

Research Article

Sustainable Solutions to Poverty: Is BLT Truly a Pro-poor Policy?

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Abstract.

Structural poverty has been an ongoing issue that plagues Indonesia. The situation worsened during the COVID-19 era, revealing the social inequity between lower-class and higher-class citizens, and creating an urgency for the Indonesian government to implement a policy approach oriented towards the needs of the impoverished community (pro-poor policy). A government aid program was created to tackle this issue in the form of an unconditional cash program called Direct Cash Transfers (BLT). However, the sustainability of this program as a long-term solution was put into question. This study aims to solve whether BLT is truly a sustainable pro-poor approach to poverty. Various literature reviews would be used to formulate a conceptual framework to define pro-poor policies. Based on secondary data analysis, BLT is found to lean towards a viral-based policy rather than a pro-poor policy. The success of BLT implementation is often misused and weaponized for politicians' private agendas and fails to create lasting effects and independence within the lower-class communities, trapping vulnerable people in the poverty cycle. The inability of the BLT program to provide access to various assets for its citizens and its hasty creation cemented the conclusion that BLT is not a pro-poor policy.

Keywords: direct cash transfers, pro-poor policy, sustainable poverty solutions

1. Introduction

1.1. Research Background

Poverty is an ongoing phenomenon that has become a problem, especially in developing countries, including Indonesia. According to the data from the Indonesian Central Bureau of Statistics in March 2023, 9.36% of the population, or 25.9 million individuals in Indonesia still falls on or under the poverty line. Although there have been many efforts to alleviate poverty, the decline of poverty that was recorded from March 2022 to March 2023 is only 0.21 percent [1]. This data explains that poverty is still a central issue in Indonesia and requires immediate action.

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Convoluted efforts to alleviate poverty are due to the complexity of determining a definition and measuring poverty. Poverty could be defined as a condition where a person is experiencing a lack of various life aspects, such as quality of health, quality of education, quality of environment, and quality of life [2]. An even simpler definition for poverty explained by Sholeh is the condition where a person is lacking resources, especially assets and money. Various definitions of poverty lead to various benchmark measurements of what constitutes poverty. Which led to the emergence of various efforts and policies that were made to eradicate poverty.

For the last five years, the Indonesian government's efforts to alleviate poverty have faced various hurdles. The most formidable challenger came from the COVID-19 pandemic (Coronavirus Disease) which hindered efforts in handling poverty in Indonesia as well as other countries. 1.3 million Indonesian citizens suffered from a downward social class mobility and were categorized as low-income as an effect of the COVID-19 pandemic [3]. This means that an additional 1.3 million people suffered from poverty as a result of the pandemic.

The rapid increase in underprivileged citizens could be attributed to the stagnation of various industrial sectors during the COVID-19 pandemic. According to the data from CNBC [4], 60 percent of the industrial sector stagnated due to inoperation from the pandemic. Sources from Kompas added that 1.7 million workers had to be quarantined at home or lost their jobs for a period of time due to the inactivity of various industries [5]. In the end, industrial sectors and the workers who lost their jobs had to forcefully sell their assets as a means of survival during the pandemic.

Theoretically, poverty could be differentiated based on the cause, the type includes absolute poverty, relevant poverty, structural poverty, situational poverty, and cultural poverty. The type of poverty that is still indicated to run rampant in Indonesia is structural poverty. Structural poverty is the condition in which inequality between the higher-class and lower-class citizens is visible. Structural poverty is caused by underprivileged citizens being unable to gain access to existing resources.

Gini trend indicators point towards the existence and a worrying increase of structural poverty following the COVID-19 pandemic in Indonesia.

According to Al-Anshori, the Indonesian government has attempted various efforts as a means to alleviate poverty such as a program for Rice Subsidiaries for Impoverished Citizens (Raskin), Poverty and City Countermeasures (PKP), Nationwide Underprivileged

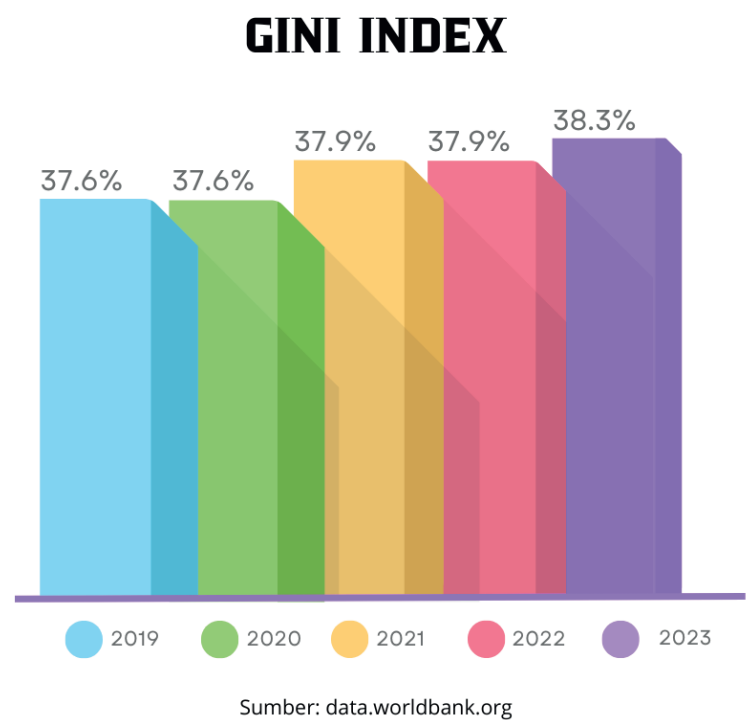


Figure 1: Gini Index - Discrepancy increase between higher and lower class diagram. Source: data.worldbank.org.

Citizens Empowerment (PNPM), and Direct Cash Transfers (BLT) [6]. Amongst the aforementioned programs, BLT has been a long-implemented program mechanism which has taken into effect since 2005 to suppress the aftermath of increasing oil prices.

Unfortunately, BLT is not fully focused as a pro-poor policy to eradicate structural poverty, rather in its actualization it is politically driven. This policy leans toward a political nuance and is used to pull voters during an election. According to the data from the National Public Procurement Agency in the Republic of Indonesia, in 2008 the government allocated 57.74 trillion Rupiah as government aid to compensate for oil (3.5 trillion) and direct school aid (28.09 trillion). However, during the period nearing the president’s second term election in 2009, President Susilo Bambang Yudhoyono (SBY) increased the allocation for government aid to 73.81 trillion.

Shortly after being elected for the second term, President SBY subtracted the allocation for government aid to 68.61 trillion, but this number once more increased approaching the political year to 92 trillion in 2013 and increased again to 97.94 trillion. In the end of the second term of SBY’s presidency, the channeling of Direct Temporary Citizen Aid (BLSM) started as a compensation for rising oil prices [7]. Past recordings of government

aid budgets proves that BLT oftentimes is used as a tool for electoral interests with the difference of approach and program name modification by the government.

This background shows that there is a need for research to confirm the existence of BLT as a pro-poor policy aimed towards the sustainable eradication of poverty. This urgency is supported by facts that BLT is targeted towards the issue of structural poverty, which is the vulnerable societal group in a social structure who are unable to access assets and abilities to properly maintain those assets.

1.2. Research Question

At this stage, the approaches or theories that emerge from various sources are described and synthesized to provide an understanding and build a conceptual framework regarding pro-poor policy and its relation to BLT.

Can BLT be considered a pro-poor policy aimed toward a continuous solution to alleviate poverty?

1.3. Research Objectives and Benefits

1.3.1. Research Objectives

This research aims to confirm whether Direct Cash Transfers (BLT) that the government implements are oriented towards a pro-poor policy approach and offer a sustainable solution.

1.3.2. Research Benefits

1.3.2.1. Theoretical Benefits

This research is believed to be able to become a source of information about evaluation of policies aimed to alleviate poverty.

1.3.2.2. Practical Benefits

This research is believed to be able to become a reference for stakeholders in pushing pro-poor based policy processes as a sustainable and precise means to alleviate structural poverty.

2. Theoretical Study

2.1. Structural Poverty

Structural poverty is affected by “cultural poverty”, a condition where poverty originated from internal factors as an effect where a poverty-stricken individual is responsible for values and culture that they adopted. Internal factors include giving up to fate easily, laziness, and lack of work ethos [8]. External factors which come outside of an individual's ability involve bureaucracy and official laws that hinders individuals to prosper using the resources available. The factor of cultural poverty is often defined as structural poverty where poverty happens not as a result of the unwillingness of individuals to work, rather as the inability of the system and social structure to provide opportunities for underprivileged citizens to be able to work [9].

Structural poverty is a condition in which there is a distinguishable line separating those who are categorized as wealthy and those who are categorized as poor. In those situations, underprivileged people are unable to develop assets and abilities to compete with the existing social structure. Fulfillment of those assets and ownership by those citizens influence the abilities in satisfying necessities to live. Aside from that, structural poverty is not caused by individual factors such as tendencies to laze a work and income, but is caused by the social structure that limits their rights to use their available income resources. Citizens who are under societal structure pressure are conscious that their fate is different from the others [10].

Soemardjan also revealed that underprivileged citizens due to structural poverty are unskilled laborers which includes farm workers and others from their class who are uneducated and untrained. Farm workers who do not have the ownership of land or a small cultivated land only produce minuscule amounts of profits and are only able to fulfill their and their family's basic needs. Unskilled laborers are categorized to be in structural poverty due to their unreadiness due to their inadequate skills and assets which causes a delay in entering the job market. Unskilled laborers also include small

business entrepreneurs without any access to capital or facilities from the government and categorized as originating from weak economic conditions.

Others also defined structural poverty as a situation caused by the inaccessibility of resources to the unsupportive social, cultural and political systems which trample the efforts of freeing those who are down-and-out. These systems limit their access to resources and opportunities, which traps them in the unforgiving poverty cycle [11]. Martano added that structural poverty is poverty experienced by certain classes of people in the social structure and forces them to accept limited sources of income [12].

From the experts' definition of structural poverty, it can be concluded that structural poverty is caused by unfortunate situations which means low access to available resources. Underprivileged citizens which are under the condition of structural pressure forces them to accept limited sources of income. Those citizens are aware that their fate is different from others from higher social classes. Those citizens are unable to develop their assets due to their unpreparedness which in turn limits their ability to enter the job market. Experts determine that the factors that affect this condition are internal to the individuals such as giving up to fate easily, laziness, and lack of work ethos.

2.2. Pro-Poor Policy as a Sustainable Solution

There are efforts by the government to implement various programs as a practice of good governance that protects vulnerable classes of citizens, one of which is the underprivileged class. Policies which are able to protect those who are financially vulnerable are called as a pro-poor policy. In an effort to advocate poverty-struck citizens, the government has employed a policy in the form of social-economic government aid in hopes of economic development of those citizens. Economic growth originating from the financially vulnerable class is called pro-poor growth which is growth in the form of absorbance of labor forces, based on policies and programs which decrease the gap though facilitating increase of income to women and those who are put aside by society. Various literatures by experts claimed that this strategic focus on policy to economic growth sides with the poverty-struck citizens. This growth actively involves the role of underprivileged citizens in economic activities and ensures proportionally increasing benefits of income as a whole [13]. Pro-poor growth is still part of pro-poor policy literatures with the goal of abolishing poverty from the empowerment of underprivileged citizens. Empowerment in increasing assets and abilities, in a broad sense, is the support

to citizens to be able to choose and act according to their own choice in an effort to solve their own life problems [14].

Pro-poor policy specifically targets lowerclass citizens in an effort to increase wealth. A practice of good governance is though a program or policy that is able to protect lower class citizens through government aid known as pro-poor policy. Bird and Busse put forward that a policy that aims towards the increase of assets and abilities of underprivileged citizens is a form of pro-poor policy and is an action upholding equality and social welfare. Its goal is to allocate the rights and resources that those citizens, organizations, or regions who are marginalized or wronged by the market and country are entitled to [15]. It can be assumed that pro-poor policies are executed as a basis to empower the underprivileged citizens to become more independent and lessen the dependency on government aid, as well as to understand the needs and limits that they are constantly faced with when escaping the poverty cycle. A pro-poor policy should be targeted towards those who are unable to be included in the social structure due to the lack of abilities and assets.

The form of aid that is offered by the government is not only as a subsidiary of basic needs but it should be able to increase assets and abilities of citizens with limited resources. Direct transfers and subsidiaries are a form of government aid for limited resources, but it should not result in the dependency for those who received it. Policies that implement direct transfers and subsidiaries are programs that are effective in providing access towards assets with a few prerequisites [16]. There is a need to confirm the authenticity of the receiver of these transfers and then these transfers should be put into use to build motivation to build assets and abilities for the next generation to not fall into the same cycle. Pro-poor policy is viewed as the most rational policy option in facing structural poverty, since pro-poor policies focuses on creating long-lasting change and helping the citizens. Pro-poor policies are not able to give instant results and takes time to create a change. In its implementation, a government aid program should be created with a long-term goal in mind with an outcome that increases assets as well as abilities of underprivileged citizens, increase individual abilities so as not to fall back into the poverty cycle, and decrease the dependency to the government.

Pro-poor policies are a form of policy that are able to protect as well as to stand with the financially disabled citizens who are vulnerable in terms of social structure. According to the World Bank in 2001, policies that aim to eliminate poverty should provide social protection and opportunities for the citizens to manage the risks and challenges while protecting them from poverty by increasing assets and abilities that

result in resilience, equity and opportunity [17]. Resilience can be obtained through a social assurance program that minimizes negative repercussions from economic shifts to the citizens. Equity is obtained through protection from poverty and a push for equal opportunities. Government aid programs should annihilate structural or chronic poverty and protect individuals and families from losing an irrecoverable amount of resources. While opportunity could be obtained through institutions that connect people with a more productive source of gaining income. Programs that create resilience, equality and opportunity provide incentives for investments to human resources, overcome gender inequality, and give unemployment aids, skills and worker grants.

3. Methods

3.1. Research Design

The research design that is utilized in the writing of this research is the literature review method as well as secondary data analysis. These two methods is used to formulate a conceptual limitations regarding the pro-poor policy. Various documents such as books, journals, handbooks, and digital performance evaluation of government institutions from various databases such as Emerald Insight, Sage Publishing, Springer, Google Scholar or physical copies are used in the literature review to acquire data regarding the research topic [18]. The conceptual limitations that were identified are used as an analysis framework to evaluate BLT. Secondary data analysis is used to analyze BLT with the utilization of data that was found previously regarding the research topic [19]. Lastly, secondary data analysis is used to analyze the conceptual limitation that was mapped to see whether or not BLT tends to orientate to pro-poor policy.

3.2. Data Collection Technique

Data collection is executed by finding various books, scientific journals, thesis, and other forms of publication that were found through the database. In an effort to acquire data that are sourced from the data, there needs to be certain processes that needs to be performed, these processes are:

- a. Determining the sources of the database

This stage is done to find relevant data to the research topic, it uses various sites as a source of information including:

- i. Emerald Insight <https://www.emerald.com/insight/>
- ii. Sage Publishing <https://journals.sagepub.com/>
- iii. Springer <https://www.springer.com/gp>
- iv. Google Scholar <https://scholar.google.com/>

b. Data collection criteria

This stage is done to collect relevant data to the assessment criteria. Relevant data should fulfill these criterias:

- i. Bersumber dari database yang telah ditentukan
- ii. Memiliki penjelasan teori yang jelas
- iii. Validity criteria

On this stage, relevant data will be evaluated and should have discussion about social safety nets, pro-poor growth sustainable development, and poverty alleviation policy. The goal is to collect data that are able to provide a conceptual image regarding pro-poor policy.

3.2.1. Secondary Data Analysis

Data collection technique is executed through the collection of data from performance reports of government ministries, expert opinions, issue observers etc. which are related to the empirical phenomenon about BLT. Collected data will be elaborated to provide explanations regarding the implementation of BLT from a pro-poor policy perspective.

3.3. Research Object

In this research, the act of providing BLT by the government is studied as the research object to find the approach that was used during the conceptualization of BLT. The analysis that is done to find if the tendency during the formulation of BLT is as a pro-poor policy.

3.4. Data Analysis Technique

3.4.1. Literature Review

On this stage, approaches or theories that appear from various sources that were collected were described and synthesized to create a definition and a conceptual framework regarding pro-poor policy and the connection to BLT.

TABLE 1: Literature Sources.

| Title | Form | Year | Writer(s) |
|--|---------|------|----------------------------|
| Pro-poor Growth: What is It and How is It Important?. Asian Development Bank | Journal | 2003 | Ernesto M. Pernia |
| <i>Pro-poor policy An overview. Swiss Agency for Development and Cooperation, and Overseas Development Institute.</i> | Report | 2006 | Kate, B. & Stefanie, Busse |
| Resilience, equity, and opportunity: The World Bank's social protection and labor strategy 2012–2022. | Report | 2012 | World Bank |
| <i>Pemberdayaan Masyarakat Miskin: Pendekatan Modal Manusia (Studi Layanan Publik tentang Pemberdayaan Masyarakat Miskin yang Diselenggarakan oleh BPM-KB dan Posko 100 di Kota Surabaya).</i> | Article | 2012 | Ahmadi. R. |
| Economic Development (7th Ed.) | Book | 2015 | Todaro, M., & Smith |

Source: Researcher's literature summary

3.4.2. Secondary Data Analysis

Data collected from performance reports of government ministries, expert opinions, issue observer opinions, etc. will then be re-reviewed and compared with the findings on the literature review to find whether the tendencies of government aid in the form of BLT is oriented towards supporting underprivileged citizens or a pro-poor policy.

4. Results and Discussion

4.1. Pro-Poor Policy

According to the literature review that was previously done, findings show that there are certain concepts and targets that are exclusive to pro-poor policy. After various review processes, the dimensions of a pro-poor policy surfaced. These findings become the basis of discussion to identify the role of pro-poor policy in eliminating structural poverty. Pro-poor policy concepts consists of 4 primary characteristics or dimensions which is

developing abilities and assets oriented, proactive government, technocratic and formal, and sustainable.

Developing abilities and assets oriented in pro-poor policy means that the policy is focused on alleviating the issue of poverty in which the primary target is the lower class citizens who are unable to develop the skills and assets necessary to improve their economic class. The policy should be formulated in order to solve one of the primary issues impacting structural poverty which is the problem regarding development of assets and abilities by supplying resources or capital that can be further cultivated by the recipients of the policy. This aligns with the primary goal of pro-poor policy as to make an impact and aid citizens as it would directly benefit the underprivileged citizens.

A proactive government in pro-poor policy is defined as a governing body that proactively initiates policies to avert the issue of poverty before the issue arises. In the policy processes, the government works not only based on the widespread attention of the citizens but also to form policies that create resilience, equity and opportunity to the financially vulnerable class of citizens. A proactive government will result in proactive policies. The government should provide social protection, opportunities and abilities to manage risks and resources, as well as protection from falling back into poverty.

Pro-poor policy should be technocratic and formal, meaning that the policy is formulated based on strong, accurate, and fully disclosed data through a formal legislative process and is a long-winded process. Pro-poor based government program implementation takes a relatively long period of time and the outcome also does not yield instantaneous results. This is because the outcome expected is a long-term effect to increase the assets as well as the abilities of underprivileged citizens. The formulation of the a pro-poor based government policy or program should go through various rigorous data checking and testing to ensure fairness and transparency in the implementation.

Lastly, a pro-poor policy should be sustainable with the primary goal to provide long-term and lasting effects such as a program that builds independency for lower class citizens to prevent continuous dependence to government aid. With the government allocation of resources or capital it is believed to increase the capabilities of individuals so as to avoid falling back into the poverty cycle and thus, providing a sustainable solution to poverty.

TABLE 2: Criteria of a Pro-Poor Policy.

| Pro-Poor Policy | | |
|-----------------|--|--|
| No | Criteria | Description |
| 1 | Developing Assets and Abilities Oriented | Formulated in order to solve one of the primary issues regarding the development of assets and abilities by supplying resources or capital that can be further cultivated by the recipients of the policy. |
| 2 | Proactive Government | The government proactively solves the issue of poverty and initiates proactive policies by providing resilience, equity and opportunity.as a means to prevent more citizens from falling into poverty. |
| 3 | Technocratic and Formal | Formation of policies with a strong basis for data and a formal legislative process |
| 4 | Sustainable | The goal is to give a long-lasting impact as a program to alleviate poverty and build independence in underprivileged citizens |

Source: Researcher’s summary

4.2. BLT Policy Through the Lens of a Pro-Poor Policy

4.2.1. Is BLT oriented to upscale skills & assets of its recipient?

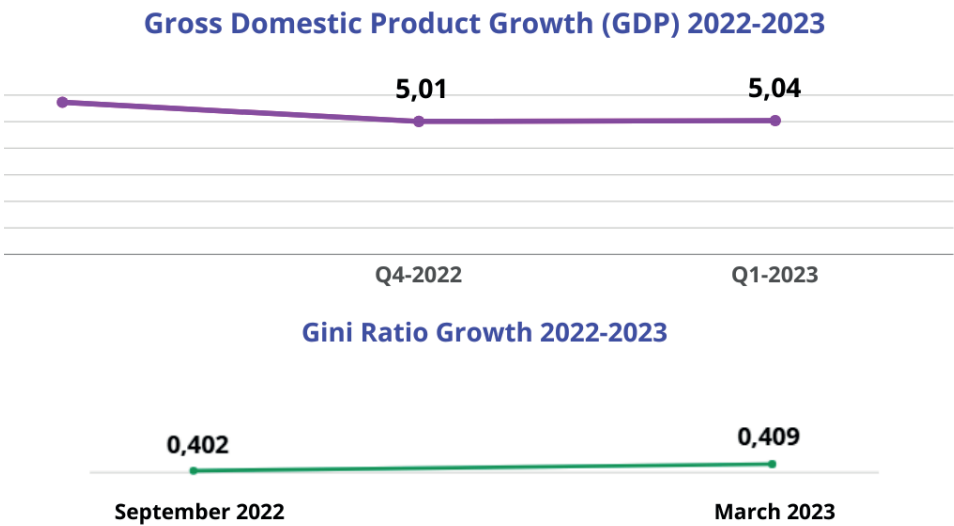


Figure 2: Level Comparison Between GDP and Gini Ratio 2022-2023. [22][23]. Sources: Badan Pusat Statistik.

There are tendencies that BLT is unable to provide the skills and assets necessary for underprivileged citizens and this impacts the effectiveness of BLT as a pro-poor policy since the development of those two aspects are the core issues that need to be addressed in efforts to tackle structural poverty. BLT is also indicated as yet to be effective in alleviating poverty in certain citizen groups, especially those who experience structural poverty due to the absence of assets and skills to upscale their economic

conditions. According to data from BPS which compared the gini ratio in Graph 2., it can be seen that the increase in Gross Domestic Product (GDP) from last year should be accompanied by a decrease in the gap of economic inequality. However, the gini ratio index data highlighted the gap in economic inequality in Indonesia as it grew larger.

This tendency shows that although there has been economic growth in Indonesia it is yet to be felt by lower income citizens. Research findings show that despite the increasing GDP trends, this increase is also mirrored by the gini index which shows that the economic class inequality is growing larger. In other words, although the Indonesian economy is thriving, that growth is now able to give a significant impact to the social class that are vulnerable or wrapped in poverty.

4.2.2. Is BLT a proactive policy as a product of a proactive government?

To confirm whether BLT is a stride towards eliminating poverty for good, there needs to be a review on the government regarding the proactivity in initiating the policy. BLT is indicated as an able to complete the principles of a pro-poor policy because the policy is not made to tackle the issue at its roots which makes it not a product of a proactive government. Serious government efforts to tackle the poverty issue have only appeared during the COVID-19 pandemic, but even then it was short-lived. This is evidenced by the publishing of the presidential Executive Order (Inpres) No.4 (2022) regarding the acceleration of eradicating extreme poverty. Previously there was no such existence of a policy that was specifically directed as a means to suppress poverty. From that Executive Order it can be concluded that there has been a shift of increase in the proactivity of the Indonesian government to alleviate poverty.

The inability to fulfill the aspects of resilience, equity and opportunity which identifies it as not a pro-poor policy. BLT does not follow the principles of resilience because it is unable to provide continuous economic security, since the creation of this policy only targets short-term economic survival of financially vulnerable citizens during the COVID-19 pandemic. BLT is not confirmed to follow the principles of equity due to the fact that a research surfaced that 1.3 million Rupiah worth of BLT for oil prices are confirmed to have been inaccurately distributed [20]. BLT also is not validated to follow the principles of opportunity since the amount that is distributed is Rp400.000,00 and it oftentimes is not enough to become a starting capital for a small business. The amount is also lacking to shoulder the purchasing basic necessities needed for the citizens to survive [21].

4.2.3. Is BLT formulated technocratically and through a legislative process?

The BLT policy is slowly losing its credibility as a policy that is oriented as a pro-poor policy due to its frequency to not stand under a systematic and integrated legal protection. Both the implementation of BLT during the presidential era of President SBY (Executive Order No. 12, 2005) and President Joko Widodo (Indonesian Ministry Order No.3, 2020) explains efforts to alleviate poverty tends not to become a long-term priority that is regulated through acts and involves various sectors and stakeholders in a way that is integrated, rather it is often an effort that is reactive and fragmented. The Executive Order in President SBY's era No. 12 (2005) is regarding the implementation of BLT for families under the poverty line [24] and the Indonesian Ministry Order No.3 (2020 in President Joko Widodo's era is regarding countermeasures for the Coronavirus Disease 2019 (COVID-19) in villages through the villages Revenue and Expenditure Budget [25].

BLT is evidenced to not have been managed through a strong, accurate and up-to-date basis for data. The data that is used to determine the target population of BLT oftentimes do not reflect the authentic conditions in the field. An example are the deceased citizens who are still recorded as a receiver of BLT [26]. This argument is further supported through the findings of the Audit Board (BPK) of the Republic of Indonesia where BLT for small-medium independent businesses in the amount of 1.2 million Rupiah missed its target population and is received by citizens outside of its range (Novalius, 2021). This explains the fact that the database that is used in the BLT policy is not strong enough since there were cases that the receiver of these benefits are not in the target group.

4.2.4. Does BLT have a sustainable effect on its recipient?

The inability of BLT to provide access to assets for its citizens clarifies that BLT is yet to be identified as a pro-poor policy. According to a survey from the Indonesian Political Indicator (2022), a total of 60.4% of the public agrees that an item price subsidiary is more effective than a subsidiary through the BLT mechanism. An item price subsidiary is viewed as more equal than BLT due to its lack of precision with its distribution [27]. The output of BLT is in a form of cash is also a proof that this policy is not aimed towards the development of citizen's abilities in accessing and managing assets which is a characteristic of a pro-poor policy.

The independence of its receiver and a long-term impact which is a characteristic of a pro-poor policy is also not shown in BLT. As an example, a study showed that the village funds BLT does not have a positive impact on the alleviation of poverty and independence of the villages in 33 provinces [28]. This phenomenon is affected by several factors such as the lack of amount received and the misalignment of the target receiver of the beneficiaries. On top of that, the recipients of BLT more often than not continuously depend on this program and are unable to escape the cycle of poverty.

5. Conclusion

5.1. Conclusions

A pro-poor policy could be defined as a policy that is oriented towards improving the accessibility to various assets and abilities to manage those assets that is specifically targeted to underprivileged citizens. Developing a pro-poor policy would require the collection of various strong and accurate data and an implementation that is oriented towards long-term goals to alleviate poverty. To put it simply, BLT is not a sustainable solution to poverty nor is it a pro-poor policy. According to the study conducted, we could conclude that BLT does not classify as a pro-poor policy due to the insufficiency of developing citizens assets and skills to push them out of poverty. The aspect lacking from BLT would be an orientation to developing abilities and assets; a proactive government; technocratic and formal; and sustainable. Due to the sub-par government program, this created a dependency of the underprivileged citizens to the program instead of training them to be able to manage the resources provided.

The BLT policy is unable to fulfill the aspect of a policy oriented to developing assets and abilities since it takes a form of cash and does not provide the skills necessary to move up the economic ladder. BLT is also unable to provide resilience, equity and opportunity to underprivileged citizens which disqualifies it as a proactive policy. BLT oftentimes is not based on strong, accurate, and up-to-date data that is reflected in the field and the target recipients which makes it not technocratic and formal based. BLT does not have a sustainable effect due to the recipients of BLT more often than not end up continuously dependent on BLT and unable to escape the poverty cycle.

5.2. Suggestions

The Indonesian government needs a monumental change of perspective when initiating a proper pro-poor policy. This change can be implemented through (1) more proactive policies by the government (2) creating program legal protections in a form of integrated acts and functions to improve the synergy of poverty alleviation between parties and sectors (3) policy implementations that are data-based such as data for necessities and skills to classify it according to the needs of the recipients (4) long-term and continuous government policy initiatives. These steps could be done to perfect the output from a policy aimed to eliminate poverty in the form of necessary assets, skills and items to be turned into capital instead of direct cash transfers.

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