Plan 2016-2020 Anchoring growth on people, 2015.) Therefore, in order to permanently end poverty, Malaysia should support the B40 young group because they will be the generation that decides how poor Malaysia will be in the future. As kids grow up and become adults or parents who belong to the M40 group, poverty will be permanently erased once they are elevated into the middle 40% household income group (M40).

Since the New Economic Policy's introduction, the government has made eradicating poverty one of its priorities. Since then, both state and non-governmental organisations have carried out several poverty eradication initiatives. This is a result of the government's concern for the general welfare of the populace and the problem of poverty. As a result, the government launched the AZAM Tani initiative in 2010. The AZAM Tani program's implementation is thought to have a good effect on the underprivileged neighbourhood. Concerns exist, too, about whether AZAM Tani's implementation will enable participants to increase their income. AZAM Tani programme has successfully created a second job opportunity for its participants. This programme also shows the connection between

participants' knowledge, abilities, and competitiveness and how the AZAM Tani programme is being implemented (Mohd, Mohd, & Zaimah, 2018).

Challenges for Poverty Reduction in Malaysia, despite the nation's great efforts to eradicate poverty, there are still big problems in the age of globalisation. The government is currently dealing with a new group of impoverished, so the following critical issues require attention.

#### 1. Migrants Workers' Issues

Globalization and liberalisation have a significant impact on Malaysia's present development strategies, which has both direct and indirect effects on efforts to combat poverty. The urban poor, the near poor, and migrant workers are severely impacted by the reduction in employment prospects. Relevant authorities also recognise a significant prevalence of unemployment and layoffs. Since Malaysia is reforming its economy, there is a tremendous need for experienced and competent human resources in capital-intensive and high value-added operations.

The impact of foreign workers on the local economy, the money they send back to their home countries, the perception of competition between local and foreign workers on the local labour market, and the possibility of a shocking influx of foreign workers who could cause major unrest all became urgent concerns. Affirming that "the rising invasion of (20 percent) of foreign labour force creates an influence on poverty issues and human resource development," Nair (2010) expressed worry about this issue.

#### 2. Ethnic Issue

In comparison to urban and non-Bumiputera pupils, Bumiputera and rural students performed far worse academically in fields that are crucial to the economy. This resulted in a knowledge gap between these two fields of study. Fragmentations, factions, and unrest between ethnic groups would be inevitable if policymakers choose to ignore the injustices and fail to put forth promising agreements. As a result, the apparent gap between the wealthy and the poor will expand.

#### 3. Rural and Urban Poor

Rural and urban poor poverty have consistently been characterised as an issue unique to rural areas since more than half of family units in rural areas are classified as poor. However, because so many newly poor family units choose to live in urban areas, poverty has catastrophic effects on those communities (Nair, 2010). It is necessary to establish innovative policies and strategies with a strong commitment to programme planning and inner city development budget allocation (Nair, 2010). Urban poverty was greatly exacerbated by rural-urban migration, as well as by the flood of international migrants who were both regulated and unregulated (Economic & Planning Unit, Malaysia, 2010).

#### 4. Poverty Line Income Issues

Poverty Line Income issues are frequently discussed in absolute and relative terms with the concept that obstacles that exacerbated poverty needed to be best addressed and poverty alleviation activities should be more goal-directed.

Additionally, it has been noted that opinions on relative poverty have evolved throughout time. Previously, the bottom 40% of the population was in relative poverty, but under the present plan, it is the bottom 30% of the population. The change in the definition of relative poverty from the bottom 40% of the population to the bottom 30% of the population



remains murky, though. Comparisons are challenging due to this type of transitory change of the concept of relative poverty. The threshold for eligibility for financial aid has been set at RM1200, which is 2.3 times Peninsular Malaysia's PLI (Nair, 2010). Even though the chosen households are receiving financial assistance, it appears that additional assistance is required to raise their standard of life.

Countries working to eradicate this plague can learn a lot from Malaysia's experience in doing so. The government has been able to apply overwhelming force to the issue thanks to its policies, plans, and programmes, as well as the several agencies that are carrying them out. The government's focus on growth has given it a larger income base to devote an excessive number of resources to eradicating poverty. Its comprehensive and pro-active macro- and micro-approach to the issue makes sure that no weaker group is left behind in the government's development initiatives. Coordination had become a challenge that require action at the highest level of political leadership due to the numerous tools and institutions. Such high-level action demonstrates that poverty eradication, and by extension any policy, cannot succeed without the ongoing work of political leaders.

Empowerment was positively related to collective-efficacy, which in turn was positively related to group members' perceived group effectiveness (Jung & Sosik, 2002). empowerment partially mediated the influences of various inputs on team processes, whereas team processes fully mediated the influence of empowerment on outcomes (Mathieu, Gilson, & Ruddy, 2006). The role of the entrepreneur in key areas of concern for development economics, such as structural change and economic growth, income and wealth inequalities, welfare, poverty traps, and market failures (Naudé et.al, 2010). Social value creation has been discussed largely as part of a broader discourse about social entrepreneurship research. However, on top of the debate about the definition of social value (Rohatynskyj, 2011). These words articulate the so-called „not-for-profit“ discourse on social enterprise (Ridley-Duff, R., 2008), where value based management at KUBE is very important for business development (Sariningsih, et.al, 2024). As Malaysian, capacity building very important in alleviating poverty, In Indonesia, capacity building in business management field for social workers as mentors to assist beneficiaries to free themselves from dependence on social assistance is very important. Programs such as KUBE are expected to overcome cultural poverty by strengthening their entrepreneurial mindset.

#### **4.2. Practical and Theoretical Implication of Research.**

KUBE is a program initiated by the Ministry of Social Affairs to build business independence from underprivileged communities by forming home-based businesses, so that they are no longer dependent on social assistance. Communities interested in starting a business by forming KUBE must submit a proposal.

The results of the study indicate that the writing of the KUBE assistance application proposal is still not optimal, even though it is an important stage for assessing business feasibility and as the initial stage of the program, so it requires intensive assistance, especially in the formulation of vision and mission, business planning, financial plan and records.

In preparing the proposal, it is assisted by a TKSK but in practice the assistance activities are not optimal yet, therefore must refer to pentahelix principle by involving

ABCGM (Academic, Business, Community, Government and Media). TKSK must be given enrichment knowledge about business management, entrepreneurship, economic empowerment and performance improvement, so that they can help develop the KUBE business optimally.

The theoretical implications of this research include that in the early stages there needs to be a social commitment when forming KUBE by involving TKSK who understand the scope of Industrial Social Work. This understanding will greatly build KUBE to develop its business. Another theoretical implication is the research findings on the need for value-based management within KUBE environment to strengthen social commitment. This is in line with KUBE as a Human Service Organization or Human Service Organization Management. The purpose of KUBE is not only for the economy, but how KUBE's success also impacts the surrounding community. Empowerment was positively related to collective-efficacy, which in turn was positively related to group members' perceived group effectiveness (Jung & Sosik, 2002)

## **5. CONCLUSION**

The conclusion goes to low level of social work role in supervising KUBE to develop their business, including as an enabler, broker, mediator and educator. They have to improve their knowledge especially in business management field and strengthen the shared values of an organization. The values of the organization reflect what it stands for and what it believes in. In each proposal for funding at the initial stage of the program, KUBE should include a vision and mission built on group values, which then become a driver for the continuation of the business based on a strong shared commitment, facing various difficulties in business development together..

The results of the study also showed that the ability to prepare business plans listed in the proposal is still low and the ability to write financial records is still low and has not been done routinely, thus affecting various components in business implementation. The government, non-governmental organizations, and financial institutions have an important role in helping KUBE overcome these challenges. They can provide support through:

1. Training Programs: Government and non-government organizations can organize affordable or free financial training programs for KUBE owners.
2. Access to Capital: Financial institutions can create financing products that suit KUBE needs and simplify the loan application process.
3. Awareness Campaigns: Public campaigns to raise awareness about good financial management can help educate KUBE owners.
4. Financial Mentors and Consultants: Facilitating KUBE owners' access to experienced financial mentors or consultants can help them overcome complex financial problems.
5. Building financial technology that is integrated with capital providers (Government): Building financial technology will provide multiplier benefits for both KUBE and the government. For the government, this financial application can be used as a means of monitoring and evaluating KUBE's financial development. For KUBE, this application can be used as a means of recording well-managed finances so that obstacles to financial reporting that occur can be minimized.

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