Research Article

Poverty Alleviation Policy Strategy through Sustainability Development Goals (SDGs) and Indonesia's Economic Resources

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Abstract.
The purpose of this research is to examine and provide guidelines for local governments, communities, academics, and the private sector in planning and implementing poverty alleviation activities that are more effective, efficient, and on target. In addition, the specific objectives of this study are: 1) increasing the rate of regional economic growth through optimizing potential sources of regional income; 2) increasing per capita income; and 3) reducing poverty, unemployment, and socioeconomic inequality in the community. The research was conducted in Palembang City, South Sumatra, Indonesia, in the last 10 years, namely, 2017-2022. The research approach uses qualitative descriptive analysis. Moreover, data sources include secondary data and regional statistics. The results of this study are based on the Sustainability Development Goals (SDGs) indicators. Based on the four priority scales in poverty alleviation, namely, Health and Infrastructure (Priority I), Education (Priority II), Food Stability (Priority III), and Population and Employment (Priority IV), a budget approach, through optimizing the regional economy and regional sources of income as well as community empowerment factors, is an important solution to poverty alleviation strategies. In addition, involvement between elements (government, organizations, communities, universities, and institutions) is expected to continue as an effort to realize that poverty alleviation can be overcome optimally.

Keywords: sustainable development goals, social welfare, macroeconomics, policy

1. Introduction

Poverty is a complex and complex problem, and is an extreme plague that is difficult to cure [1]. Poverty in Indonesia has occurred throughout the history of the country's founding [2, 3]. Poverty is not only defined as lack of food, clothing, and shelter. Poverty is now widely understood and covers the fields of economics, health, and education, even lack of access to information received is also interpreted as poverty [4, 5, 6, 7, 8, 9]. Poverty makes people unable to obtain quality education [10, 11, 12, 13] difficulties in health financing [14, 15] unemployment [16, 17], the absence of savings and investments [18, 19, 20], lack of social security and family protection, and strengthening urbanization.
to cities [21, 22, 23]. The adverse effects caused by poverty can cause individuals or groups to be willing to sacrifice anything for their survival [22, 24].

One of the poverty alleviation efforts in Indonesia is based on economic growth [25]. But what followed was that high economic growth was not followed by equal distribution of income at all levels of society. There is an imbalance between growth and equity and then creates an imbalance between the distribution of income development itself. The economic crisis that occurred in Indonesia in 1998, not only had a significant impact on the national economy, but also increased the poverty rate of the community which increased from 17.57% (31.01 million people) to 49.50 million people (24.23%) from 1996 [26]. Therefore, the targets of the sustainable development goals (Sustainability Development Goals/SDGs) contain a global commitment to eliminate extreme poverty. The President instructed that the elimination of extreme poverty can be accelerated from the SDGs target in 2030, to 2024. The extreme poverty alleviation program that has been carried out has provided significant changes that can reduce the poverty rate from 23.43% to 12.49% in 2022. The success in reducing the percentage of poor people is an achievement that should be appreciated by the world, because Indonesia is able to reduce the average number of sparse people by 0.8% per year when compared to the success of several other countries such as Cambodia, Thailand, China, and Brazil which are only able to reduce by 0.1% per year.

In 2017, as an effort to improve the effectiveness of poverty alleviation efforts, based on an executive order, the president of Indonesia issued Presidential Regulation No.04 of 2022 concerning the Acceleration of Extreme Poverty Eradication, mandating 22 (twenty-two) Ministries, 6 (six) Institutions, and Local Governments (Governors/Regents/Mayors) to take the necessary steps according to their respective duties, functions and authorities to accelerate the elimination extreme poverty, which makes three key activities, namely: 1) through social assistance and subsidies, namely groups of programs / activities in order to reduce the expenditure burden of the extreme poor; 2) through community empowerment in order to increase the income of the extreme poor; and 3) build basic service infrastructure in order to reduce the number of poverty pockets. Furthermore, the follow-up to this Presidential Instruction has been issued: Decree on Priority Areas for the Elimination of Extreme Poverty for 2022-2024 through policy strategies that include: 1) reducing the burden of public expenditure; 2) increase in people's income; and 3) a decrease in the number of pockets of poverty. Meanwhile, in terms of funding for the implementation of the Acceleration of Extreme Poverty Eradication, it is charged to the State Budget, Regional Revenue and
Expenditure Budget, Village Revenue and Expenditure Budget; and/or other legitimate and non-binding sources in accordance with the provisions of laws and regulations.

In its journey to support the smooth implementation of poverty alleviation programs, the Government formed the National Team for the Acceleration of Poverty Reduction (TNP2K), explaining that the role of TNP2K in poverty alleviation is a policy and program of the central and local governments. Implemented systematically, planned and in synergy with the efforts of the world and society to reduce the number of poor people to improve the degree of public welfare. Then added poverty alleviation programs to improve the welfare of the poor through social assistance, community empowerment, empowerment of micro and small economic enterprises, and other programs to increase economic activities. Funding for the implementation of poverty alleviation acceleration programs comes from state/regional budgets, and other non-binding funding sources in accordance with laws and regulations.

Therefore, systematic, planned, and directed poverty alleviation efforts are needed as outlined in strategic plans to be outlined in programs and activities that are ready to be implemented. With a strategic plan that is in accordance with the potential resources and poverty conditions in Palembang City, poverty alleviation strategies and programs can be more targeted, focused, and measurable at the level of performance. The general objective of this study is to provide guidelines for local governments, communities, and the private sector in planning and implementing poverty alleviation activities that are more effective, efficient, and on target. This study also aims to encourage the achievement of economic development goals and targets in Palembang City until 2030, namely, 1) increasing the rate of regional economic growth through optimizing potential sources of regional income, 2) increasing per capita income. per capita income, and 3) reduce poverty, unemployment, and social and economic inequality in society.

2. Methods

2.1. Design and Research Data

The research was conducted in Palembang City, South Sumatra Province, Indonesia. The research approach uses qualitative-exploratory descriptive analysis [27]. This research data was obtained from secondary data obtained from government performance report records and the Central Bureau of Statistics of Palembang City and South Sumatra Province using poverty line trends and poverty depth indices in Indonesia, South Sumatra province and Palembang City during the 2013-2022 period. In addition,
this study also discusses Indonesia’s poverty indicators to see the performance of poverty reduction in the region and provide an overview of the condition of the regional per capita income growth rate in South Sumatra Province during the 2016-2022 period.

2.2. Measurement

Data were obtained from records of government performance reports and the Central Bureau of Statistics of Palembang City and South Sumatra Province to analyze poverty conditions in research subjects, such as 1) Determining the scope of poverty conditions, a) paying attention to regional development policy priorities, b) local government budget priorities to overcome poverty in the regions, c) achieving poverty alleviation targets within a certain period of time targeted by the government Indonesian. 2) Determination of poverty indicators by field, for example a) Comparison of the Poverty Line of South Sumatra Province and National, b) Poverty Severity Index of Palembang City and Province. According to statistical data, the productive age population is in the age range of 20- Next in this section is to determine the priority of intervention. The priority of intervention can be inferred from the results of the analysis of the relevance of the achievement of the main indicators, the effectiveness of the intervention to the main indicators, and the linkages between indicators. Based on the results of linkage analysis, intervention priorities can refer to supporting indicators whose development has not been as expected, while maintaining (improving) the handling of other supporting indicators that have shown progress in their development.

Regional Development Planning, Research and Development Agency (Bappeda Litbang) Palembang City, South Sumatra Province, Indonesia. Secondary data are obtained from government performance report records and surveys by the Central Bureau of Statistics of Palembang City and South Sumatra Province as a comparison of environmental performance. 64, 61.81% of the total population belongs to this group. In the distribution of the working population based on education completed, the largest group is elementary school graduates (41.18%), followed by high school (27.95%), junior high school (18.89%), higher education (9.25), and diploma. (2.70%). Most of the population works in the agriculture / plantation / forestry / fisheries sector, retail trade, and the service sector. The determination of priority scales is based on four priority scales (Priority-I = High Priority, Priority-II = Performed after or simultaneously with priority-I, Priority III = Need to be improved or maintained, Priority-IV = Need to be considered maintained or improved), which are interpreted based on the results of the Strategic Issue Analysis study. Therefore, in answering the aims and objectives of this study, the
last stage is to formulate a poverty alleviation strategy through a cost approach and community empowerment and build a program plan and priority scale for accelerating poverty alleviation.

3. Results and Discussion

3.1. Achievement of Sustainable Development Goals (SDs) Indicators

Demographically, Palembang City is a metropolitan city with an area of about 400.61 square kilometers. From this area, Palembang City is divided into 18 sub-districts and 107 Sub-District. Palembang City is the capital of South Sumatra Province, as well as the oldest city in Indonesia. As one of the tourist destinations, Palembang City is famous for its Pempek culinary and the Ampera bridge that spans over the Musi River. Also read: 5 Places to Hang Out in Palembang with a Comfortable Atmosphere

The location of Palembang City is also quite strategic because it is traversed by the Sumatran crossroad that connects various regions on the island of Sumatra. Based on its astronomical location, Palembang City is located between 2°52’ - 3°5’ South Latitude and 104°37’ - 104°52’ East Longitude. This makes the location of Palembang City right below the Equator. While according to its geographical location, the boundaries of Palembang City are as follows: The north, east and west are bordered by Banyuasin Regency. The south is bordered by Muara Enim and Ogan Ilir regencies. Demographics of Palembang City

The population of Palembang City in 2021 reached 1,686,073 people. The population density of Palembang City in 2021 is around 4,209 people per square kilometer. While the population growth rate of Palembang City in 2010-2020 was 1.03 percent. The topography of Palembang City is dominated by lowlands so that there are many swamps and many rivers. Palembang City is divided by the Musi River into two regions, namely Seberang Ulu and Seberang Ilir. In addition to the Musi River, there are 3 other major rivers that cross Palembang City, namely Komering River, Ogan River, and Keramasan River. The four major rivers have hundreds of tributaries that used to be transportation routes to inland areas. Now, these rivers have changed their functions, among others, as drainage and for flood control. The function of tributaries, which was originally a catchment area, has been stockpiled for social purposes so that it has changed its function into settlements and other centers of economic activity. The number of swamps and rivers in Palembang City causes Palembang City to have vulnerability to floods.
In the period 2013 to 2023, data on poverty rates in South Sumatra and Indonesia reflect an interesting dynamic. In 2013, the poverty rate in South Sumatra was almost on par with the national level, showing similarities in income distribution and access to resources between the two regions. However, from 2014 to 2016, South Sumatra experienced a significant increase in the number of people living below the poverty line, while the national poverty rate remained relatively stable. These changes may reflect influential regional economic and social factors. Furthermore, from 2017 to 2023, South Sumatra has managed to achieve remarkable improvements by reducing the number of poor people consistently, even beyond the national level. This shows the effectiveness of local government efforts in improving the welfare of their communities. Despite significant improvements, the data also warns that the problem of poverty remains relevant in both regions, requiring sustained attention and more specialized policies to effectively address the problem.

Data shows the poverty rate in South Sumatra Province and Palembang City for the last ten years, from 2013 to 2022. The poverty rate in South Sumatra in 2013 was at 2.49%, while in Palembang City in the same year, the poverty rate was slightly lower, at 2.03%. In the first few years of this period, South Sumatra experienced fluctuations in the poverty rate, reaching its lowest point in 2015 (2.01%). In contrast, Palembang City recorded a certain increase in the poverty rate in the same year to 2.18%. However, from 2016 to 2019, Palembang City managed to reduce the poverty rate consistently, reaching its lowest level in 2017 (1.70%), while South Sumatra experienced an increase
before reaching a significant decline in 2022 (1.96%). This data reflects the different
dynamics in efforts to tackle poverty in these two regions over the past ten years.

Data on poverty rates in South Sumatra Province and Palembang City during the
period 2013 to 2022 provide an interesting view in the context of Sustainable Develop-
ment Policies (SDGs). SDGs policy aims to alleviate poverty, improve people’s welfare,
and achieve sustainable development. In this data, in 2013, the poverty rate in South
Sumatra (2.49%) was higher than in Palembang City (2.03%). This may reflect the efforts
of the local government of South Sumatra that must be improved to achieve the SDGs
related to poverty alleviation.

During the first few years of this period, South Sumatra experienced fluctuations in the
poverty rate, which bottomed out in 2015 (2.01%). This can be interpreted as the result
of social and economic development efforts that are more focused on reducing poverty
levels, in accordance with the SDGs. On the other hand, Palembang City recorded a
certain increase in poverty rate in the same year, namely 2015 (2.18%). However, from
2016 to 2019, Palembang City managed to reduce the poverty rate consistently, reaching
its lowest level in 2017 (1.70%). This can be considered as an achievement that is in line
with the goals of the SDGs.

In 2022, South Sumatra recorded a significant decrease in the poverty rate (1.96%),
indicating that poverty alleviation efforts in the region are experiencing positive devel-
opments. This is in line with efforts to achieve SDGs targets related to poverty reduction.
3.2. Indicator Priorities Sustainability Development Goals (SDGs)

The form of poverty in Palembang City is absolute poverty, especially for the fulfillment of basic needs such as education and health, and the type of relative poverty caused by social inequality. Based on the analysis of strategic issues, FGDs, and statistical data collection, the justification for prioritizing poverty is outlined in Table 1 to Table 3. We mapped the poverty reduction priority scale, described in Table 4.

**Table 1: Poverty Indicators in Indonesia.**

<table>
<thead>
<tr>
<th>Indicators</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of Poor People (thousand)</td>
<td>34.37</td>
<td>33.02</td>
<td>33.41</td>
<td>30.68</td>
<td>28.64</td>
<td>27.88</td>
<td>28.39</td>
</tr>
<tr>
<td>Percentage of Poor People (percent)</td>
<td>15.19</td>
<td>14.57</td>
<td>14.65</td>
<td>13.37</td>
<td>12.41</td>
<td>12.01</td>
<td>11.99</td>
</tr>
<tr>
<td>Poverty Depth Index (P1)</td>
<td>1.87</td>
<td>3.76</td>
<td>2.2</td>
<td>1.59</td>
<td>1.99</td>
<td>1.75</td>
<td>1.83</td>
</tr>
<tr>
<td>Poverty Severity Index (P2)</td>
<td>0.39</td>
<td>1.34</td>
<td>0.52</td>
<td>0.3</td>
<td>0.46</td>
<td>0.37</td>
<td>0.39</td>
</tr>
<tr>
<td>Poverty Line (Rp/capita/month)</td>
<td>367325</td>
<td>393478</td>
<td>408855</td>
<td>309806</td>
<td>314426</td>
<td>328096</td>
<td>348611</td>
</tr>
</tbody>
</table>

Based on data, table 4 illustrates poverty trends over the past seven years, starting from 2016 to 2022. The number of poor people in thousand people showed a positive decrease during the period, from 34.37 thousand in 2016 to 28.39 thousand in 2022. This indicates poverty alleviation efforts that may have had a positive impact in reducing the number of poor people. In addition, the percentage of poor people also decreased from 15.19% in 2016 to 11.99% in 2022, reflecting significant improvements in people's economic well-being.

In addition, the data also includes the Poverty Depth Index (P1) and the Poverty Severity Index (P2). The Depth Index fluctuated during this period, reaching its highest peak in 2017 (3.76) and then declining. The Severity Index also fluctuates, but on a smaller scale. A decrease in the poverty depth and severity index shows that the incomes of the poor have become more evenly distributed and deeper poverty has decreased.

The poverty line, which lists the limit of per capita income per month, also shows fluctuations over the past seven years. Data shows that the poverty line has increased since 2016, reaching 348,611 Rp/capita/month in 2022. This may reflect an adjustment in poverty standards to reflect changes in the economy and prices.

This data provides a snapshot of progress in efforts to reduce poverty over this seven-year period. The decrease in the number of poor people and the percentage of poor...
people is a positive result that shows the effectiveness of poverty reduction policies. However, fluctuations in the Poverty Depth and Severity Index highlight the importance of more specific policies to reduce deeper and severe poverty. In addition, poverty line adjustments also need to be considered in order to reflect economic conditions more accurately. Priority solutions include efforts to continuously increase people's incomes and welfare, including through effective economic empowerment, education, and social protection programs.

3.3. Discussion: Strategy and Problem Solving with Cost and Community Empowerment Approach

Table 5 illustrates the largest source of GDP of Palembang City comes from Agriculture, Forestry, Fisheries, Mining, and Quarrying, which contributes more than 30% to the total GDP. In addition, revenue comes from balanced income (i.e., tax revenue sharing, non-tax, natural resource revenue sharing, general and special allocation funds), with a portion of 81.5%. While the main aspect of local government spending is direct expenditure (e.g., employees, goods and capital services) accounting for 54.6% of government expenditure. The GDP factor is mainly spent on administrative needs in the government sector. There are two stages of local government work plans, namely consolidation through strengthening regulations and institutions, as well as policy and spatial collaboration with system synchronization from upstream to downstream, described in the Table Economic growth is an indicator of development in a region, especially in the economic sector. In general, economic growth in South Sumatra Province has generally experienced fluctuating movements.

The high economic growth is inseparable from the urban area, which is the center of business in this Province, especially in Palembang City which is the Provincial Capital area. Meanwhile, Muara Enim Regency has the highest economic growth rate due to the contribution of primary sectors such as mining and agriculture which have the highest contribution in the district. In addition to sectoral conditions, this increase is also inseparable from the role of regions that contribute to the increase in the rate of GDP growth per capita in South Sumatra Province. The GDP per capita growth rate in each district / city in South Sumatra Province in detail can be seen based on Table 5:

In general, the per capita GDP growth rate in each district/city in South Sumatra Province during the 2017-2022 period experienced fluctuating movements with a negative growth rate in 2020 due to the spread of the corona virus impacting overall economic stability. The highest GDP per capita contribution can be seen from the
average GDP per capita growth rate during the 2017-2022 period by Regency / City, the highest average growth rate was contributed by Muara Enim Regency (4.65 percent), Palembang City (3.61 percent), Lubuk Linggau City (3.57 percent), Pali Regency (3.30 percent) and Musi Rawas Regency (3.26 percent). This condition is inseparable from the high GDP in the region which will encourage higher GDP per capita growth.

Based on this analysis, budget adjustments can be made more easily, so that the chances of implementing poverty alleviation programs are higher. Thus, this analysis does not place budget changes as the goal, but only as a medium to increase the chances of implementing poverty alleviation programs in the regions. Funding for health sector spending can come from two sources, namely government and non-government. In addition, social empowerment to improve the effectiveness and sustainability of poverty alleviation is also important. To achieve dynamic economic growth, it is necessary to create a conducive business climate, clarity, and certainty of various policies and regulations that support the business climate. The model of cooperation with business...
<table>
<thead>
<tr>
<th>Sector</th>
<th>Equipment</th>
<th>Target</th>
<th>Goal</th>
</tr>
</thead>
<tbody>
<tr>
<td>Health</td>
<td>Development and addition of health infrastructure Increased number of medical personnel and paramedics Improved education and health outreach Increased health insurance ownership status both organized by government and non-government Increased health budget Improvement of supporting facilities and infrastructure to realize a Healthy environment</td>
<td>Improving health facility units The realization of a degree of public health Disease control and health education</td>
<td>The establishment of quality and accessible health facilities Realizing improved health Decline in infectious and non-communicable diseases Creation of a healthy lifestyle for the community</td>
</tr>
<tr>
<td>Education</td>
<td>Development and addition of educational facilities Allocation of tuition assistance was sourced from an increase in the government budget Recruitment of qualified and elegant teachers</td>
<td>Development of educational facilities especially for university high schools Increased ratio of population who have completed early childhood education - primary, secondary, and tertiary Improving the quality of vocational and non-standard education through job skills training, literacy education, and equality</td>
<td>The establishment of quality and easily accessible educational facilities Ensure the school-age population gets quality essential education services Realizing quality acceleration, equitable management, and placement of educators</td>
</tr>
<tr>
<td>Basic Infrastructure</td>
<td>Development of clean water services through the development of groundwater sources that reach all corners and other areas that experience regional water scarcity Development of healthy and livable housing Environmental sanitation supports a culture of clean living to remote areas Construction of generators and transmissions aimed at maintaining the supply of electrical energy Construction and preservation of roads and bridges between regions</td>
<td>Cancel</td>
<td>Creation of a comfortable environment and decent living conditions</td>
</tr>
<tr>
<td>Food</td>
<td>Printing of agricultural land, plantations, and sustainability of food crop seeds and pesticides Opening of road access and modes of transportation Education for agricultural sector actors and the community Provision of distribution channels for agricultural products plantations fisheries forestry and others supervised by the government</td>
<td>Increase the availability of quality and diverse food commodities based on main, superior, and mainstay sectors Improve and maintain irrigation conditions of agriculture and plantations Improved food quality and quantity Embodiment of government regulations in favor of local agricultural production</td>
<td>Increased food production Mitigation of disruptions to agricultural production Food price stability Improve the quality of food consumption and nutrition of the community Improve the welfare of agricultural sector actors</td>
</tr>
</tbody>
</table>
actors in the mining industry sector is important and can be an alternative for the Palembang City government considering that in that area there are many companies engaged in mining and plantations. There are two stages of local government work plans, namely consolidation through strengthening regulations and institutions, as well as policy and spatial collaboration with system synchronization from upstream to downstream, described in Table 6.

4. Conclusion

Poverty alleviation requires strong political will from local governments. In addition to requiring the availability of resources, it also requires improvements in budget management to be more productive. Poverty alleviation also needs to be supported by efforts to create good governance. This also requires the support and participation of all development actors from both central and local governments, universities, non-governmental organizations, private and international institutions. This involvement and collaboration are expected to encourage the development of universal perspectives, agreements, and synergies in carrying out poverty alleviation efforts. Each region has different characteristics and problems of poverty from other regions. This research can also be a reference in carrying out poverty alleviation efforts in the short, medium, and long term, especially for developing countries. Departing from the Indonesian research, this research is open to further in-depth studies in the future, depending on time and environment, which may form the basis of the main plan for poverty alleviation and community welfare.

References


