

Poverty Alleviation Policies

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Abstract

Poverty remains a critical issue in Indonesia, requiring comprehensive and effective policies for its alleviation. This study examines the strategies and implementation of poverty alleviation policies in Indonesia, focusing on their design, impact, and challenges. The study explores various initiatives, including the e-Warong program in Padang, community-based empowerment programs in Papua, and fiscal policy interventions like the Family Hope Program (PKH). Findings reveal that education, healthcare access, and community empowerment play pivotal roles in reducing poverty. However, regional disparities and limited resources remain significant barriers.

Keywords: *Poverty, e-Warong, fiscal policy interventions*

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I. Introduction

Poverty remains a significant issue faced by many countries worldwide, especially developing nations like Indonesia. The complexity of poverty is caused by multiple factors that contribute to its increase in specific regions. One primary factor is the lack of employment opportunities, which impacts people's income. Social and economic inequality is another major trigger that exacerbates poverty in various parts of Indonesia (Nafi, 2021). The Indonesian government strives to enhance economic development by adopting various strategic policies, one of which is integrating programs that support the Sustainable Development Goals (SDGs), particularly in poverty eradication at the regional level (Syahputra, 2021).

Poverty alleviation programs also involve various local initiatives, such as the e-Warong program in Padang City, which is one of the government's steps to ensure food access for the poor (Putra & Putera, 2022). In Papua, local governments in Nunggawi District, Tolikara Regency, have implemented policies tailored to local conditions to address poverty (Kogoya et al., 2023).

The role of regional governments in poverty eradication is also crucial, as demonstrated in Pacitan Regency. Strategies include improving the quality of education and health services, which are basic needs of the community (Nuryanto et al., 2022). Islamic fiscal policy-based approaches are also implemented through the Family Hope Program (PKH), which aims to reduce poverty among vulnerable communities (Habibah et al., 2020).

Efforts to alleviate poverty in Indonesia are further strengthened by policy approaches based on the strengths-based perspective. This approach emphasizes the importance of empowering communities as an initial step to improving economic welfare (Poluakan et al., 2020). Various studies and policy evaluations have been conducted to assess the effectiveness of poverty alleviation programs implemented by the government. For instance, in Central Java Province, studies on poverty levels show that educational, social, and economic factors are interconnected in influencing poverty rates (Sari et al., 2023).

II. Literature Review

Modernization

Modernization theory is a socio-economic perspective that explains how societies progress from traditional to modern stages of development. It suggests that underdeveloped nations can achieve economic growth and social advancement by adopting modern institutions, technologies, and cultural values similar to those in developed countries. This theory, which emerged in the mid-20th century, argues that industrialization, education, and technological innovation are key drivers of progress. It assumes that with proper policies and investments, all nations can follow a similar path toward modernization and prosperity (Jerumeh, 2024).

A core idea of modernization theory is that economic development leads to social and political transformation. As societies industrialize, they experience urbanization, improved healthcare, and higher literacy rates, which contribute to overall human development. Additionally, modernization promotes democratic governance and a shift from traditional, hierarchical structures to more rational and merit-based systems. However, critics argue that this theory overlooks cultural differences, historical contexts, and structural barriers that may prevent all nations from following the same developmental trajectory (Bezgrebelna et al., 2024).

Despite its limitations, modernization theory remains influential in shaping development policies and poverty alleviation strategies. Governments and international organizations use its principles to design programs that promote economic liberalization, infrastructure development, and education reforms. While some countries have successfully modernized through such strategies, others have faced challenges due to external dependencies and internal inequalities. Therefore, a more nuanced approach that considers local contexts is necessary for sustainable modernization and development (Willand et al., 2024).

III. Methodology

The research methodology for the study on "Poverty Alleviation Policies" employs a qualitative approach to analyze the effectiveness and implementation of various poverty reduction programs in Indonesia. Data collection methods include in-depth interviews with policymakers, program implementers, and beneficiaries to gather insights into the design, execution, and impact of these policies. Additionally, document analysis is conducted on official reports, government publications, and relevant academic literature to identify patterns and trends in poverty alleviation strategies. The analysis is guided by a strengths-based perspective to highlight the potential and resources of local communities while also considering the socio-economic and cultural contexts that influence policy effectiveness. The findings aim to contribute to the development of more inclusive, sustainable, and targeted poverty alleviation strategies in Indonesia.

IV. Results and Discussion

A. Poverty Theory

More broadly, poverty can be understood as the inability of individuals, families, or groups to fulfill their basic needs. This includes physical needs, such as food, clothing, and shelter, as well as non-physical needs, such as education and health services. Thus, poverty not only leads to financial deprivation, but also the inability to achieve a decent and dignified standard of living (Syahputra, 2021).

The Impact of Poverty on Society

Poverty has a wide impact on people's lives, both in health, education, and social aspects. When a person or group lives in poverty, they tend to face limitations in accessing proper health services, quality education, and a safe environment. This can worsen their quality of life and create a cycle of poverty that is difficult to break (Poluakan et al., 2020).

Poverty Alleviation Efforts

Poverty alleviation requires a holistic approach, involving various programs and policies aimed at improving access to education, health, and employment. According to research from Djafar and Sune (2019).

B. The Government's Role in Overcoming Poverty

According to a World Bank report, this inequality is exacerbated by the slow pace of poverty alleviation and the increase in wealth among certain groups. This situation, as explained by Nujum and Nusran (2021),

High levels of unemployment and poverty, along with the gap between rich and poor, make many people in Indonesia experience severe life stress. This results in social jealousy that can trigger socio-anthropological problems, such as increased crime, fighting, and other social problems (Nujum & Nusran, 2021).

The benefits of PKH policy are expected to change the behavior of very poor families by increasing sensitivity to the importance of education and health. In the short term, this program has an economic impact by reducing the expenditure burden of poor families (Febrian et al., 2019). The long-term benefit is to break the chain of intergenerational poverty through improving children's health, education, and future earning capacity, as well as providing future security for children. PKH also serves to reduce child labor and support the accelerated achievement of the MDGs (Uppkh). The objectives of PKH are to increase access to education and health for KPM, improve the health and

nutritional status of pregnant and postpartum women and children under 6 years old, increase children's interest in , and improve the economy of KPM. All these objectives are interrelated and support the implementation of PKH policies to run as planned (Anggraeni & Nugroho, 2022).

The main mission of the Family Hope Program (PKH) is increasingly felt in efforts to reduce poverty levels, in line with the high number of poor people in Indonesia. Various programs support poverty alleviation, including PKH, rice subsidies for low-income people (Raskin), and Direct Cash Assistance (BLT). PKH focuses on reducing poverty and social inequality; Raskin is aimed at ensuring that the food needs of poor families are met; while BLT is provided to help people fulfill their daily needs. However, this study only focuses on PKH without discussing other programs (Anggraeni & Nugroho, 2022).

PKH policy still faces various obstacles. Some of the obstacles include extortion practices by PKH assistants and a number of recipients who do not meet the criteria but still receive assistance. In addition, the Integrated Social Welfare Data (DTKS) compiled by the government is not always updated, so PKH assistance is often . If this data is not updated regularly, there is a risk that people who should not be eligible will actually receive assistance, creating jealousy among those who are actually eligible but do not receive assistance (Anggraeni & Nugroho, 2022).

Periodic evaluation of PKH policy is very important because the benefits of this program are enormous if managed properly. The government is expected to immediately overcome existing problems so that PKH runs in accordance with its main objectives. Abuse of authority often occurs due to limitations in the quality of human resources. Therefore, a thorough evaluation of policy formulation as well as the provision of resources, both logistics and quality of human resources, needs to be conducted to ensure more effective policies in the future (Anggraeni & Nugroho, 2022).

From the explanation above, it can be concluded that the PKH policy

still needs improvement. Therefore, this paper aims to evaluate PKH policies in Indonesia using several indicators, such as analysis of economic growth, increased resource productivity, economic efficiency, distribution equity, and community preferences. This paper is expected to be a useful reference and enrich insight for readers who are interested in evaluating PKH policies (Anggraeni & Nugroho, 2022).

According to Michael P. Todaro, the essence of development includes three key aspects: first, increasing the availability and distribution of basic needs; second, improving people's living standards; and third, expanding economic and social choices for all levels of society (Piliang, 2023).

C. Evaluation of Poverty Alleviation Policies

Poverty has become a serious problem in Indonesia, which is not only related to economic aspects, but also involves various social, educational, and environmental dimensions. According to Sari et al. (2023)

Given the complexity of this problem, poverty alleviation efforts very important, especially in the context of achieving the Sustainable Development Goals (SDGs). In the SDGs, poverty alleviation is the first goal to be achieved, which is "to end poverty in all its forms everywhere." This shows that poverty alleviation is not only a national priority, but also part of a global commitment. Syahputra (2021) .

Poverty in Indonesia has various dimensions that affect the quality of life of people in each region. The poverty conditions in Tolikara District and Padang City, for example, show different but interrelated challenges (Kogoya et al., 2023; Putra & Putera, 2022).

To overcome the problem of poverty, the Indonesian government has implemented various policies and programs, including the Family Hope Program (PKH), non-cash food assistance (e-Warong), and social rehabilitation programs for uninhabitable houses (Syaputra et al., 2021).

Although various programs have been implemented, their effectiveness is uneven across regions. Various studies show that the effectiveness of these poverty alleviation programs varies, depending on the adjustment of the policy to the local context of each region. In an evaluation of the Family Hope Program, Faulana et al. (2021) found that this program had a significant impact on the welfare of poor families in Central Java. However, this program has not reached all poor families in region, so improvements are still needed in terms of distribution and monitoring of beneficiaries (Wahyuni et al., 2023). In addition, in the implementation of the e-Warong program in Padang City, although this program is effective in reducing the economic burden, there are obstacles related to community access to the internet network, which is needed in the operation of e-Warong (Putra & Putera, 2022).

The social rehabilitation program for uninhabitable houses also has a positive contribution in improving the quality of housing for the poor. However, for this program to reach all poor people in need, further evaluation of the implementation mechanism is needed (Syaputra et al., 2021). integrated and tailored to the specific conditions in each region. An approach that combines various sectors such as education, health, and economic empowerment is considered a more effective model in addressing poverty as a whole. Syahputra (2021)

For example, in Riau Province, poverty alleviation is carried out through synergies between the local government and efforts to achieve the SDGs, which include increasing access to education, improving infrastructure, and providing social assistance. These programs are designed to address the basic needs of the community and give them the opportunity to live a better life (Syahputra, 2021). In Kabupaten Sragen, the poverty alleviation strategy even involves collaboration between the local government and the local community, which has yielded positive results in reducing poverty (Fitasari, 2023).

The community empowerment approach has also been adopted in some

areas, with the aim of creating communities that are self-reliant and not solely dependent on government assistance. According to Djafar and Sune (2019), community empowerment allows local people to participate in the planning and implementation of policies that target them. In this way, people can develop their potential and actively improve their lives. This approach is not only effective in improving the community's economy, but also builds a sense of ownership and responsibility for the results achieved. In the future, poverty alleviation strategies in Indonesia are expected to prioritize ethics and maintain the dignity of the poor. According to (Mulyawan,2024),

Based on the policy evaluation that has been conducted, there are several recommendations to improve the effectiveness of poverty alleviation policies. First, the government must ensure increased access to basic services, such as education and health, so that all people, including in remote areas, can obtain their rights equally. Second, it is necessary to strengthen the monitoring and evaluation system so that the implementation of poverty alleviation programs is on target. With stricter supervision, the government can ensure that the funds distributed actually reach the right targets. Third, community-based empowerment can be one of the keys to building economic independence. As suggested by Nuryanto et al. (2022),

D. Subsidy, Social Assistance, and Social Safety Net Policies

Subsidies, social assistance, and social safety net policies are key elements in the government's strategy to tackle poverty. Subsidies aim to reduce costs for end consumers on some vital products, such as fuel, electricity, and food. With these subsidies, the government attempts to lower prices to make them more affordable for the poor (Anggraeni & Nugroho, 2022).

Although there have been many successes, challenges remain in the implementation of poverty alleviation policies. The first challenge is the accuracy of the target beneficiaries. Many cases occur where assistance is

received by individuals who are not classified as poor due to a lack of data verification of beneficiaries. Nafi (2021) observed that these errors reduce the effectiveness of the program. People's dependence on social assistance is also a concern. The PKH program, which is supposed to be temporary, in many cases does not help recipients to improve their long-term economic capabilities, so they remain dependent on assistance. Poluakan, Raharjo, and Nurwati (2020) .

Bureaucratic constraints are another challenge hindering aid distribution. Complicated administrative processes often cause delays, while limited communication between the central and local governments affects the effectiveness of aid distribution. According to Piliang (2023), poverty alleviation policies require optimal coordination between the central and regional governments to be effective. Uneven distribution of aid and difficult access in remote areas are additional obstacles. Many remote areas in Indonesia still experience difficulties in getting equitable access to social assistance, mainly due to geographical conditions that are difficult to reach (Kogoya, Kasenda, & Pangemanan 2023).

V. Conclusion

Poverty alleviation in Indonesia poses a significant challenge involving various social, economic, educational, and environmental dimensions. Several programs, such as the Family Hope Program (PKH), e-Warong, and social rehabilitation of uninhabitable housing, have shown positive impacts in improving the welfare of impoverished communities. However, the effectiveness of these programs' implementation varies across regions due to challenges related to aid distribution, access limitations, and unequal benefit distribution. Policy evaluations on poverty alleviation indicate that an integrative approach involving multiple sectors and empowering local communities is a more effective model for addressing poverty comprehensively. Synergy between the central government, local governments, and local communities is essential to achieving the Sustainable Development Goals (SDGs) and reducing poverty sustainably. Therefore, poverty alleviation policies need to focus more on improving access to basic services, strengthening monitoring systems, and community-based empowerment initiatives.

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