



## Poverty and Income Inequality in Indonesia

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### Abstract

This study aims to describe and evaluate government policies and strategies in overcoming the problem of poverty. The research method used in this study is the research approach used is descriptive qualitative. The results of this study indicate that many poverty alleviation programs carried out by the government have not yet brought significant change. The strategies that have been taken to overcome poverty not only prioritize economic aspects but pay attention to other dimensions to increase capacity and encourage productivity. The strategy chosen was to improve the basic ability of the poor to increase income, involving the poor in the whole process of poverty reduction; empowerment strategy. To support the success of this strategy, it should be done thoroughly, integratedly, across sectors, and adapted to the conditions of Indonesian social diversity.

**Keywords:** Poverty; Inequality; Policy; Strategy.

### 1. Introduction

The phenomenon of poverty is a case that occurs in almost all over the world, even the president of Aksi Cepat Tanggap revealed that poverty becomes one of the great tragedies, even greater than natural disasters and conflicts or wars that plague the world (Putri, 2019). Poverty is a problem marked by various things including the low quality of life of the population, the limited adequacy and quality of food, the limited and low quality of health services, child nutrition, and the low quality of education services. So far, various efforts have been made to reduce poverty through providing food, health and education services, expanding employment opportunities and so on (Social Agency, 2016).

According to the World Bank in 2019, Indonesia ranked ninth 94 in the list of countries with the largest number of poor people in the world (Ventura, 2019). Through these data the top 10 poorest countries in the world are still dominated by countries on the African continent where the first rank is occupied by Burundi, the second Central African Republic, the third Republic of the Congo, the fourth Malawi, the fifth Nigeria, the sixth Mozambique, the seventh Liberia, the eighth Sudan South, ninth Comoros and tenth Madagascar (Ventura, 2019).

If in the world Indonesia is ranked 94th, as a country that has the most poor population, it is different if at the Asian level, Indonesia is not called a poor country but is called a developing country because it does not enter the top 10. Ranking in the top 10 poor countries in Asia in sequence are first Afghanistan, second Myanmar, third Bangladesh, fourth Papua New Guinea, fifth Yemen, Tajikistan sixth, Kyrgyzstan seven, Cambodia eighth, ninth East Timor and Tenth Laos (Fatma, 2018).

Then at the ASEAN or Southeast Asia level in 2018, the country that has the poorest predicate is Cambodia, then the second rank is Timor Leste, third Laos, fourth Myanmar, fifth Vietnam, sixth Philippines, seventh Indonesia, eighth Thailand, ninth Malaysia, tenth Brunei Darussalam's tenth and eleventh are Thailand (Edelweis, 2019).

Although at the ASEAN level the poverty level of the Indonesian people is still better when compared to other ASEAN countries that are in the top five poor countries in Asean, but that does not mean that the Indonesian state also has no problems in equalizing national poverty policies. Where the target of Indonesia's national poverty level is 9.66% but there are still many regions or provinces of Indonesia that are above or exceeding these standards.

That is because poverty benchmarks not only live in food shortages and low income levels, but look at the level of health, education and fair treatment before the law and so on, where fair treatment is one of them by getting equal opportunities to obtain education and skills (Adisasmita, 2014). The existence of treatments that can be said to be unfair to Indonesian people in relation to welfare seems to trigger the birth of inequality in the Community element.

In general, the gap that occurs in Indonesia covers two aspects, namely the gap between population and income gap between regions. The World Bank report entitled "Indonesia's Rising Divide" released in 2015 stated that Indonesia experienced a significant surge in socio-economic inequality. Only 20 percent of Indonesia's population have been able to enjoy the benefits of economic growth in the past decade (Mulyadi, 2018).

The report also revealed that Indonesia faces the problem of the highest concentration of welfare in the world. Only 10 percent of Indonesia's richest people account for about 77 percent of the country's wealth. That is, Indonesia is predicted to face the problem of socio-economic inequality which is getting worse in the future. The causes of increasing inequality are inequality of opportunity, inequality in employment, concentration of assets in the rich, and low resilience. A concrete example of this problem is the widening welfare and development gap caused by capitalism. Capitalism system illustrates the weak role of government in regulating the economy of society, especially for those who are less able, so that the application of the economic system of capitalism will trigger poverty. This system contains a lot of injustice where those who have capital will get richer, while the less fortunate people only become laborers and will continue to live in misery that continues to drag it into the abyss of poverty (Mulyadi, 2018).

For that reason, there must be real action in reducing poverty to the gap according to the desired target. There are two dimensions of social inequality that are determinants of poverty, namely social inequality vertically and horizontally. Vertical is the welfare gap in the community and the horizontal development gap between regions. Therefore, there needs to be a change in economic development strategies so that Indonesia can soon become a developed country and it needs special policies to develop communities in the regions so that they can move up the class.

## 2. METHODOLOGY/RESEARCH METHODS

The research approach used is qualitative, which is an approach or search to explore and understand a central phenomenon based on data or information in the form of words or text. The

data is analyzed to produce a picture or description or themes that are interpreted by researchers to get a deep understanding of the phenomenon of research (Creswell, 2014). The results of qualitative research are strongly influenced by the subjectivity of researchers, where the thoughts, views, and knowledge of researchers determine the interpretation of the phenomena and information analyzed (Raco, 2013).

This type of research is descriptive, namely research that aims to produce descriptions or descriptions that are systematic, factual and accurate about the facts, properties and relationships between aspects of the focus of research (Rukajat, 2018). The implementation of descriptive research requires open thinking, broad insight and high sensitivity from researchers in analyzing phenomena and interpreting the data obtained in the form of precise, critical and relevant explanations (Wibowo, 2011).

This research data in the form of secondary data, namely data obtained by means of literature study by collecting information relating to research topics discussed from various sources on the internet (Silalahi, 2009). The data is then analyzed using qualitative methods with three stages consisting of data reduction, data presentation, and drawing conclusions. Data reduction is done by summarizing and focusing important things about research by looking for themes and patterns to provide a clearer picture, and make it easier for researchers to do further data collection and look for it if necessary. Stages of data presentation are carried out with the aim to make it easier to understand the data that has been obtained during the study. Presentation of data is done in the form of narrative descriptions or text, charts or tables. The final stage of qualitative analysis is drawing conclusions to answer the formulation of the problem raised in the study (Bungin, 2017).

### **3. LITERATURE REVIEW**

#### **3.1. Theory of Poverty**

Understanding poverty is generally always associated only with the economic sector alone. Though poverty can be seen from the social and cultural side of the community. In principle, poverty describes the condition of lack of ownership and low income, or in more detail describes a condition that cannot meet basic human needs, namely food, shelter, and clothing (Sameti, et al., 2014; Botchway, 2013; Farias & Farias, 2010 ).

In view of poor cultural theory, according to Lewis, poverty tends to be eternal because it is passed down from generation to generation in a social system that they inherited together (Lewis, 1966). This view has the support as Lipton talked about that absolute poverty is caused by two factors: first genetic factors, namely poverty that has been inherited since they were born due to the condition of their poor families, secondly the conditions of the real social environment and perpetuating the values or habits practiced poor people have also contributed to cultural poverty (Lipton, 1977).

Lewis stated that there are at least five conditions that cause the perpetuation of poor culture. Poor culture was born in the community because (1) it practiced a cash economy, wage labor and production for profit purposes; (2) high unemployment and unskilled workers; (3) very low wage rates; (4) the enactment of social, political and economic system failures in helping low-income people; and (5) the existence of a value system that is practiced in the dominant class that is the rich group as the influence of other classes (Lewis, 1966).

Economically, poverty is defined as a lack of resources that can be used to make ends meet and improve the welfare of a group of people. The resources intended here are not only financial aspects, but all types of wealth that can improve the welfare of the community in a broad sense (Islam, et al., 2017).

### **3.2. Poverty Trap Theory**

Poverty has broad meaning and it is not easy to measure it. In general there are two types of poverty that are most commonly used, namely absolute poverty and relative poverty. According to Samuelson and Nordhaus, that the causes and occurrence of poor people in low-income countries are due to two main things, namely the low level of health and nutrition, and the slow improvement in the quality of education, therefore, the first attempt made by the government is to eradicate disease, repair health and nutrition, improving the quality of education, eradicating illiteracy and increasing the skills of the population, these five things are an effort to improve the Quality of Human Resources (Arsyad, 2015; Islam, et al., 2017; Farias & Farias, 2010).

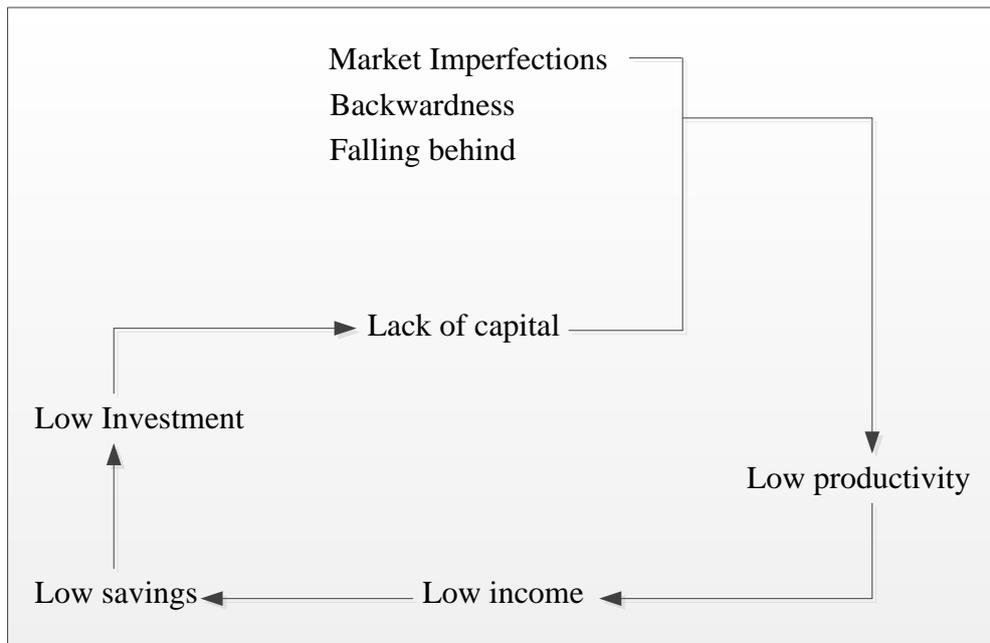
According to Nurkse, a country is poor because it is a poor country. There are two types of poverty traps which are a barrier for developing countries, namely the supply of capital and the demand for capital (Nurkse, 1961). In terms of capital supply, the low level of community income is caused by low productivity which causes the community's ability to save money to be low. This causes the formation of capital in a country to be low. Thus, a country's productivity level will remain low.

Then, in terms of capital demand, limited market area causes low investment incentives. The low incentive for investment is also influenced by the low income of the people caused by the low productivity of the community. The limited formation of past capital is a form of low productivity due to lack of investment stimulation (Nurkse, 1961; Drechsler, 2009).

Meier and Baldwin added, in addition to the two poverty traps above, the poverty trap also arises because of the backwardness of society that is still traditional with natural resources that are still not empowered (Sukirno, 2008). Thus, it can be concluded that the trap of community poverty is influenced by the following factors:

- a) People are not able to manage savings well.
- b) Lack of stimulants in terms of investment.
- c) Low education and community knowledge.
- d) Lack of expertise and low level of community expertise.

On these conditions, Nurkse described a scheme related to the vicious cycle of poverty, in full as follows (Nurkse, 1961):



Sumber: (Nurkse, 1961)

Figure 1  
Nurkse's Poverty Circle of Poverty

Figure 1 explains that there are three main causes that create a vicious circle of poverty, including the backwardness, imperfections of the market, and lack of capital causing low productivity. The low productivity results in the low income they receive. Low income will have implications for low savings and investment. Low investment results in underdevelopment, and so on. The logic of thinking was raised by Ragnar Nurkse, a well-known development economist, who said "a poor country is poor because it is poor". Therefore, every effort to fight poverty should be directed to cut this poverty cycle and trap (Nurkse, 1961; Carter & Barrett, 2006).

Poverty can also be seen as a condition of community members who do not or have not participated in the process of change, because they do not have the ability, both the ability to own production factors and the quality of adequate production factors, so that they do not benefit from the results of the development process. Not participating in this development process can be caused by naturally they are not or have not been able to utilize the factors of production that they have. Development planned by the government is sometimes not in accordance with the ability of the community concerned to participate, this results in the development benefits also can not reach them (Addae-Korankye, 2014).

Therefore, poverty aside from being a problem that arises in society, poverty is also related to ownership of the factors of production, productivity and the level of development of the community itself, as well as related to the national development policies that are implemented. Or in other words, this poverty problem in addition can be caused by things that are natural or cultural, poverty can also be caused by poor existing development strategies and policies, so that thinkers about poverty problems, most only view the phenomenon of poverty as a structural problem (Arsyad, 2015). So that finally the term structural poverty emerges, namely

the poverty suffered by a group of people because of the social structure of the community, so that they cannot share in the sources of income that are actually available to them (Supriatna, 1997; Addae-Korankye, 2014; BenDavid- Hadar, 2014).

### **3.3. Economic Inequality**

Equality is a condition of imbalance or asymmetry between one individual with another individual or one group of people with other communities in society. The imbalance or asymmetry becomes a sort of gap that separates one group from another. Economic disparity is an economic condition that is not balanced or asymmetrical between one individual with another or between groups of people with other communities in economic terms (Bapuji, 2015; Hassan, et al., 2015; Wesley & Peterson, 2017).

While socio-economic inequality is a symptom that arises in a society due to differences in financial capabilities between one individual and another individual or between one community and other people who live in a certain area. Socio-economic inequality is also seen as differences in income, wealth and is a gap that strikes the position between the rich and the poor as seen from the economic strength in a population or between countries (Podder, 1998).

Each country seeks to increase economic development to reduce poverty and reduce unemployment. Two major problems commonly faced by developing countries are economic inequality or inequality in income distribution between high-income groups and low-income groups. To achieve the goal of increasing income distribution is the implementation of economic development. Economic development is a process that causes per capita income of a population or a community to increase in the long run (Bounicha & Karim, 2018; Niyimbanira, 2017).

The distribution of national income reflects the equitable or unequal distribution of the results of a country's development among its population. There are several kinds of disparities that often block a community in an effort to prosper, namely: (1) disparities between regions, (2) disparities between sectors, and (3) disparities in the distribution of community income (Sasana, 2009). There are various criteria or benchmarks for assessing the equity of income distribution, namely: Lorenz Curve, Gini Index, World Bank Criteria and Williamson Index.

The issue of inequality and growth is still an endless debate in the context of development. According to Kuncoro there is often a trade off between inequality and growth. But the fact of proving inequality in developing countries in recent decades was apparently related to low economic growth (Kuncoro, 2015). According to the World Bank, between growth and poverty is not a trade-off that cannot be overcome. With the right policies, the poor can participate and contribute to growth, and if they can do so, reducing poverty will be consistent with sustainable growth (Ventura, 2019; Boarini, et al., 2018).

### **3.4. Regional Economic Gap**

Economic disparities between regions since the New Order until the Reform Order continue to occur, although government efforts continue to reduce disparitas between regions, but regional disparities still occur. This gap is related to Indonesia's development strategy that relies on aspects of economic growth since the New Order. The development target is aimed at achieving high economic growth, but does not pay attention to equitable economic development throughout Indonesia. Although the aspect of equity had received attention when the priority sequence of the development trilogy was changed from growth, equity, and stability in the Five-

Year Development Program II (1974-1979) to equity, growth, and stability from the Five-Year Development Program III (1979-1984), but the core of Indonesia's development foundation is still growth. In practice, the government only sets targets for the level of growth to be achieved, but does not set targets regarding the level of equity (Ibrahim, 2017).

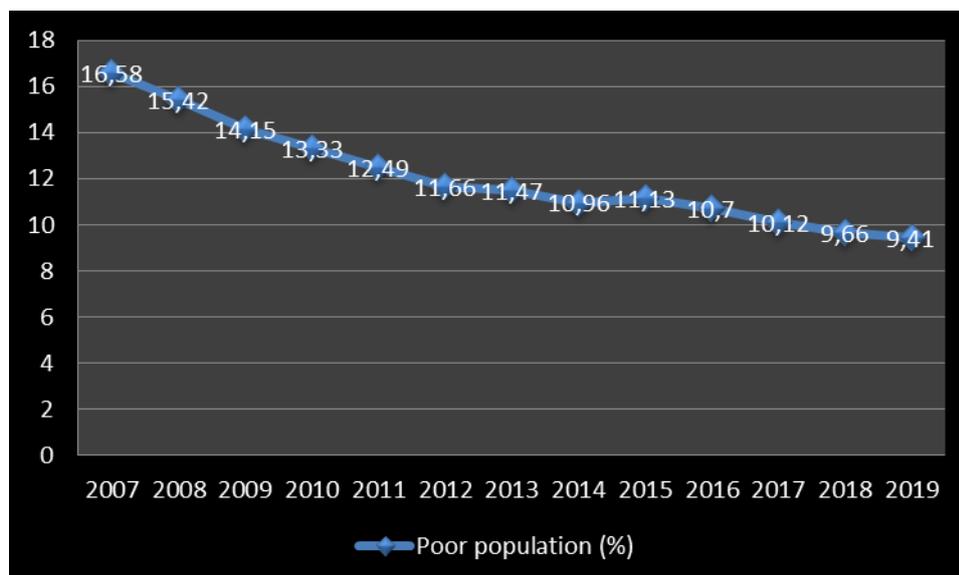
Social inequality is an unbalanced state that exists in society that results in quite striking differences. Whereas economic inequality is a condition where income inequality between the upper classes and lower classes is very high. Economic inequality and social inequality are big problems for the Indonesian state. From each period of government has not been able to overcome the root problems of this gap. The root cause of this gap is the unequal income of every Indonesian citizen in each region, then uneven development in each region of Indonesia. Differences in social status in society, due to stratification in society, such as high school graduates and graduate graduates will certainly have a different status. Poverty in Indonesia is influenced by several factors including the emergence of fatalism, the level of aspiration, the low willingness to pursue goals, lack of personal progress, feelings of inadequacy, and feelings of failure (Ibrahim, 2017).

## 4. RESULTS AND DISCUSSION

### 4.1. Description of Government Policies in Tackling the Problem of Poverty

#### 1) Poverty and Inequality in Indonesia

In general, Indonesia's poverty rate from 2007-2019 continues to decline. The decline cannot be separated from the government's hard efforts to tackle poverty through various pro-people programs. Even though it cannot be said that the maximum is yet, the downward trend shows that poverty alleviation programs launched by the government have had a positive effect on improving people's welfare. Poverty reduction since 2007-2019 can be seen in Figure 2 below:



Source: Statistics Indonesia (2019)

Figure 2  
Percentage of poor population in Indonesia

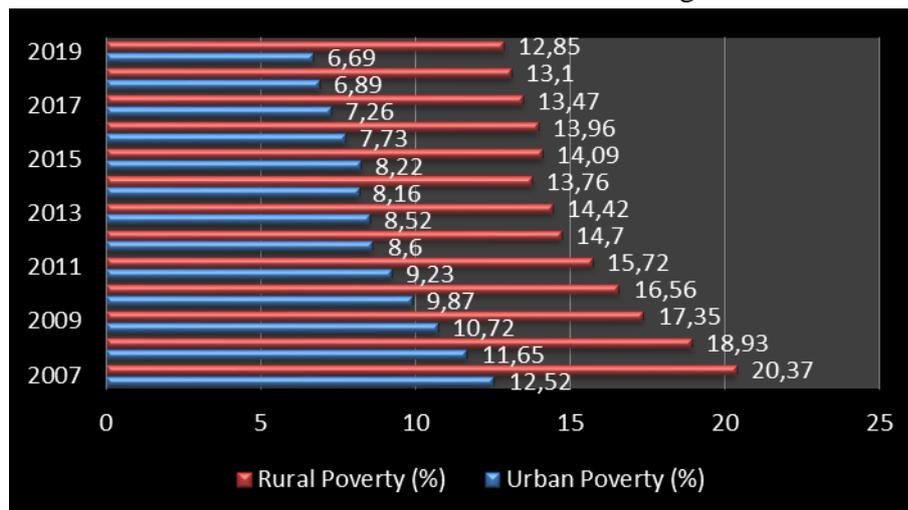
Through the picture above it can be seen that during 2007-2019, the percentage of poor population in Indonesia tends to continue to decline, although in 2012-2013 it experienced a slowdown, where in 2012 the percentage of poor population was 11.66%, then in 2013 was by 11.47%. Even in 2015 it had increased to 11.13%, but in subsequent years it has again shown good progress even though the decline was not too significant.

## 2) Problems of Poverty and Inequality

Experts give very diverse definitions of poverty. Economists often define poverty merely as an economic phenomenon, related to low income or lack of livelihoods. However, poverty is not merely a lack of income to meet basic living needs or decent living standards, but more than that the essence of poverty is related to the possibility of poor people or families to carry out and develop economic activities in an effort to improve their standard of living (Soetrino, 2001; Islam, et al., 2017; Hassan, et al., 2015).

The Central Statistics Agency measures poverty using the concept of ability to meet basic needs. With this approach, poverty is seen as an inability on the economic side to meet basic food and non-food needs as measured by expenditure. So, the poor are residents who have an average per capita expenditure per month below the poverty line. The poverty rate in 2019 reached its lowest point for almost two decades, amounting to 9.41 percent. BPS data releases as of March 2019 show the percentage of Indonesia's poor population reduced by 0.25 percentage points (year-on-year). Data on the development of poverty levels in the last ten years can be seen in Figure 1.

Furthermore, when viewed from the dynamics of poverty levels in 2007-2019, rural poverty is higher than in urban areas. If we look at the development of poverty reduction in the last few years, on average it only drops 0.63% per year. Compared to the previous year, there was an unusual decrease in poverty in 2009, namely d by 1.58% in rural poverty, while in urban poverty reduction never touched 1%. More can be seen in Figure 3:



Source: Central Statistics Agency (2019)

Figure 3  
Urban vs. Rural Poverty

The figure above illustrates that the highest urban poverty occurred in 2007 with a value of 20.37% and the lowest urban poverty occurred in 2019 with a total of 12.85%, as well as rural poverty where the highest value occurred in 2007 with an amount of 12.52% and the lowest value occurred in 2019 with a value of 6.69%. But what is most striking from the data is the large gap between the value of urban poverty and the value of rural poverty from year to year. Seeing this fact, in addition to various efforts to overcome poverty, a breakthrough effort is also needed to overcome the problem of socio-economic inequality. The causes are the existence of unequal opportunities, unequal access to employment, asset ownership is still concentrated in the rich community, and low resilience.

During this time, there is still disparity in development in infrastructure, both roads, irrigation, and electricity which is still struggling in the Java region by 58.4 percent and Sumatra 22 percent. The economic concentration in Java and Sumatra is a result of the concentration of industrial areas (Suryowati, 2018). Poverty levels tend to be higher in remote areas far from economic centers in Java and Sumatra. With the structure of the archipelago, low logistics costs are a determining factor for diversification and equitable distribution of economic growth centers. The gap data is shown in table 1 below:

Table 1  
Poverty Inequality

Tahun	Penduduk Miskin (%)	Rasion Gini
2007	16,58	0,35
2008	15,42	0,35
2009	14,15	0,37
2010	13,33	0,38
2011	12,49	0,41
2012	11,66	0,41
2013	11,47	0,41
2014	10,96	0,41
2015	11,13	0,40
2016	10,7	0,39
2017	10,12	0,39
2018	9,66	0,38
2019	9,41	0,38

Source: Central Statistics Agency (2019)

The table above shows that from 2007 to 2019 the highest poverty gap based on the gini ratio occurred in 2011 to 2014 with a value of 0.41, while the lowest gap based on the gini ratio occurred in 2007-2008 with a value of 0.35. Concrete forms of social inequality in real life in Indonesia can be seen in Jakarta as the nation's capital. As a metropolitan city with many tall buildings, luxury homes, and very advanced technology, there are still many people who live

below the poverty line with a slum environment. Conditions like this also occur in many other regions and so far have not received a real solution.

Table 1 above shows that the reduction in national poverty occurs slowly and consistently. However, the Indonesian government uses non-strict requirements regarding the definition of the poverty line, so what appears is a more positive picture than reality. In 2016 the Indonesian government defined the poverty line with per capita income of Rp354,386 (or around USD \$ 25). Thus, the standard of living in Indonesia is determined to be very low.

If we use the poverty line value from the World Bank which classifies poverty with an income standard of less than USD \$ 1.25 per day, then the percentage of the table above becomes inaccurate. Furthermore, according to the World Bank, if we calculate the number of Indonesians living on less than USD \$ 2 per day the figure will increase even more sharply.

### **3) Government Existing Strategy**

The government currently has a variety of integrated poverty reduction programs. Some of them are poverty alleviation programs based on social assistance, poverty reduction programs based on community empowerment, and poverty reduction programs based on small business empowerment run by various government elements, both central and regional.

In the 2019 Government Work Plan, the government plans five national priorities and 24 priority programs planned to the project level (unit three) at the provincial, district / city level. The five national priorities consist of: 1) human development through poverty reduction and improvement of basic services; 2) reducing regional disparities through strengthening connectivity and maritime affairs; 3) strengthening economic added value and creating employment through agriculture, industry, tourism and other productive services; 4) strengthening of energy, food and water resources security; and 5) national security stability and election success (Pratiwi & Yudha, 2018).

Other programs include the expansion of non-cash social assistance which must be ensured to run on time, direct non-cash food assistance to improve community food consumption patterns, and cash-intensive programs for the poor. Cash intensive is aimed at increasing income, creating temporary employment, reducing stunting, and reducing poverty in villages that are experiencing disasters, post-conflict, and food insecurity.

## **4.2. Evaluation of Government Policies in Tackling Poverty Problems**

### **1) Criticism of Poverty and Gap Management Strategies and Policies**

The poverty alleviation program carried out by the government in terms of socio-economic policies so far has not yet met the expectations of all parties. Handling evaluation seems to still show some paradigmatic errors including (Huraerah, 2013; Hassan, et al., 2015; Islam, et al., 2017):

*First*, it is still oriented towards the economic aspect rather than the multidimensional aspect. Poverty reduction with a focus on economic aspects has proven to be a failure, because poverty alleviation that is reduced in economic matters will not represent the real problem of poverty. In a cultural context, the poor are indicated by the institutionalization of values such as apathy, apolitical, fatalistic, helplessness, etc. While in the context of structural or political dimensions, people who experience economic poverty are essentially due to experiencing structural and political poverty.

*Second*, more nuanced charity (generosity) than productivity. Poverty alleviation which is only based on charity, will not emerge encouragement from the poor themselves to work on how to overcome poverty. They will always depend on the assistance provided by other parties. Though poverty alleviation programs should be directed so that they become productive. Third, position poor people as objects rather than subjects. They should be made as subjects, namely as agents of change who are actively involved in poverty alleviation program activities.

*Fourth*, the government is still the ruler rather than the facilitator. In handling poverty, the government still acts as a ruler who often interferes too broadly in the lives of poor people. This kind of action ignores the potential (however small) that the poor have. Instead, the government should act as a facilitator, whose job is to develop the potential they have. The new paradigm regarding the identification of the poor emphasizes "what the poor have" rather than "what the poor do not have". The potential of the poor can take the form of personal and social assets, as well as various coping strategies that they have implemented locally.

## **2) Proposed Poverty and Inequality Reduction Strategy**

Understanding of efforts to deal with poverty so as not to further widen the gap in the community is very interesting to observe. In economic theory it is said that to break the vicious cycle of poverty can be improved human resource skills, increasing investment capital, and developing technology. Through various injections, it is expected that productivity will increase. However, in practice the problem is not that easy. So what can be done? Many poverty alleviation programs have been implemented in various countries. In comparison, in the United States poverty reduction programs are directed at increasing interstate economic cooperation in improving conditions in urban and rural settlements, expanding education and employment opportunities for young people, organizing education and training for adults, and providing assistance to the elderly poor. In addition to government programs, the community is also involved in helping the poor through community organizations, churches, and so on. Whereas in Indonesia, in fact, from the above description also made almost the same effort as that carried out in the United States, maybe the level of comprehensiveness is still needed. Poverty alleviation in Indonesia is still dominated by the economic sector, not yet touching other aspects such as social, cultural, legal and political, even religious.

The paradigm error in understanding poverty certainly leads to erroneous analysis, meaning that it should bring up significant variables to alleviate poverty instead insignificant variables are included, so that the estimated bias and expected results do not occur. Looking at some of the paradigmatic errors in poverty reduction, there are strategies that must be taken to overcome poverty, including (Huraerah, 2013; Hassan, et al., 2015; Islam, et al., 2017):

*First*, because poverty is multidimensional, poverty alleviation programs and inequality should not only prioritize socio-economic aspects, but also pay attention to other dimensions. In other words, meeting basic needs needs to be prioritized, but it must also pursue targets to overcome noneconomic poverty. Poverty alleviation strategies should be directed to erode negative cultural values such as apathy, apolitical, fatalistic, powerlessness, and so on. If this culture is not eliminated, economic poverty will be difficult to overcome. In addition, effective poverty alleviation measures must also overcome structural and political barriers.

*Second*, to increase capacity and encourage productivity, the chosen strategy is to increase the basic ability of the poor to increase income through health and education improvement

measures, improvement of business skills, technology, network expansion, and market information. Third, involving the poor in the whole process of poverty reduction, starting from planning, implementing, monitoring and evaluating, even to the decision making process. Fourth, empowerment strategies. The "agrarian populism" group spearheaded by expert groups and NGO activists stressed that the poor are groups that are able to build themselves if the government wants to give freedom to the group to regulate itself.

In addition to the above strategy, basically in the current era of regional autonomy, it is actually true to be honest in saying that poverty data, both quantitative and qualitative, that are related to people's behavior, potential, and competitiveness are the Regional Government. It is ironic that the regional government seems unresponsive, and when journalists and mass media expose areas where the population eats "Aking" or "sweet potato" rice, the regent and his staff are just hot and come down to the village. This means that regional strategies create a climate that allows communities to develop, strengthen the potential and power of the community, as well as community empowerment models.

Strategies that are direct assistance to the poor carried out so far are very short-term and in fact according to experience in developed countries such as the United States, direct assistance is only given to people who are truly powerless. The strategy developed that has a long-term orientation is that indirect assistance is empowering. for example, work and business skills and improvement programs through work education and training, business networking expansion, and market information, working capital assistance.

To support the acceleration of poverty alleviation programs in 2019-2020, the government has prepared several supporting strategies, namely to increase the distribution of social assistance to the community, such programs include (Denny, 2019):

- 1) Hope Family Program, which is conditional non-cash assistance for 10 million beneficiary families.
- 2) Indonesia Smart Cards with a target of 20.1 million school-age children. This figure is up compared to 2018 which is targeted at 19.7 million.
- 3) Non-Cash Food Assistance, targeted at as many as 15.6 million human development cadres carried out to all districts / cities.
- 4) Indonesia Healthy Card with a target of 96.8 million people or 40 percent of the lowest income population.
- 5) The Village Fund allocation to support village-level development is projected at 4.9-5.3% of gross domestic product.
- 6) People's Business Credit with a 7 percent interest subsidy scheme through 41 distributors and 11 guarantor companies.
- 7) Ultra-micro financing with a maximum of IDR 10 million per customer with 2-4 percent interest and channeled by Non-Bank Financial Institutions.
- 8) National Capital Madani by improving services and community business assistance

In general, the strategic programs that can be implemented to reduce poverty are:

- 1) Open opportunities and business opportunities for the poor to participate in the economic development process.
- 2) Policies and programs to empower the poor. Poverty has a multidimensional nature, so tackling it is not enough just to rely on an economic approach, but also rely on policies and programs in the social, political, legal and institutional fields.
- 3) Policies and Programs that Protect the Poor. The poor community group is very vulnerable to internal shocks (for example the head of the family dies, falls ill, is laid off)

and external shocks (such as loss of work, natural disasters, social conflict), because they do not have the resilience or security in dealing with these shocks.

- 4) Policies and Programs to break the inheritance of intergenerational poverty; child rights and the role of women. Poverty is often passed on from one generation to the next. Therefore, the chain of inheritance of poverty must be broken. Improving education and the role of women in the family is one of the keys to breaking the poverty chain.
- 5) Policies and programs to strengthen village autonomy. Village autonomy can be a space that allows villagers to overcome poverty themselves.

### 3) CONCLUSION

The problem of poverty and inequality until now has been a continuous problem. Actually there have been many poverty alleviation programs carried out by the government, but it has not brought any meaningful changes. Many poverty alleviation programs have been implemented in various countries. The development strategy developed by the Indonesian people so far is based on high economic growth. The high economic growth was apparently not followed by equitable distribution of income among all groups of people. So there is a trade-off between growth and equity (there is a gap).

Observing some paradigmatic mistakes in poverty alleviation, where the analysis that should bring up significant variables To overcome poverty is actually an insignificant variable, so the strategies that must be taken to overcome poverty: should not only prioritize economic aspects but pay attention to other dimensions; to increase capacity and encourage productivity, the strategy chosen is to increase the basic ability of the poor to increase income; involving the poor in the whole process of poverty reduction; empowerment strategy.

To support the success of this strategy, it should be done thoroughly, integratedly, across sectors, and adapted to the conditions of Indonesian social diversity. In addition, the government is expected to give attention to aspects of the process, without ignoring the final results of the process; involves and is the result of a dialogue process with various parties and consultants with all parties concerned, especially the poor; raise awareness and concern among all parties involved; provide the widest possible space to be born so that various community initiatives and creativity are born; The government and other parties join forces to become mutually supportive.

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