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Poverty Management Based on Economic Independence in Indonesia

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Abstract:- This type of qualitative research through a phenomenological approach, while the results of the study show that poverty affects various development sectors, thus giving an influence on economic development both from the micro scale and macro level, the conditions and causes of poverty are very complex, diverse so that the handling of poverty varies according to natural conditions environment, education and cultural culture of the local community, to overcome poverty a poverty alleviation program is needed that synergizes with each other and involves the government, the community, the private sector, the world of education and all stakeholders in Indonesia.

Keywords:- Poverty, Economy, Independence, Policy, Private Sector.

I. INTRODUCTION

Indonesia is a country that has a large population in Asia. In 2010 Indonesia's population was 237.6 million (BPS, 2010), estimated to increase every year. High population growth should contribute positively to economic activity. But in reality, the high population growth actually has a quite serious impact. This situation, which shows that the population continues to increase, actually triggers various problems, one of which is the problem of poverty. Poverty is a serious phenomenon facing Indonesia today.

The problem of poverty is one of the fundamental problems that is the centre of attention of the government in Indonesia because it is quite difficult to overcome it. Sometimes there are times when poverty must really occur because of a condition that forces someone to be poor for example an economic crisis, as well as a lifestyle and culture which actually results in the Indonesian community becoming poor. This is compounded by the large number of households that are around the national poverty line so that many people who, although classified as not poor, are vulnerable to poverty.

Vulnerable poverty is characterized by a large number of Indonesians who live just above the national poverty line. The difference between the poor and almost poor is very small. This is because people who spend between 1 to 2 US dollars per day, but in fact people in Indonesia tend to spend 1.55 US dollars per day. This is also a very high vulnerability to falling into poverty in Indonesia. In addition, a measure of poverty based on income is also a cause of poverty in Indonesia.

Measures of poverty based on income consider the welfare dimension. However, this measure does not actually reflect the actual poverty line. Because, many people who may not be classified as poor in terms of income can be categorized as poor on the basis of lack of access to basic services and low indicators of human development. This is supported by the low Human Development Index (HDI) in Indonesia ranked 109 out of 175 countries measured (United Nations Development Program, 2007) a sign that the relatively low quality of life for most Indonesians is a crucial problem and has not yet gotten a way out. In addition, differences between regions are also a fundamental feature of poverty in Indonesia.

A. Problem Formulation

➢ What is the current condition of poverty in Indonesia?
➢ What are the policies for handling poverty in Indonesia?

II. LITERATURE REVIEW

A. Poverty

The poverty line based on the minimum household needs is worth 2,140 kg of rice per person per year in the countryside and 360 kg of rice per person per year in the city area. The determination of this poverty line which is equivalent to the value of rice is intended to be able to compare the level of life between times and the difference in prices of basic price needs between regions. Sajogyo's opinion in the following period could be criticized by Both and Sundrum, because in reality rice is not a basic necessity for poor rural people, especially on Java (Sajogyo, 1997).

The World Bank defines absolute Poverty as living with income below USD $ 1 / day and medium poverty for income below $ 2 per day, with this limit then estimates in 2001 1.1 billion people in the world consume less than $ 1 / day and 2.7 billion people in the world consume less than $ 2 / day. The proportion of the population of developing countries living in extreme poverty has fallen from 28% in 1990 to 21% in 2001. Looking at the period 1981-2001, the percentage of the world's population living below the $ 1 / day poverty line has halved. However, the value of $ 1 also decreased in that period. Although the most severe poverty is found in the developing world, there is evidence of poverty in each region. In developed countries, this condition presents homeless people who wander to and fro and poor suburban areas. Poverty can be seen as a collective condition of the poor, and in this sense the whole country is sometimes considered poor. To avoid this

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stigma, these countries are usually referred to as developing countries.

Meanwhile, according to the Central Bureau of Statistics (2007) so that someone can live a decent life, fulfilling food needs alone will not be enough, therefore it is also necessary to fulfil basic needs not food, such as housing, education, health, clothing, and various other goods and services. In summary, the poverty line consists of two components, namely the food and non-food poverty lines.

B. Factors Causing Poverty

➤ The causes of poverty according to Paul Spicker (2002, Poverty and the Welfare State: Dispelling the Myths, A Catalyst Working Paper, London: Catalyst.) Causes of poverty can be divided into four schools:

- Individual explanation, caused by the characteristics of the poor themselves: lazy, wrong choices, failure to work, congenital disabilities, not ready to have children and so on.
- Familial explanation, due to hereditary factors, where between generations there is repeated misfortune, especially due to education.
- Subcultural explanation, due to behavioural characteristics of an environment that results in morale from the community.

Structural explanations, regard poverty as a product of society that creates imbalances by differentiating status or rights.

➤ Factors that cause poverty according to Sharp et al. (Sharp, A. M., Register, C.A., Grimes, P.W. (2000), Economics of Social Issues 14th edition, New York: Irwin / McGraw-Hill) includes:

- *Low Quality of the Workforce.*
  One of the causes of poverty is due to the low quality of the workforce. The quality of the workforce can be seen from illiteracy rates. For example the United States only has an illiteracy rate of 1%, compared to Ethiopia which has a rate above 50%.

- *Difficult Access to Capital Ownership.*
  Little capital ownership and the ratio between capital and labour (capital-to-labour rations) produce low productivity which ultimately becomes a factor in poverty.

- *Low Level of Mastery of Technology.*
  Countries with low technological mastery also have low productivity levels. Low productivity levels cause unemployment. This is caused by failure to adapt more modern production techniques. The low level of technological mastery can be seen from the use of production tools that are still traditional.

- *Inefficient Use of Resources.*
  Available resource-poor countries are not used fully and efficiently. At the household level, the use of resources is usually still traditional, which causes inefficiencies.

- *High Population Growth.*
  According to Malthus' theory, the population has developed according to a series of measures, while food production has developed according to the calculation series. This resulted in overpopulation and lack of food. Lack of food is one indication of poverty.

➤ The causes of poverty according to Kuncoro (2000: 107) as follows:

- In macro terms, poverty arises because of the unequal pattern of ownership of resources which results in an unequal income distribution, the poor have only limited resources and low quality.
- Poverty arises due to differences in the quality of human resources because the low quality of human resources means that productivity is also low, wages are low.
- Poverty arises because of differences in access and capital.

➤ SendalamIsmawan (2003: 102) states that the causes of poverty and underdevelopment are accessibility issues.
  Due to limitations and the availability of access, humans have limited (even non-existent) choices to develop their lives, unless they are forced to do what is currently possible (not what should be done). Thus humans have limitations in making choices, consequently the human potential to develop their lives becomes hampered.

➤ Causes of poverty according to Nazara, Suhaisil (2007: 23) as follows:
  Poverty is always associated with inability to achieve higher education. This is related to the high cost of education, even though the Indonesian government has issued a policy to free up fees at the elementary and junior high school level, but the components of other education costs that must be spent are still quite high, such as book money and uniforms school. The costs that must be spent by poor people to send their children to school must also include costs of loss of income (opportunity cost) if their children work.

- Poverty is also always associated with certain types of work.
  In Indonesia poverty is always related to the employment sector in agriculture for rural areas and the informal sector in urban areas. In 2004 68.7 percent of 36.10 million poor people lived in rural areas and 60 percent of them had major activities in the agricultural sector (Sudaryanto and Rusastra: 2006), this was confirmed by the results of a study conducted by Suryahadi et al. (2006), who found that during the period 1984 and 2002, both in rural and urban areas, the agricultural sector was the main cause of poverty. In the study it was also found that the agricultural sector in the agricultural sector accounted

for more than 50 percent of total poverty in Indonesia and this contrasted sharply compared to the service and industrial sectors. Thus the high level of poverty in the agricultural sector causes poverty among the heads of households who work in the agricultural sector to be higher compared to those who work in other sectors.

- The relationship between poverty and gender.

In Indonesia, the gender dimension in poverty is very pronounced, namely from several poverty indicators such as illiteracy, unemployment, workers in the informal sector and others, the female population has a more disadvantaged position than the male population (ILO: 2004) .

- The relationship between poverty and lack of access to a variety of basic infrastructure services.

A good infrastructure system will increase the income of the poor directly and indirectly through the provision of health services, education, transportation, telecommunications, access to energy, water and better sanitation conditions (Sida; 1996).

- Geographic location.

This is related to poverty because there are two things. First, natural conditions are measured in the potential for soil fertility and natural wealth. Second, equitable development, both related to rural and urban development, or development between provinces in Indonesia. In addition to seeing poverty there are other dimensions, namely non-income dimensions, such as low educational attainment and provision of access to basic services in various regions, especially in the eastern part of Indonesia, this reinforces the existence of gaps based on geographical location. These factors are related to each other which form a vicious circle of poverty (vicious circle of poverty). Poor households generally have low education and are concentrated in rural areas, because of their low education, their productivity is low so that the benefits they receive are not sufficient to meet the needs of food, clothing, health, housing and education. As a result, households are also involved in the next generation. In addition, there are backwardness, market imperfection, and lack of capital.

C. Economic Growth

Economic growth is an increase in the long-term capacity of the state to provide various economic goods to its population which is determined by advances or adjustments in technology, institutions, and ideologies to the various demands of the situation (Simon Kuznet in Todaro, 2004). Whereas according to Boediono, economic growth is a process of increasing per capita output in the long run. Economic growth is closely related to the achievement of per capita output where there are two sides that need to be considered, namely the total output (GDP) and the side of the population.

D. Human Development Indicators

According to BPS, the Human Development Index (HDI) measures human development outcomes based on a number of basic components of quality of life. HDI is calculated based on data that can describe the four components, namely life expectancy representing the health sector, literacy rates and the average length of school measuring the achievement of development in the field of education, and the ability of the purchasing power of a number of basic needs seen from the average per capita expenditure as an income approach that represents development outcomes for decent living. As a measure of quality of life, HDI is built through a basic three-dimensional approach, namely longevity and health, knowledge, and a decent life. To measure health dimensions, life expectancy numbers are used. Furthermore, to measure the dimension of knowledge used a combination of indicators of literacy and the average length of school. As for measuring the dimensions of life, it is appropriate to use Purchasing Power Parity indicators.

➤ *Life Expectancy*

Life Expectancy (AHH) is the average estimated number of years a person can take during life. Life expectancy is calculated using an indirect approach. There are two types of data used in calculating Life Expectancy, namely Children Born Alive (ALH) and Children Still Alive (AMH). Mort pack program packages are used to calculate life expectancies based on ALH and AMH data input. Furthermore, the trussed method is chosen with the West model that matches the history of population and the conditions of Indonesia and Southeast Asian countries in general (Preston, 2004).

➤ *Education Level*

To measure the knowledge dimension of the population, two indicators were used, namely the mean years of schooling and literacy rates. The average length of school describes the number of years used by residents aged 15 years and over undergoing formal education. Whereas literacy is the percentage of the population aged 15 years and over who can read and write Latin letters of funds or other letters. The calculation process, the two indicators are combined after each is given a weight. The average length of school is given one-third weight and literacy rates are given two-thirds.

For the calculation of the education index, two restrictions are used according to the agreement of several countries. The maximum limit for literacy numbers is 100 while the minimum limit is 0 (zero). This illustrates the condition of 100 percent or all people are able to read and write, and zero values reflect the opposite conditions. While the maximum limit for the average length of school is 15 years and the minimum limit is 0 years. The maximum 15 year limit indicates the maximum level of education equivalent to graduating from high school.

➤ *Decent Living Standards*

A decent standard of living illustrates the level of well-being enjoyed by the population as a result of the increasingly improving economy. UNDP measures decent living standards using measuring living standards that are feasible using adjusted real Gross Domestic Product, while BPS in calculating living standards deserves to use the average real per capita expenditure.

III. RESEARCH METHOD

Type of Qualitative Research through Phenomenology Approach

IV. DISCUSSION

The Central Statistics Agency (BPS) noted that Indonesia experienced the lowest point in terms of percentage of poverty since 1999, which was 9.82 percent in March 2018. With a percentage of poverty of 9.82 percent, the number of poor people per capita expenditure was below the line poverty reaches 25.95 million people. "March 2018 for the first time the percentage of poor people is in one digit. When seen before, it is usually 2 digits, so this is indeed the first time and the lowest," Head of BPS Suhariyanto said at a press conference in his office on Monday (7/16/2018) When compared to the previous period, namely September 2017, the percentage of poverty was recorded at 10.12 percent, equivalent to 26.58 million poor people in Indonesia.

The Government Needs Breakthrough to Overcome Regional Inequality If further detailed, there is a decrease in the percentage of poor people both in urban and rural areas. The percentage of poor people in urban areas as of March 2018 was 7.02 percent, down compared to September 2017 at 7.26 percent. The same is true in rural areas, where the percentage in March 2018 was 13.20 percent, down from the September 2017 position of 13.47 percent. Suhariyanto revealed, a number of factors that influence the poverty rate from September 2017 to March 2018 are general inflation in that period of 1.92 percent and the average per capita expenditure per month for households in the bottom 40 percent which grew 3.06 percent. Also read: 2019 Economic Growth Target, Significant Indonesian Economic Signals Another factor is the cash social assistance from the government which grew 87.6 percent in the first quarter of 2018 or higher than the first quarter of 2017 which only grew 3.39 percent. In addition, also from the prosperous rice program (rostra) and the first quarter non-cash food aid which is distributed according to schedule. "Then because the farmers' exchange rate in March 2018 is above the 100 figure, which is 101.94, and the rice price increase is 8.57 percent in September 2017 to March 2018 which is allegedly causing a decline in poverty not as fast as the period March 2017 to September 2017," said he. The highest poverty If withdrawn, in 1999 Indonesia recorded the highest percentage of poverty, amounting to 23.43 percent, equivalent to 47.97 million poor people. The poverty rate in the following years gradually declined even though it had increased several times over a certain period. "But, in my opinion, we still have a lot of homework, how to make its policies more targeted so that the reduction in poverty becomes more appropriate," Suhariyanto said.

➤ In March 2018, the number of poor people (population with per capita expenditure per month below the Poverty Line) in Indonesia reached 25.95 million people (9.82 percent), a decrease of 633.2 thousand people compared to September 2017 amounting to 26.58 million people (10.12 percent).

➤ The percentage of poor people in urban areas in September 2017 was 7.26 percent, down to 7.02 percent in March 2018. Meanwhile, the percentage of poor people in rural areas in September 2017 was 13.47 percent, down to 13.20 percent in March 2018.

➤ During the period September 2017 – March 2018, the number of poor people in urban areas fell by 128.2 thousand people (from 10.27 million people in September 2017 to 10.14 million people in March 2018), while in rural areas it dropped by 505 thousand people (from 16.31 million people in September 2017 to 15.81 million people in March 2018).

➤ The role of food commodities on the poverty line is far greater than the role of non-food commodities (housing, clothing, education, and health). The contribution of the Food Poverty Line to the Poverty Line in March 2018 was recorded at 73.48 percent. This figure is up compared to the conditions in September 2017, which amounted to 73.35 percent.

➤ Types of food commodities that have a major influence on the value of the Poverty Line in urban and rural areas are rice, filtered clove cigarettes, broiler eggs, chicken meat, instant noodles, and sugar. While non-food commodities that have a large influence on the value of the Poverty Line in urban and rural areas are housing, gasoline, electricity, education, and toiletries.

A. Poverty Inequality between Regions

Diversity between regions is a distinctive feature of Indonesia, which is reflected in the differences between rural and urban areas. In rural areas, there are around 57 percent of the poor in Indonesia who also often do not have access to basic infrastructure services. Only about 50 percent of the poor in rural areas have access to clean water sources, compared to 80 percent for the urban poor. But the important thing is, by crossing the vast Indonesian archipelago, differences will be found in the pockets of poverty within the region itself. For example, the poverty rate in Java / Bali is 15.7 percent, while in Papua it is 38.7 percent. Basic services are also not evenly distributed between regions, due to the lack of facilities in remote areas. In Java the average distance of the household to the nearest health centre is four kilometres, while in Papua it is 32 kilometres. Meanwhile, 66 percent of the poorest fifths in Java / Bali have access to clean water, while for Kalimantan only 35 percent and for Papua only 9 percent. Although the poverty rate is much higher in immature parts of Indonesia and remote areas, most of the poor live in densely populated Western Indonesia. For example, although the poverty rate in Java / Bali is relatively low, these islands are inhabited by 57 percent of the total Indonesian poor, compared to Papua, which only has 3 percent of the total poor population.

This disparity between regions in terms of non-income poverty correlates broadly with poverty levels in the islands. Some provinces that have the highest poverty rates also show the highest number of deprivations. Overall, the provinces of Nusa Tenggara, Bengkulu, West Kalimantan

and Papua lag behind compared to other provinces in an effort to eradicate multidimensional poverty.

B. Poverty Management Policy

In Indonesia, poverty has been a long-standing policy agenda, and various ways have been implemented. The policy objectives are directed at overcoming the problem of poverty, reducing poverty and raising the rank of the poor. A number of policies and programs specifically focus on poverty reduction efforts based on empowerment, infrastructure, and capacity in rural areas, namely the National Program for Community Empowerment (PNPM Mandiri) in Rural Areas, PUAP, PPIP and also programs originating from local governments.

C. National Community Empowerment Program (PNPM Mandiri)

PNPM-Mandiri is the government's mainstay program in accelerating poverty reduction and expanding employment opportunities. In the determination of this program there have been several improvements which can be explained chronologically as follows: (1) Cabinet Meeting on September 7, 2006, where the President established government policies to accelerate poverty reduction and expand employment opportunities through community empowerment; (2) September 12, 2006: Coordinating Minister for People's Welfare, Coordinating Minister for Economic Affairs and related ministers agree "National Program for Community Empowerment (PNPM)" as an instrument in accelerating poverty reduction and expanding employment opportunities; (3) followed up by the Coordinating Minister for People's Welfare proposing to the Minister of Finance for BLM (Community Direct Assistance) fund allocation, Minister of Home Affairs asking Governor, Regent / Mayor to submit location proposals, Bappeas designing PNPM-Mandiri funding and on 30 April 2007 launching PNPM-Mandiri in Palu City , Central Sulawesi Province.

➢ Principles of PNPM-Mandiri

Basically poverty alleviation programs carried out through PNPM-Mandiri, are based on the principles of:

- Community empowerment (community driven development / CDD), strengthening local / community economy, and labour intensive activities;
- Priorities of the poorest and most vulnerable communities in the poorest villages / villages;
- Participatory: involving all villagers;
- Transparency;
- Open Menu: groups can determine their own development activities but are not listed in the negative list.
- Competitive: villages in the sub-district must compete to improve the quality of activities and cost effectiveness.
- Broader to the community Decentralization: management and return of decisions at the local level.
- Simple: there are no complex procedures;

- Funding: co-sharing between the central government, regional government and community groups.

➢ PNPM-Mandiri Approach

It is realized that poverty reduction will be able to achieve optimal results if it has been able to involve participation from the community. Therefore the program to be implemented is based on an approach that is able to encourage the community to participate proactively in the program. To support these efforts, the approach to be taken is as follows:

- The sub-district base is the community program locus as the main actor;
- Giving wider authority to the community in development decision making.
- Synergy between the community and the government in poverty reduction.
- Utilizing local potential and resources according to regional characteristics.
- Applying a local cultural approach to the development process.

➢ Activity Components

PNPM in its implementation is supported by several main activity components, including:

- *Community Development:*
  Activities to build community critical awareness through reflection of poverty, mapping problems, potential and needs, participatory planning, community organizing, resource use, monitoring, and maintenance of development outcomes.

- *Community Direct Assistance:*
  Stimulant funds as a means to implement activities planned by the community. Especially for underdeveloped villages Rp250 million is allocated per village.

- *Government Capacity Building:*
  Mentoring for local government in facilitating community activities.

- *Program Management and Development Assistance:*
  Activities to support the government and various other caring groups in managing program activities, quality control, study and evaluation activities, and for program improvement and development.

- *Poverty Alleviation Policy Based on Economic Independence*

D. Making Economic Growth Work for the Poor

Economic growth will and has become the basis for poverty reduction. First, the steps to make growth beneficial to the poor are key to efforts to connect the poor to the growth process, both in rural-urban contexts or in various groupings based on regions and islands. This is very basic in dealing with aspects of inequality between regions. Second, in addressing the vulnerability

characteristics of poverty related to the dense concentration of income distribution in Indonesia, anything that can increase population density will be able to quickly reduce poverty and vulnerability to poverty. the solution is to:

- *Increased Agricultural Productivity*

This can occur due to increased productivity in small-scale agriculture or due to a shift towards commercial agriculture. Increasing agricultural productivity as a result of the green revolution was one of the main triggers for three decades of growth that began in the 1970s. Today, high world commodity prices have supported output growth, while the shift in labour out of the agricultural sector has maintained labour productivity in agriculture. As a result, the diagnosis of poverty shows that increasing income in the agricultural sector remains the main driver for reducing poverty. Panel data between 1993 and 2000 showed that 40 percent of agricultural workers in rural areas were able to get out of poverty by continuing to work in the rural agricultural sector. That is with three priority fields:

- ✓ Carry out Agricultural Revitalization and Agricultural Productivity Improvement.
- ✓ Remove restrictions on rice imports.
- ✓ Launch a rural road construction program.

- *Increase in Non-Agricultural Productivity*

In this case, the transition through rural non-agricultural enterprises is an important stepping stone to move out of poverty, either through efforts to connect rural businesses to the process of urban growth, or more importantly by including businesses in rural areas of the city into urban areas . Between 1993 and 2002, the share of non-poor workers in rural non-farm employment fields increased by 6.7 percentage points, indicating that increasing non-agricultural productivity in rural areas is an important way to get out of poverty. after all, many of these rural areas turned into urban areas at the end of that period, which showed a complementary role between urbanization and increased productivity. Along with growth, Indonesia's economy is changing from an economy that relies on the agricultural sector to an economy that will rely more on the service and industry sectors.

E. *Making Public Services Useful for Poor People*

Making services useful for the poor requires improving the system of institutional accountability and providing incentives to improve human development indicators. Poor service provision is at the core of the problem of low human development indicators, or poverty in the non-income dimension, such as poor health and education services. According to survey data, 44 percent of the poorest fifth households that have school-age children have difficulty paying the cost of junior high school education. For every child in junior high school, the poor pay 7.2 percent of their total expenditure. On the demand side, to address this problem the government should consider targeted transfer programs, such as scholarships or conditional cash transfers for junior high school (and vocational high school) education. The capacity of junior

high schools in Indonesia is only able to provide an average learning opportunity to around 84 percent of the age group 13 to 15 years. Meanwhile, the huge disparity between regions in these indicators reflects differences between regions in access to these services. The government needs to focus on efforts to create services that are beneficial for the poor, to address the multidimensional aspects of poverty as well as large regional disparities in these indicators. In addressing the multidimensional aspects of poverty, efforts should be directed at improving the provision of services, specifically improving the quality of the service itself. Along with international integration, Indonesia's social protection system is being modernized so that in the Indonesian social field it is more equal and in a more competitive economic environment.

F. *Weakness of Poverty Reduction Policy*

The various weaknesses of the current poverty reduction program are as follows:

- The program has not become the main solution to the causes of poverty faced by poor groups / people.

Poverty is a political, social, economic, and cultural phenomenon that is multidimensional and complex, and has unique and specific characteristics. It is unique because it has three characters. First, the causes of poverty are not the same between regions or between one village and another village. Second, every group or poor person living in the village has a specific cause of poverty that they face. Third, poverty is also a socio-economic and political and cultural phenomenon, which is not merely a regional phenomenon. Those three characters are not the paradigmatic foundation in policy and in implementing the current poverty reduction program.

- The main target of the policy (program) is the area and the village community at large.

This caused the program to spread to the community of citizens sporadically, and not to the poor because the program was not specifically for the poor, but for the wider community. The broad meaning shows that empowerment-based programs are not specifically intended for the poor, but rather in rural communities. So that the program provided is less able to answer the problems faced by the poor. Ideally, a program is prepared on the basis of the causes of poverty faced by groups of poor people.

- The program's emphasis on the dissemination and learning of political rights for the poor, with the degree of complexity of the participatory planning process based on competition.

Empowerment-based programs, infrastructure and capacity in rural areas are dominated by efforts to learn political rights, assuming that if poor people are involved in the planning, implementation and monitoring of programs, they will indirectly be able to solve the poverty they face. In practice, the existence of poor people is actually eliminated when determining the program because the program is determined in a competitive manner. Village meetings (MD) tend to be a battleground between inter-

hamlet representatives, established groups, and not as a main place for poor groups to determine their own destiny.

- Less programs can reach empowerment for the main target group (poor people).

The dominance of the program in the efforts to learn about the political rights of citizens and focus too much on infrastructure has led to the lack of empowerment efforts for poor groups / people. Even — poor groups / people — find it difficult to access empowerment program funds (capital and savings and loans) because there are concerns that they cannot return the funds and if they do not return, the program will be terminated.

The lack of empowerment concepts from PNPM Mandiri, PUAP and PPIP - led to weak innovations in developing programs to tackle poverty. This is reflected in the concentration of the program to build things that are not the main objective, such as building road alleys in villages or roads in the middle of rice fields, but leaving the main substance in an effort to empower poor groups at the village level.

- Empowerment distortion process occurs, when "empowering" is identical to giving a little income or additional income because poor people involved in the program are paid.

This program is not a solution, because the program must be encouraged and directed to give birth to an economic capability and capability for the poor. This process is only possible when access to capital is opened and facilitated for the poor. In practice, poor groups have difficulty accessing capital because the requirements of those entitled to obtain capital are groups of people who already have "initial capital". Meanwhile, one of the poor people is characterized by lack of capital. How can there be a requirement (requirement for poor groups) when they will access program funds used for capital or establish a business. This condition is commonly found in the implementation of PNPM, PUAP, and PPIP programs.

V. CONCLUSION

One of the problems in the development economy in Indonesia is the level of poverty spread across major cities in Indonesia, which until now is still a homework for the government, the difference between poor people in one region and another, requires different handling policies, this is due by various factors, if we look at poverty in Makassar, that however poor and difficult the poor people in Makassar are they still have permanent housing, while in the city of Jakarta the poor there tend to move to move and many have no place to live, so their lives are mostly spent on the roadside and a number of places in remote areas of Jakarta, for that policy of handling poverty on the island of Java may not necessarily be applied in other areas outside Java.

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