

Critical Governance Failure Factors in Revolving Fund Implementation: Lessons Case From Jakarta Government

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For empowering economic capacity of urban village community, Jakarta Government decided to launch revolving fund scheme in 2008. This scheme was a part of access to finance program from local government to society for enhancing financial capacity of UMKM. Jakarta Government also established fund management unit (Unit Pengelola Dana Bergulir/UPDB) for managing and distribute revolving fund to society. End of 2015, Governor Ahok made a critical decision for dissolve fund management unit (UPDB) and switch revolving fund management to Bank DKI. This paper want examines critical failure factors of revolving fund implementation and elaborate importance decision from Jakarta Governor for dissolve fun management unit (UPDB), and criticize transition policy for solving the problem. Using qualitative descriptive analysis model, the study analyzing policy document, factual data, government report and conducted in-depth interviews (face to face and open interview) for assess the policies and identify failures factor of revolving funds policy for UMKM in Jakarta City. Hence findings of this case can contribute towards a better understanding of critical governance failure factors in revolving fund implementation.