

ACCELERATION OF EXTREME POVERTY REDUCTION IN EAST JAVA AFTER THE PANDEMIC COVID-19

Diana Rapitasari¹, I Made Bagus Dwairta², Andhika Paratama Herlambang³

Economic and Business Faculty, University of Bhayangkara Surabaya¹

Economic and Business Faculty, University PGRI Adi Buana Surabaya²

Regional Planning and Development Agency for East Java Province³

Email: diana@ubhara.ac.id¹, madebagus@unipasby.ac.id², ap_herlambang@yahoo.com³

Abstract : Poverty is associated with a wide range of contraproductive economic behaviors. Scarcity theory proposes that poverty itself induces a scarcity mindset which subsequently forces the poor into suboptimal decisions and behaviors. The purpose of our work is to provide an integrated, critical review of this theory. To this end we review causes the potential for the deepening of the poverty gap that occurs in society, especially Indonesia. Indonesia is also one of the countries that has been affected by its economy and this has led to a wider level of poverty faced by a country. According to official data from the Central Statistics Agency, the poverty rate of East Java Province in the period March 2016 - March 2021 has various conditions both in urban and rural areas, the percentage of rural poverty in East Java is estimated to fall 0.11 percent in September 2020 - March 2021. The number of rural poor East Java decreased by 33,330 people in the period September 2020-March 2021. The method used in this study is a descriptive qualitative method where the research describes and explains the conditions of poverty that occur in Indonesia in general and the province of East Java in particular. The research is supported by the presentation of data which is the result of calculations by the relevant local government agencies. The proposed program for 2022 in East Java Province is an electrification program, renovation of livable houses, social assistance for productive economic businesses with joint business groups, and a women's business empowerment program

Keywords : *Poverty, Extreme Poverty, Government Programme*

1. Introduction

The pandemic conditions that have been faced for almost two years since 2020 in all parts of the world inevitably have an effect on economic conditions. This causes the potential for the deepening of the poverty gap that occurs in society, especially Indonesia. Indonesia is also one of the countries that has been affected by its economy and this has led to a wider level of poverty faced by a country. According to official data from the Central Statistics Agency, the poverty rate of East Java Province in the period March 2016 - March 2021 has various conditions both in urban and rural areas, the percentage of rural poverty in East Java is estimated to fall 0.11 percent in September 2020 - March 2021. The number of rural poor East Java decreased by 33,330 people in the period September 2020-March 2021.

While the percentage of urban poverty in East Java rose 0.01 percentage points in the period September 2020 - March 2021 with the number of urban poor in East Java increasing

by 20,080 people based on data from September 2020 - March 2021. This shows a separate phenomenon that in general the resilience of the economy during the pandemic is stronger in rural areas compared to urban areas because in the midst of the Covid-19 pandemic, rural communities are relatively more resilient independently than urban areas. Rural communities are mostly engaged in the agro-agricultural sector in general, while urban areas depend on the trade and service sectors.

2. Research Method

The method used in this study is a descriptive qualitative method where the research describes and explains the conditions of poverty that occur in Indonesia in general and the province of East Java in particular. The research is supported by the presentation of data which is the result of calculations by the relevant local government agencies.

3. Result and Discussion

3.1 Result

Table 1.
Poverty Rate (%)

	Poverty Rate (%)				
	March 2019	Sept 2019	March 2020	Sept 2020	March 2021
Village	14,43	14,16	14,77	15,16	15,05
Village + City	10,37	10,2	11,09	11,46	11,4
City	6,48	6,77	7,89	8,37	8,38

Source : Official statistic news no 44/35/Th.XIX,15 Juli 2021

From the table above, it can be explained that there is an increase in the percentage of the overall poverty rate from each period from 2019 and 2020, especially in March and September.

Table 2.
Amount Poor Citizen (Million)

	Poverty Rate (Million)				
	March 2019	Sept 2019	March 2020	Sept 2020	March 2021
Village + City	4,11	4,06	4,42	4,58	4,57
Village	2,66	2,62	2,74	2,76	2,73
City	1,45	1,44	1,68	1,82	1,84

Source: official statistic news no 44/35/Th.XIX,15 Juli 2021

Table 3.
Percentage Rate Poverty Citizen of East Java

No	Poverty Citizen (March 2020)		
	Districts	Percentage	Amount
1	Sampang	22,78	224,740
2	Bangkalan	20,56	204,000
3	Sumenep	20,18	220,230
4	Probolinggo	18,61	218,350
5	Tuban	15,91	187,130

6	Ngawi	15,44	128,190
7	Pamekasan	14,6	129,410
8	Pacitan	14,54	80,820
9	Bondowoso	14,17	110,240
10	Lamongan	13,85	164,680

Source : Central Bureau of Statistics East Java, March 2020

From the table above, it can be explained that the most poverty district is came from Madura Island which is Sampang, Bangkalan, and Madura which donate the amount of percentage until 60% in year 2020.

3.2 Discussion

The definition of poverty according to Nurwati (2008) is a social problem that continues to exist in people's lives which is a condition of economic inability to meet the standard of living of the average community in an area where this inability is characterized by low income ability to meet basic needs in the form of food, clothing, as well as boards. Poverty also means a lack of social needs including social isolation, dependence and the inability to participate in decent community life (Khomsan et al, 2015: 2).

Normally, impeded admittance to the resources changes the attention on poverty, and it diminishes the capacity of person to change accessible beneficial assets to a better quality of life (Adeyeye, 1987). A person is viewed as poor if either expenditure or income falls underneath some least level that characterizes basic necessities in each society called the poverty line. It is not equivalent everywhere because it is comparative with what is the standart in a specific nation.

The Central Statistics Agency for Indonesia defines poverty as the inability to meet the minimum standard of basic needs which includes food and non-food needs. BPS calculates the poverty rate through the level of population consumption of basic needs. With this approach, poverty is defined as the inability from an economic point of view to meet basic food and non-food needs (Khomsan, et.al, 2015:12).

Causes of poverty. Instead of one determinant or cause, the poverty is caused by the combination of several complex factors, for instance low productivity and low wages ithe informal secto, inappropriate macroeconomics policies, deficiencies in the labor market resulting in the limited job growth, low or negative economic growth and a lag in human resource development.

Meanwhile, extreme poverty by definition is a condition where people's welfare is below the extreme poverty line equivalent to USD 1.9 PPP where extreme poverty is measured using a absolutely poverty measure that is consistent between countries and time. Indonesia's extreme poverty level is 4%, which is this serious attention from the government so that it can be addressed immediately before it gets worse.

The President of the Republic of Indonesia on March 4, 2021 stated at a limited meeting the strategy for accelerating poverty alleviation that extreme poverty (extreme poverty) in 2024 can reach 0% where the most important thing is data validation regarding the identity of the very poor population which reaches 9.91% million people. Validation of data to include appropriate names and locations, this is intended so that poverty alleviation strategies must be consolidated, integrated and on target. So that the Ministry of Social Affairs must continue to coordinate in managing and updating DTKS.

At a limited meeting on strategies for reducing chronic poverty which was held on July 21, 2021, it was stated that despite facing a pandemic, the government's efforts to deal with extreme poverty must not stop so that poverty in 2021 can reach 0%, acceleration of handling extreme poverty must be carried out in an integrated manner through collaborative interventions. The government should also ensure intervention in the education sector. Health, and clean water are acceptable. Sharpen the database for targeting accuracy and acceleration efforts as well as ensuring the involvement of the private sector to act as an off-sector product for the extreme poor so as to increase income. The focus areas for poverty alleviation are in 5 districts/cities in 7 provinces, namely: West Java, Central Java, East Java, NTT, Maluku, Papua, and West Papua.

Indonesia's extreme poverty in 2021 is 4% of the total population of Indonesia or 10.86 million, while the extreme poverty of East Java is 4.4% with the number of extreme poor people amounting to 1,746,990. That number is 38.20% of the total poor population in East Java. National extreme poverty and East Java where people have per capita expenditure per day below US 1.9 Purchasing Power Parity, calculated by the World Bank by comparing commodity prices between countries. For Indonesia US \$ 1.9 PPP. The 2021 national extreme poverty line is 358,232 Rupiah/capita/month (conversion from 1.9 \$PPP).

Table 4.
Ekstreem Poverty National Versus East Java

	NATIONAL		EAST JAVA	
	2020	2021	2020	2021
Percentage Exxtreme Poor Citizen	3,9 %	4 %	4,5 %	4,4 %
Percentage Poor Citizen	9,78 %	10,14 %	11,09 %	11,40 %
Amount Extreme Pool Citizen	10,54 Million	10,86 Million	1.812.210	1.746.990
Amount Poor Citizen	26,42 Million	27,54 Million	4.419.100	4.572.730

Table 5.
Poverty Rate on National

No	Amount Poor Citizen (March 2020)		Jumlah Poor Citizen (March 2021)	
	District	Percentage (%)	District	Percentage (%)
1	Papua	16,94	Papua Barat	13,60
2	Papua Barat	13,35	Papua	13,10
3	Nusa Tenggara Timur	11,03	Nusa Tenggara Timur	9,50
4	Maluku	8,43	Maluku	8,20
5	Gorontalo	8,17	Aceh	6,90
6	Bengkulu	6,17	Gorontalo	6,70
7	Sulawesi Tengah	6,02	DI Yogyakarta	6,20
8	Aceh	6,01	Bengkulu	5,70
9	Nusa Tenggara Barat	5,57	Sulawesi Tengah	5,70

10	DI Yogyakarta	5,34	Sumatera Selatan	5,50
11	Sumatera Selatan	5,32	Sulawesi Tenggara	5,30
12	Lampung	5,03	Nusa Tenggara Barat	4,70
13	Sulawesi Tenggara	4,80	Jawa Tengah	4,40
14	Jawa Timur	4,55	Jawa Timur	4,40
15	Sulawesi Barat	4,47	Lampung	4,00

Source : Susenas, BPS, 2001

Location to be Focus in handling extreme poverty 2021

The government made efforts to reduce extreme poverty with each province as many as 5 districts/cities with a total of 35 districts/cities throughout Indonesia, of which 5 sub-districts were selected for each district and 5 villages were selected in each sub-district.

The focus of the province's location for handling extreme poverty is East Java, Central Java, West Java, NTT, Maluku, Papua, and West Papua with an initial stage of 5 districts and the next stage is 25 districts/cities.

The program to accelerate extreme poverty reduction in five priority districts, namely Bojonegoro, Lamongan, Bangkalan, Sumenep, and Probolinggo in 2021 is directed at three program strategies, namely:

1. Lowering expenses
2. Increase income
3. Minimize poverty enclaves

Table 6.
Poverty Alleviation Acceleration Programe

Tujuan Program	Bangkalan		Bojonegoro		Lamongan		Prpbolinggo		Sumenep	
	Anggaran (Rp)	Program	Anggaran (Rp)	Program	Anggaran (Rp)	Program	Anggaran (Rp)	Program	Anggaran (Rp)	Program
Menurunkan Beban Pengeluaran	105.910.585.166	11	346.370.826.850	13	423.785.572.315	7	314.453.639.185	3	126.839.906.481	15
Meningkatkan Pendapatan	1.432.716.950	9	122.067.976.550	5	6.688.529.000	6	11.911.856.200	15	38.077.618.287	22
Meminimalkan Wilayah Kantong Kemiskinan	50.292.379.750	6	1.977.069.315.381	3	12.161.104.000	3	123.900.920.475	5	196.070.800.890	13
Jumlah	157.635.681.866	26	2.445.508.118.781	21	442.635.205.315	15	450.266.415.860	27	360.988.325.658	50
Jumlah Penduduk Miskin	204.000 Jiwa	20,56 %	161.100 Jiwa	12,87 %	164.680 Jiwa	13,85 %	218.350 Jiwa	18,61%	220.230 Jiwa	20,18 %
Jumlah Penduduk Miskin Ekstrem	123.490 Jiwa	12,44 %	50.200 Jiwa	6,05 %	87.620 Jiwa	7,37 %	114.250 Jiwa	9,74 %	130.750 Jiwa	11,98 %
Lapangan Pekerjaan	Sektor Pertanian	59,96 %	Sektor Pertanian	43,62 %	Non Industri	57,10 %	Non Industri	64,20 %	Sektor Pertanian	66,67 %
penduduk miskin ekstrem memiliki akses thd kredit/pembiayaan	3,06 %		23,89 %		18,09 %		22,34		5,52 %	
penduduk miskin ekstrem memiliki rekening tabungan	18,16 %		29,05 %		17,22 %		12,60 %		8,84 %	

Source : Bappeda East Java, 2021

The East Java Provincial Government with a program plan to accelerate extreme poverty reduction in 2022 with a focus on each regional apparatus organization, namely:

1. Focus on reducing expenses
 - a. Social services
 - b. Public health Office

- c. Education authorities
- d. Department of Transportation
- e. People's Welfare Administration
- 2. Increase income
 - a. Social services
 - b. Community and village empowerment office
 - c. Department of agriculture and food security
 - d. Department of Marine Affairs and Fisheries
 - e. Department of Industry and Commerce
 - f. Plantation Service
 - g. Forestry Service
 - h. Animal husbandry Department
 - i. Cooperatives and SMEs
 - j. DP3AK
 - k. Department of Manpower and Transmigration
- 3. Minimize poverty enclaves
 - a. Department of Energy and Mineral Resources
 - b. housing office
 - c. DPMD
 - d. Disputpar
 - e. Public Works Department of Highways

The proposed program for 2022 in East Java Province is an electrification program, renovation of livable houses, social assistance for productive economic businesses with joint business groups, and a women's business empowerment program (Jatim Puspa). While the best practice for the East Java provincial government program is that the recipients of social assistance are East Java people aged 70 years and over in the PKH program and the value of assistance is Rp. 2,000,000 per person per year given in 4 stages, each stage is Rp. 500,000, - with a total amount of Rp. recipients of 50,000 people in 15 districts/cities with the poorest population. The total budget is one hundred billion rupiah in one year. The realization that was achieved was stage 1: Rp 20,424,500,000 (40,849 people), stage II Rp 18,642,000,000 (37,284 people) distributed on the 1st and 2nd week of July 2021 while phase III: Rp 17,860,500,000 (as many as 35,721 people) distributed in September and Phase IV will be held in December.

JATIM PUSPA Progame

In support of the poverty alleviation program, assistance is distributed with a value of Rp. 2,500,000/year and the number of recipients is 5,298 people in 176 villages and the total budget is Rp. 15.62 billion. The realization of 4,733 KPM, 157 villages in September 2021 with 30 districts/cities amounting to Rp. 13,914,875,000, - the rest is still in the verification and improvement process.

BERDAYA VILLAGE Program

This program targets independent village recipients for thematic village development with an assistance value of Rp. 100,000,000 per village and the number of recipients is 151 villages and the total budget is Rp. 15.1 billion. The realization that was absorbed was 37 villages as

of September 2021 in 12 regencies/cities amounting to Rp. 3,700,000,000, of which the rest was still in the process of verification and filing for disbursement.

BUMDES DEVELOPMENT PROGRAM

This program uses BUMDes recipients to increase capacity and capital with an assistance value of Rp. 75,000,000 per unit and a total of 202 BUMDesa recipients and a total budget of Rp. 5.1 billion, of which 126 BUMDesa realized as of September 2021 in 23 districts of Rp. 9,450,000,000. the rest is still in the process of verification and filing for disbursement.

4. Conclusion

The results of the discussion between the East Java Provincial Government, BPS and the 5 Regents The priorities for extreme poverty are as follows:

- 1) A survey has been carried out by the BPS for East Java from September 2020 to March 2021 with the results that it has been stated that the progress of poverty reduction in East Java is on track where the results from September 2020 to March 2021 fall.
- 2) In nominal terms, the extreme poverty rates of the three provinces in Java have almost the same poverty rate in the range of 1.7 million, which is natural for the three provinces in Java to become pilot projects of priority for reducing extreme poverty/poverty.
- 3) The Central Statistics Agency can dissect the Susenas data in the analysis under extreme poverty of 1.9 US\$ PPP and it can be mapped to districts and cities to continuity with a decile approach but different figures come out with DTKS and each district/city can access DTKS data for each -deciles 1,2,3 and 4. However, it will be difficult to trace by name by address.
- 4) It is assumed that decile 1 should all receive assistance, if not, it will become a short-term homework for handling extreme poverty where there is an anomaly in the extreme population number which will be further investigated. So that there needs to be clarification or certainty regarding additional quotas if there are those who must be included in the assistance who are considered not to have received assistance.
- 5) Five sub-districts have been selected based on the highest DTKS proportion in each of the five pilot project districts. And for the fourth quarter, programs from the center are ready to be allocated

References

- Adeyeye, V. A, & Ajakiye, D. D, 1999, Concept, Measurement, and Causes of Poverty
- Bibi, S, 2005, Measuring Poverty in a Miltidimensional Perspective : A Review of Literature
- Blackwood, D. L, & Lynch, R. G, The Measurement of Inequality and Poverty: A Policy makers guide to the literature, World Development, 22, 4.
- Central Bureau of Statistics East Java, March 2020
- Development Planning Agency East Java Province
- Economic and Social Council, 2017, Prospects for Poverty Reduction in Asia and the Pacific Progress, Opportunities and Challenge, Especially in Countries with Special Needs
- Eskelinen, T, 2011, Absolute Poverty. In Chatterjee D. K, Encyclopedia of Global JusticeSpringer, Dordrecht.
- Official statistic news no 44/35/Th.XIX,15 Juli 2021
- Susenas, Central Bureau of Statistics, 2021
- Nurwati, 2008, Pengertian Kemiskinan