

PORTRAIT OF POVERTY IN INDONESIA: (A critical review of poverty alleviation policies in Indonesia in the SDGs Paradigm)

Ery Purwanti^{1*}, Drajat Tri Kartono², Kuni Nasihatun Arifah³

¹D III Nursing Study Program, Faculty of Health Sciences, Universitas Muhammadiyah Gombong

²Sociology Study Program, Faculty of Social and Political Sciences, Universitas Sebelas Maret Surakarta

³Law Study Program, Faculty of Science and Humanities, Universitas Muhammadiyah Gombong

DOI: <https://doi.org/10.5281/zenodo.6637633>

Published Date: 13-June-2022

Abstract: This study aims to analyzed poverty reduction policies in the national development system in Indonesia after the adoption of the Sustainability Development Goals (SDGs). Indonesia is one of the countries adopting the SDGs in national development through policies and strategies with 17 development agendas whose first goal of development is to end poverty. Even though Indonesia has adopted the SDGs, this country has not been able to eliminate poverty and data show that the number of poor people in Indonesia increased in the past 5 years. Therefore, it is necessary to examine the errors in the adoption of SDGs as it has not been able to reduce the poverty. This study used the descriptive method with secondary data sources. The results showed that the indicators of the first goal of SDGs is to end poverty covering poverty reduction, social protection, community empowerment, control of economic resources, and disaster resilience. These were integrated with the Medium-Term Development Plan (RPJM) as a commitment of the government. Indonesia is still slow in dealing with poverty due to some factors such as incompatibility of both vertical and horizontal development planning documents so that the concepts in the SDGs agenda cannot be implemented properly, poor access to economic resources, and the absence of a comprehensive disaster management policy so that when a disaster occurs, it can increase the number of poor people.

Keywords: Poverty, SDGs, Development, RPJM.

1. INTRODUCTION

World humanitarian figure Nelson Mandela stated that the effort to overcome poverty is not a charity but an act of realizing justice for fundamental human rights and he added that there is no true independence while poverty continues (Mandela, 1994). His statement is interesting considering that in the current globalization era with various economic developments, including the free market, poverty is still a problem for almost all countries including Indonesia which has declared its independence since 1945.

The portrait of poverty in Indonesia can be seen from the high percentage of poverty in Indonesia. Statistics Indonesia data show that the poverty rate in Indonesia reached 26.5 million at the end of 2021 (Statistics Indonesia/BPS, 2021). A research institute, Institute for Demographic and Poverty Studies (IDEAS) predicts Indonesia's poverty rate in 2022 has the potential to increase to 10.81%, or equivalent to 29.3 million people (IDEAS, 2022). Moreover, UNDP also states that assessing poverty does not rely on income data only but also on the degree of quality of life which includes education, access to clean water, accessibility to the electricity network, food sustainability, and 6 other indicators referred to as the multidimensional poverty index. UNDP reveals that the multidimensional poverty index in Indonesia reached 3.6% (9.5 million people) of

the total population. Besides, the vulnerability of the population to multidimensional poverty is 4.7% and in other words, 12.8 million Indonesians are vulnerable to multidimensional poverty (UNDP, 2021)

Based on the explanation above, it can be concluded that the poverty rate in Indonesia is still high. In general, the extremely poor in Indonesia has some unproductive family members and a high dependency index. Based on the geographic distribution of the poor, most of them live in rural areas with poor access to basic needs which then causes a sustainable effect, namely the low quality of life. Besides, the majority of poor rural communities are caused by low access to education resulting in poor or limited access to jobs (IDEAS, 2022).

The poverty rate in Indonesia is getting higher indicating that this country needs to formulate poverty reduction policies in order to create a prosperous and to end poverty. It is important to discuss the issue of poverty in national development as national development is a planning document that has become a consensus between the government and the community which is stated in the policy document of the national development plan for the long-term (RPJP), medium-term (RPJM) and annual (RKP).

The issue of poverty is important considering that this issue is developing into a global issue, especially since Indonesia has become part of the countries that accept SDGs. The 2030 Agenda for Sustainable Development is an agreement on new development that shifts to sustainable development based on human rights, equality in eco-social development, and the environment. The concept of SDGs applies universally as a commitment of agreement from the international community regarding sustainable development with inclusive and integrative principles to ensure that no one is left behind in development. The SDGs are a form of renewal of the achievement of the Millennium Development Goals (MDGs) ended in 2015 (Walter Leal Filho, 2021),

The existence of the SDGs is considered a direction of sustainable development internationally. The first goal of SDGs concerns the issue of poverty. Poverty needs to be addressed through the national development planning agenda as a step for adjustment to global conditions. It means that SDGs are a steering wheel to free global society from multidimensional poverty. Poverty becomes the first concern in SDGs as other problems will not be solved until the community is prosperous (Leal Filho, W., Manolas, E., Pace, 2015).

Indonesia has adopted the SDGs since 2015 in the concept of national development, but according to data sources, the poverty rate is still high in this country. Therefore, it is interesting to study the implementation of SDGs in poverty reduction in Indonesia as an evaluative reference in poverty reduction policies.

2. DISCUSSION

Poverty in SDGs Paradigm

Referring to international political law, the spirit of poverty alleviation through national development has come to light since state leaders of 189 countries in the world, including Indonesia, agreed to the declaration of the Millennium Development Goals (MDGs). One of the targets echoed in this declaration is the reduction of the poor by 50% by 2015. Sustainable Development Goals (SDGs) are a follow-up of MDGs with the first goal to end poverty (Kumar, 2016). The concept of SDGs is a refinement or continuation of the MDGs in which the existing development is an effort to improve the economic welfare of the community by considering intergenerational sustainability in development. The SDGs concept commits to development that is in line with the quality of the environment with the achievement target of each goal by 2030 (Khairina et al., 2020).

This has become a new paradigm that not only places anthropocentrism on development but also considers ecocentrism. This means that the development paradigm of the SDGs era is expected to address the current development challenges with the massive physical development on the pretext of economic growth without considering environmental sustainability. The rampant issue of environmental damage indicates that the development moves away from the goal of community welfare because it ultimately harms the community that has depended on the environment as the foundation of life. The concept of SDGs is then considered capable of becoming an alternative to balanced development by combining the goals of human welfare without compromising the environment. Thus, human welfare will rely on sustainable development activities that link the environment with economic activity in a measurable way. This can be seen from the 17 development goals in the SDGs that are balanced between human welfare and environmental sustainability with strong institutional goals. It can be said that the SDGs paradigm is more modern and technocratic because of achieving development indicators and involving

bureaucracy which is influential on a development plan considering that development is the realization of policies that involve multisector in the bureaucracy, especially in terms of realizing community welfare and protecting the environment.

In realizing the goals of the SDGs, the government plays a role as a policy maker in which the policy reflects the direction of development. In terms of community welfare and poverty alleviation due to the influence of unlimited market freedom, the government must intervene and state leaders to commit. Without government intervention through policies and strategies, the lower middle class, especially the poor, will be affected by the monopolistic efforts of the strong economic class which causes further disparities and leads to the inability of the poor to change their situation for the better. This is in line with the statement of J.M. Keynes that market freedoms need government intervention for example, through the allocation of resources and budgets to overcome poverty and unemployment (Kumba Digidowiseiso, 2019).

Poverty indicators in the development perspective in the SDGs era are placed as the first goal. This is because globally, the existing development concept has not been able to address the problem of human welfare which is uneven and unequal. Meanwhile, the poverty rate indicators in the SDGs are assessed from the proportion of the population below the international poverty line, namely the percentage of the population with an income of lower than US\$1.90 at PPP (Purchasing Power Parity) in 2011. PPP was introduced by Gustav Cassel as the basis for determining the exchange rate in 1918. PPP links foreign exchange rates with commodity prices in domestic currencies in international markets (Lothian, 2017). The calculation of the poverty line in the SDGs paradigm is by calculating the amount of money a person needs to meet the minimum basic needs of a decent living (Rassanjani, 2018). Considering that the calculations in the SDGs in taking into account one's needs, it is in line with the SDGs concept that no one is left behind in development.

The SDGs indicators in poverty alleviation are arranged in the SDGs development action plan which is then integrated with the Medium-Term Development Plan. The indicators of the first goal of the SDGs, namely poverty alleviation are as follows (Bappenas, 2022):

1. By 2030, alleviate extreme poverty for all those who currently earn lower than US\$1.25 per day.
2. By 2030, alleviate at least half the proportion of men, women and children of all ages living in poverty on all dimensions, according to national definitions.
3. Nationally implement appropriate social protection systems and measures for all, including the poorest, and by 2030 achieve substantial coverage for the poor and vulnerable.
4. By 2030, ensure that all men and women, in particular the poor and vulnerable, have equal rights to economic resources, as well as access to basic services, ownership and control over land and other forms of property, inheritance, natural resources, new technologies, and appropriate financial services, including microfinance.
5. By 2030, build the resilience of the poor and vulnerable, and reduce their vulnerability to climate-related extreme events and economic, social, environmental and disasters.

Based on the targets and meta-indicators, the National Development Planning Agency (Bappenas) compiled a roadmap of policy directions and strategies for the first goal of SDGs, namely to end poverty. It is broadly divided into three main directions and strategies, namely, 1) social protection and quality basic services, 2) strengthening good and synergized governance and institutions, and 3) sustainable community economic empowerment (Ministry of National Development Planning, 2017)

Implementation of the first goal SDGs namely to end poverty in National Development Planning

The integration of the first goal of SDGs, namely to end poverty in national development is a form of government commitment to poverty alleviation efforts as the development planning document is a policy that has passed a long process that involve the community in its preparation and through development planning deliberations from the village level to the national level. The implementation of the SDGs in national development planning policies can be seen in the development planning document below.

1. RPJPN (National Long-Term Development Plan)

The RPJPN is a 25-year document that also functions as a direction for national development. It is regulated in Law No. 17 of 2007 concerning Long-Term National Development of 2005-2025 (UU RPJPN) where the subject of poverty is stated in Book II, namely the direction of national development is to prosper the community and be free from poverty with the main target of quality human resources in the form of the Human Development Index (IPM).

2. RPJMN (National Mid-Term Development Plan)

RPJMN is a five-year national development document or a work program of the President, which is divided into 2 periods. The first period covers 1) development and improvement of a comprehensive social protection system, 2) improvement of basic services for the poor and vulnerable communities, 3) increasing benefit-based synergy from each implementation of cooperative and SME empowerment activities, and 4) improving institutional aspects of poverty alleviation. The second period includes strategies in poverty alleviation, namely, 1) policies to reduce the burden of public spending through social assistance and prioritize attention through productive economic programs and 2) macroeconomic policy strategies namely inflation stability, inclusive economy, investment and the agricultural and infrastructure sectors.

Analysis of the Synchronization of Poverty Reduction in the SDGs and National Development Plan Documents

According to the SDGs policy strategy document, poverty alleviation utilizes a community empowerment strategy based on a sustainable economy. The other strategies are the utilization of appropriate technology and institutional improvement. One of the interesting emphasizes in the SDGs version of poverty alleviation is farmers' access to land through agrarian reform. Besides, it is also necessary to prepare preventive policies against the threat of disasters that have the potential to cause poverty (Fauzy et al., 2019). Another target of the poverty reduction in the SDGs version concerns vulnerable people including people with disabilities. This is a global goal considering that the SDGs agenda puts forward the concept that development belongs to everyone and should not be discriminatory (Rifai & Humaedi, 2020).

Based on the SDGs and RPJMN documents, it can be interpreted that the government's commitment to poverty alleviation is consistent. It can be seen holistically that the direction of the poverty alleviation policy of the RPJMN has adopted the SDGs agenda seen from some strategies including community empowerment, MSMEs, the use of technology and innovation as well as institutional strengthening as evidenced by the government's commitment to adopting the SDGs with the issuance of Presidential Regulation Number 59 of 2017 concerning Implementation Sustainable Development Goals. Besides, it can be seen from the SDGs are a meta-indicator in the development planning process, both at the central and regional levels.

The application of the SDGs paradigm in development is evaluated in some ways. First, the target of reducing the poverty has not been implemented even though the policy strategy has been formulated. It can be seen from the following aspects, namely 1) crisis management in disasters has not been carried out properly so that disasters can reduce access to the economy which increases poverty, 2) poor community's access to the availability of land which is a prerequisite in the SDGs agenda has not been fulfilled so that the majority of poor Indonesians are farmers, 3) innovative technology has not been applied, especially in the agricultural sector which causes underdeveloped agricultural production, 4) multidimensional poverty occurs due to many supporting factors, namely education, access to water and the environment and others have not been integrated, and the application of Minimum Service Standards has not reached all basic service, and 5) development benchmarks that are not synchronized both vertically (RPJMN and RPJMD) and horizontally (between sectors or agencies).

The two systems of the development agenda for poverty alleviation in the SDGs and the RPJM have not managed to address the poverty issue. It indicates that the development planning at both the central and regional levels is not synchronized. Besides, frequent changes in poverty alleviation policies become an obstacle to the development progress and the policy implementers sometimes fail to interpret the policy. This is evident from the case of asynchronous poverty reduction development plans at the central and regional levels. Salim (2007) states that this is also an obstacle to regional autonomy.

Based on the theory of Parsons and Merton, which originates from Durkheim's thought, society is a unit with distinct parts and each part has its own function to balance each other. This means that if one part does not work then it can damage the other parts. This is what happened in the poverty reduction system in Indonesia in which due to the inability to synchronize the SDGs agenda and strategy into the national development planning policy agenda through development plans both five-

yearly and annually, the strategic direction is floating and impossible to carry out an appropriate assessment of each indicator. The SDGs action plans between the center and the regions are overlapping.

Although it is slow in achieving its goals, the government has made a breakthrough by adopting the SDGs concept, which then becomes the goal of the poverty alleviation in Indonesia which is integrated with the RPJM concept. Based on the Parson's theory of action with the idea of the AGIL scheme (Adaptation, Goal Attainment, Integration, Latency) in assessing an empowerment or development policy, the four AGIL schemes that still need to be improved in poverty alleviation policies are the latency, namely the government's slow habit to assess a mistake. The mistake, in this case, is the failure in achieving the indicators but reluctance to fix them through the new system. As the SDGs agenda will be completed in 2030, this must be a joint concern so that at least the poverty rate in Indonesia can be reduced.

Closing

The SDGs declaration has become a global agenda in the sustainable development concerning community welfare while prioritizing environmental sustainability. The first goal of the SDGs is to end poverty with the main indicators of poverty reduction, social protection, community empowerment, control over economic resources and disaster resilience. In Indonesia, those goals are integrated with the Medium-Term Development Plan as the government's commitment. However, there is an issue with vertical and horizontal asynchronous development planning documents so that the concepts in the SDGs agenda cannot be implemented properly. Besides, not all people have access to economic resources, especially farmers and vulnerable communities. Moreover, there is no comprehensive disaster management policy so that when an unexpected disaster occurs, for example, the COVID-19 pandemic and other natural disasters, they can increase the poverty rate. Based on these conditions, it is important to further develop a comprehensive policy regarding national development so that the concept of SDGs can be implemented in the development agenda both nationally and locally. Poverty is a multidimensional problem that cannot be solved partially. Therefore, the central government and local governments along with all components of development are responsible for carrying out poverty alleviation through the empowerment of the potentially available resources.

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