Poverty Alleviation Efforts through MDG’s and Economic Resources in Indonesia

Samson LAURENS¹, Aditya Halim Perdana Kusuma PUTRA²

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Abstract

The objective of this study is to examine and provide guidelines for regional governments, communities, and the private sector in planning and implementing poverty-reduction activities that are more effective, efficient, and targeted. Besides, this research’s specific aims are: 1) increasing the rate of regional economic growth through optimization of potential sources of local income, 2) increasing per-capita income, and 3) reducing poverty, unemployment, and social-economic inequality of the community. The study was conducted in North Morowali District, Central Sulawesi Province, Indonesia, in 2018-2019. The research approach used quantitative and qualitative descriptive analysis. Data sources include sources from the Focus Group Discussion (FGD) and Regional Statistics. The results of this study are based on the Millennium Development Goals (MDG’s) indicators that there are four priority scales in poverty reduction, namely, Health and Infrastructure (Priority I), Education (Priority II), Food stability (Priority III), and Population and Employment (Priority IV). Therefore, as a solution to poverty alleviation strategies, the cost approach through regional economic optimization and local income sources and community empowerment factors are essential. Apart from that, the involvement between elements (government, organizations, society, universities, and institutions) is expected to continue as an effort to realize poverty reduction can be optimally overcome.

Keywords: Millennium Development Goals, Social welfare, Macro Economics, Economic Policy

JEL Classification Code: D00, D04, D31, D6

1. Introduction

Poverty is a complicated and complex problem, as well as a disease that is difficult to cure. Poverty in Indonesia has occurred throughout the history of the founding of this country (McCulloch, 2008; Islam & Khan, 1986; Warr & Yusuf, 2014). Poverty is not only meant as a shortage of clothing, food, and shelter. Poverty today is widely understood and covers the fields of economy, health, and education. Even lack of access to information received is also interpreted as poverty. Poverty has made people unable to get quality education, difficulty in financing health, (Gounder & Xing, 2012), lack of savings and investment (Afroz et al., 2020; Adams & Cuecuecha, 2013), lack of access to public services, unemployment (Liyanaarachchi et al., 2016), the lack of social security and protection of families, and the strengthening of urbanization to cities (Fang, 2020). Adverse effects caused by poverty can lead individuals or groups to be willing to sacrifice anything for survival (Anand & Lea, 2011).

One of the efforts in overcoming poverty in Indonesia is based on economic growth. But what happens next is that high economic growth is not followed by equitable distribution of income across all strata of society. There is a trade-off between growth and equity and, then, it creates an imbalance between the distribution of income from...
the development itself. The economic crisis in Indonesia in 1998, not only had a significant impact on the national economy, but also included an increase in the poverty rate of the community, which had risen from 17.57% (31.01 million people) to 49.50 million people (24.23%) in 1996. Therefore, in its efforts to reduce poverty due to the economic crisis, the Indonesian government set poverty-reduction efforts as one of its priorities (TNP2K.go.id, 2015). The poverty-alleviation program that has been carried out has provided a significant change that can reduce the poverty rate initially from 23.43% to 12.49% in 2011. The success in reducing the percentage of poor people is an achievement that is appreciated by the world, because Indonesia can reduce the average rate of the sparse population by 0.8% per year when compared to the successes of several other countries such as Cambodia, Thailand, China and Brazil, which are only able to reduce by 0.1% per year.

In 2010, as an effort to improve the effectiveness of poverty reduction efforts, by executive order, the Indonesian president issued Presidential Regulation No.15 of 2010 concerning the Acceleration of Poverty Reduction, which contains four basic strategies in accelerating poverty reduction, namely: 1) improve social protection programs; 2) increasing access of the poor to essential services; 3) community empowerment; and 4) inclusive development. Furthermore, through Presidential Instruction No. 7 of 2014 concerning the Implementation of the Family Welfare Savings Program, the Smart Indonesia Program and the Healthy Indonesia Program to Build Productive Families as well as Presidential Regulation Number 166 of 2014 concerning the Program for the Acceleration of Poverty Reduction, the Government has established a social protection program, which includes: 1) Prosperous Family Savings Program; 2) Smart Indonesia Program, and 3) Healthy Indonesia Program.

In its journey to support the smooth implementation of poverty alleviation programs, the Government formed the National Team for the Acceleration of Poverty Reduction (TNP2K), explaining that the role of TNP2K in poverty alleviation was a policy and program of the central government and regional governments carried out systematically, planned and in synergy with the world efforts and communities to reduce the number of poor people to improve the degree of the welfare of the people. Was then added poverty alleviation programs to increase the welfare of the poor through social assistance, community empowerment, empowerment of micro and small economic businesses, and other programs to increase economic activity. Funding for the implementation of the poverty alleviation acceleration program originates from the state/regional budget, and other non-binding funding sources following statutory provisions.

As a Regency, which has separated itself and the government structure since April 2013 from the previous Regency (Morowali), namely, North Morowali Regency, data collected through the North Central Morowali Regency Statistics Agency in 2017 illustrates the Original Revenue of North Morowali Regency in 2013 amounting to IDR39,134,372,089, increasing in 2014 to IDR40,673,134,304, then decreasing in 2015 to IDR20,000,000,000 and increasing again in 2016 to IDR37,206,044,507. The Regional Original Income (PAD) is derived from several regional incomes in the form of retribution and local taxes as well as other legitimate revenues as well as the dominant revenue composing the North Morowali Regency PAD, namely, the Regional Autonomy Adjustment Fund, the Tax Revenue Sharing Fund from the Province and the Financial Assistance from the Province or Regional Government. The dominant direct regional expenditure is Capital Expenditure, Goods and services Expenditure, and Personnel Expenditure. There are several potential natural resources such as agriculture, plantation, animal husbandry, fishery, forestry, mining industry, construction, and energy, trade, transportation, and communication, which are asked to contribute to the process of accelerating poverty reduction.

Therefore, a systematic, planned, and well-directed way to reduce poverty is needed that is set out in a strategic plan to be translated into programs and activities that are ready to be implemented. With the existence of a strategic plan that matches the resource potential and poverty conditions in North Morowali District, poverty-alleviation strategies and programs can be more targeted, focused, and measurable in their performance levels. The general objective of this study is to provide guidelines for regional governments, communities, and the private sector in planning and implementing poverty-reduction activities that are more effective, efficient, and targeted. Specifically, this study also aims to encourage the achievement of the goals and targets of economic development in North Morowali Regency until 2028, namely, 1) increasing the rate of regional economic growth through the optimization of potential sources of local income, 2) rising per capita income, and 3) reducing poverty, unemployment, and social and economic inequality in society.

2. Literature Review

2.1. Economic Policy and Poverty Reduction Strategy

Comprehensive poverty-reduction requires various stakeholders (i.e., central government, regional government,
business, and community) (Nguyen & Nguyen, 2019; Nazir et al., 2020; Chamidah et al., 2020) coming up with forms of poverty alleviation and realizing the acceleration of poverty reduction in Indonesia by formulating four leading principles. The first principle is to improve and develop social protection systems (Warr, 2005; Skoufias, 2001; Aspinall, 2014). In addition to facing the high potential for social vulnerability, Indonesia is also faced with the phenomenon of increasing population aging in its demographic structure. It is feared that this will create an economic burden on the younger generation to bear them or a high dependency ratio.

The second principle in poverty alleviation is to improve access of poor communities to essential services. Access to education services (Fahrudin & Yusuf, 2016), healthy (Aspinall, 2014), clean water and sanitation (Patunru, 2015), and food and nutrition will help reduce the costs that must be incurred by the poor (Warr, 2005). One of the most important forms of increasing access to basic services for the poor is increasing access to education (Wedgwood, 2007; Hayman, 2007; Aref, 2011). Education must be prioritized, given that education is an effective way for people to get out of poverty in the long run.

The third principle is an effort to empower the poor that aims to increase the effectiveness and sustainability of poverty reduction (Chamidah et al., 2020; Park & Wang, 2010). In the effort to reduce poverty, it is very important not to treat the poor as mere objects of development. The importance of implementing strategies with this principle in considering poverty is also caused by injustice and economic structures that do not favor the poor (Suriyanti et al., 2020; Holtemöller & Pohle, 2019; Luo et al., 2020). Income inequality causes economic growth output not to be distributed evenly among all groups of people (Shao et al., 2016). The poor, who are politically, socially, and economically powerless, cannot enjoy development proportionally. The uneven development and income distribution process make more impoverished communities more marginalized, both physically and psychologically (Teka et al., 2019). Therefore, taking into consideration empowering poor people is one of the main principles of poverty reduction strategies.

The fourth principle is inclusive development, which is defined as development that involves and at the same time benefits all elements of society. Participation is the keyword of the entire development implementation (Chamidah et al., 2020; Pouw et al., 2020; Pouw & Gupta, 2017). Facts in various countries show that poverty can only be reduced if the economy grows dynamically. Therefore, growth must be able to create productive employment in large numbers. To achieve a dynamic economy, it is necessary to create a conducive and stable business climate in terms of both implementation and policy (Nazir et al., 2020; Murdijin et al., 2018; Chamidah et al., 2020).

The main target of national development is to increase economic growth and equity so that national stability is maintained. Development planners must consider development activities in a regional context because society is a very determining factor in the success of national development (Chamidah et al., 2020). The implementation of regional development is not solely driven by the community's low level of life, but rather is a necessity for realizing healthy national economic growth, for the foreseeable future (Luong et al., 2020; Cheng et al., 2020). The implementation of regional development is expected to improve the standard of living of the people and is the foundation of national development. In regional development efforts, the most crucial issue that concerns economic experts and local planning experts in the process of economic growth and equitable development (Lyubimov, 2017).

2.2. Economic Development through Regional Potential Development

Regional economic development is a process whereby local governments and their communities manage existing resources and form a partnership pattern between the local government and the private sector to create new jobs and stimulate economic growth (Behrens & Thisse, 2007; Yudhistira & Sofiyandi, 2018; Fattah & Rahman, 2013). The success of economic development is shown in at least three aspects: 1) sustenance that is the ability to meet basic needs (Singh, 1979); (Burhan et al., 2014), 2) self-esteem, which is to become a whole person who is a self-drive to move forward, respect oneself and feel worthy of doing and achieving something, and the like (Tafarodi & Swann Jr, 2001; Goldsmith et al., 1997), 3) freedom or the ability to choose various things over something that is considered suitable for him and is one of the human rights. In the process of economic development, the problem of accelerating economic growth between regions is different, resulting in unavoidable regional gaps or disparities. Development disparity between regions and the center or regions and regions is a natural thing (von-Ehrlich & Seidel, 2015; Zhu et al., 2020; Nazir et al., 2020).

3. Research Methods and Materials

3.1. Design and Data

The study was conducted in North Morowali District, Central Sulawesi Province, Indonesia, in 2018-2019; the research approach used quantitative and qualitative descriptive analysis. This study’s primary data were obtained from the Focus Group Discussion (FGD) on the North Morowali Regency local government apparatus (i.e., Head of Office, Regional Development Planning, Research and
3.2. Measurement

Data were used to measure the effectiveness of national poverty acceleration system indicators (TNP2K) on achieving policy penetration to analyze poverty conditions on the subject of the study site by comparing the achievement of environmental performance against other districts in one Central Sulawesi province such as 1) Determining the scope of the field of poverty condition, a) pay attention to regional development policy priorities, b) local government budget priorities to address poverty in the region, c) achievement of poverty reduction targets within a specified period targeted by the Indonesia government. 2) Determination of poverty indicators based on fields, for example, a) employment poverty includes poverty levels, poverty depth index, poverty severity index and the unemployment rate, b) health indicators such as the adoption of infant mortality, infant mortality, the mortality rate per 1000 live births, percentage of infant immunized, maternal mortality rate, the proportion of births assisted by trained health workers, married women using contraceptive devices, birthrate age young, the portion of preventive needs that are not met, the number of new cases of HIV/AIDS, the prevalence of malaria per 1000 population, the discovery of new positive TB patients and the percentage of success, the prevalence of malnourished children. 3) Indicators of poverty in the education sector including rough participation rates, transparent participation rates, literacy rates. 4) Availability of necessary infrastructure including access to improved sanitation, improved drinking water, and the proportion of ownership of rights to housing, the percentage of livable houses, and the electrification ratio. 5) Food security including rice price development, net production of Serelia, prices of basic staples.

Next in this section is determining intervention priorities. Intervention priorities can be deduced from the results of the analysis of the relevance of the achievement of key indicators, the effectiveness of the interventions against the leading indicators, and the inter-relationship between the indicators. Based on the results of the linkage analysis, intervention priorities can refer to supporting indicators whose development is not yet as expected, while maintaining (improving) the handling of other supporting indicators that have shown progress in their development. Determination of priority scale is based on four priority scales (Priority-I = High Priority, Priority-II = Conducted after or in conjunction with the priority-I, Priority III = Needs to be improved or maintained, Priority-IV = Requires attention to be maintained or increased), which are interpreted based on the results of the Strategic Issue Analysis study. Therefore, in answering the aims and objectives of this research, the final stage is to formulate poverty reduction strategies through a cost and community empowerment approach and build a program plan and priority scale for accelerating poverty reduction.

4. Results and Discussion

4.1. Millennium Development Goals (MDG)’s Indicators Achievement

Demographically, North Morowali Regency, Central Sulawesi-Indonesia Province, has an area of 10,024 km² with Kolonodale as the district capital. North Morowali Regency, Central Sulawesi-Indonesia Province, consists of ten districts and one hundred and twenty-two villages. There is a total population of 125,624 with a population growth rate of 2.21% since 2010. According to the statistical data of the productive age of the people in the age range of 20-64, 61.81% of the total population is in this bracket. In the distribution of the population who work based on education completed, the largest group are elementary school graduates (41.18%), followed by senior high schools (27.95%), junior high schools (18.89%), universities (9.25), and diplomas (2.70 %). The majority of the population works in the agriculture/plantation/forestry/fisheries sector, the retail trade, and services sector.

Table 1 describes the achievements of Millennium Development Goals (MDG)’s indicators and their comparison between North Morowali district and Central Sulawesi Province and Indonesia as a country. As regards the first indicator, namely, poverty and employment, in 2018-2019 there was an increase in the poverty line (in rupiah) from 379,730 to 392,110. An increase in the poverty line in nominal money assumes that the condition of society is experiencing an increase in income to meet needs. The poverty line in theoretical money also increases. Furthermore, there was a decrease in the poverty rate from 2018 to 2019, this also reduced the poverty severity index from 0.79 (2018) to 0.60 (2019). An increase in the level of income in addition to an impact on decreasing poverty levels and poverty severity index also has a positive effect, which is also a decrease in the unemployment rate from 5.43% (2018) to 3.81% (2019). The increase in the poverty line ratio based on food (GKM) also experienced an increase when compared between North Morowali regency and its Province, Central Sulawesi. It is also assumed that under the same conditions, between 2018-2019, the level of income of the community both in the Regency and in the province cumulatively also has improved.
Then, as regards the second indicator, Health Facilities, in North Morowali District, the average number of health facilities between districts in Central Sulawesi Province is described in Table 2. The total number of health building facilities in North Morowali District (i.e., hospitals, maternity hospitals, public health center and Integrated Healthcare Center) is 181 units; the number of health workers/paramedics (i.e., midwives, nurses, pharmacy) is 677 people and the number of doctors is 76 people (i.e., general practitioners, specialist doctors, dentists). Achievement of health indicators based on prevalence and preventive measures in North Morowali district, comparing 2018-2019, experienced an increase in the percentage of treatment of children under five who were immunized (Polio, DPT, BCG, Measles and Hepatitis), but also a decrease in the percentage of births assisted by labor from the original 89.32% of the population in 2018 to 88.63% in 2019. Besides, the participation rate of women aged 15-49 years who use contraception (KB) has also decreased the level of participation. The definite decrease was also shown in the number of sufferers of new cases of HIV/AIDS from seven people to three people in 2018-2019. Likewise, the prevalence of malaria fell from 568 residents to 217 residents. The decline also occurred in the number of people with tuberculosis, from 115 residents to 103 residents, but there was an increase in the prevalence of malnourished children from six people (2018) to 14 people in 2019.

As regards the third indicator, in Table 3, namely, Education Indicator, is based on the ratio between teachers and students at the elementary school level, junior high school, and senior high school. On average, it is a rate ratio of one teacher to ten students. This ratio can be categorized as a good ratio. Then, in the percentage of the population in Central Sulawesi Province compared to Indonesia in terms of literacy, there is a gap wherein Central Sulawesi Province, the percentage of people who are literate, is as much as 92.53%, meaning as much as 7.47% of the population in the province is illiterate. Meanwhile, compared with Indonesia’s literacy rate 95.92%, the gap between the Central Sulawesi Province and Indonesia as a nation is 3.39%.

The fourth indicator, namely, Necessary Infrastructure, shown in Table 4, states that in North Morowali District 49.83% of the water consumed is drinking water. It means that 50.17% of the water use by residents of North Morowali Regency is unfit for consumption. Likewise, only 51.64% of the residents in the province have access to proper sanitation conditions. It means that 48.36% of the population does not. The percentage of ownership of residential houses in the North Morowali Regency is 90.83%, with the remaining 9.17% of the total rate renting under contract of free or housing allowance to civil servants. Apart from that, the proportion of livable houses according to roof conditions in the North Morowali district is dominated by zinc roofs for 67.20% of dwellings according to the prevailing wall conditions of community houses in North Morowali Regency; wood, stone, concrete walls account for 31.55%.

Table 1: Comparative Achievement of Indicators Poverty and Employment and Analysis of Strategic Issues

| Year  | Line of poverty (In Rupiah) | Poverty level (%) | Poverty Severity Index (Indonesia) | Poverty Depth Index (North Morowali) | Poverty Severity Index (North Morowali) | Unemployment Rate (%) |
|-------|----------------------------|-------------------|-----------------------------------|-------------------------------------|----------------------------------------|-----------------------|
| 2017  | 379,730                    | (16.01%)          | 1.74                              | 2.28                                | 0.79                                   | 5.43                  |
| 2018  | 392,110                    | (15.73%)          | 1.83                              | 2.57                                | 0.6                                    | 3.81                  |

Comparison of Food Poverty Line (QCC) in Rupiah

| District / City / Province | 2017 | 2018 |
|----------------------------|------|------|
| North Morowali             | 347,848 | 379,736 |
| Central Sulawesi           | 338,443 | 375,659 |

Comparison of Severity Index for poverty

|                | 2017 | 2018 |
|----------------|------|------|
| Central Sulawesi | 2.52 | 2.72 |
| North Morowali   | 3.04 | 2.28 |
**Table 2: Comparative Achievement of Health Indicator**

| Indicator 2. Health Indicator | Comparison of Health Facilities |  |  |  |  |
|------------------------------|--------------------------------|---|---|---|---|
|                              | Hospital | Maternity Hospital | Public health center | Integrated Healthcare Center | Total |
| Central Sulawesi             | 24       | 5                | 189                    | 3.309                          | 221.309 |
| North Morowali               | 1        | -                | 13                     | 186                            | 200    |

| Comparison of Number of Health Workers |  |  |  |  |
|---------------------------------------|---|---|---|---|
|                                       | Midwife | Nurse | Pharmacy | Total |
| Central Sulawesi                      | 3.806   | 5.585 | 691       | 10.082 |
| North Morowali                        | 357     | 310   | 10        | 677    |

| Comparison of Number of Doctors |  |  |  |  |
|---------------------------------|---|---|---|---|
|                                  | General practitioners | Medical specialist | Dentist | Total |
| Central Sulawesi                | 473 | 178 | 149 | 800 |
| North Morowali                  | 51  | 12  | 13  | 76  |

| Achievement of MDG’s Health Indicators Based on Prevention and Medical Action in North Morowali District | 2017 | 2018 |
|-----------------------------------------------------------------------------------------------------|------|------|
| Infant Mortality Rate                                                                         | N/A  | N/A  |
| Toddler Mortality Rate                                                                        | N/A  | N/A  |
| Mortality / 1,000 live births                                                                | N/A  | N/A  |
| births assisted by trained health workers (%)                                                  | 89.32| 88.63|
| Coverage of antenatal care services                                                           | N/A  | N/A  |
| Polio (1,2,3,4) immunization (%)                                                              | 69.13%| 80.53%|
| DPT (1,2,4) immunization (%)                                                                  | 68.13%| 82.44%|
| BCG immunization (%)                                                                         | 82.47%| 93.85%|
| Measles immunization (%)                                                                     | 71.10%| 76.20%|
| Hepatitis (1,2,3) immunization (%)                                                            | 62.57%| 79.94%|
| Women aged 15-49 years who use family planning tools                                         | 13,960 pairs of 17,900 pairs | 8,599 pairs from 12,041 pairs |
| Birth rates at a young age                                                                    | N/A  | N/A  |
| Family planning needs that are not met                                                         | N/A  | N/A  |
| Number of new cases of HIV / AIDS                                                              | 7    | 3    |
| Malaria prevalence                                                                            | 568  | 217  |
| TB Patient Rate                                                                               | 115  | 103  |
| Success rate of treatment of TB patients                                                       | N/A  | N/A  |
| Toddler’s prevalence of malnutrition                                                           | 6    | 14   |
### Table 3: Comparative Achievement of Education and Basic Infrastructure Indicator

#### Indicator 3. Education Indicator

| Year | Elementary School | Junior High School | Senior High School |
|------|-------------------|--------------------|--------------------|
|      | Building | Student | Teacher | Ratio | Building | Student | Teacher | Ratio | Building | Student | Teacher | Ratio |
| 2018 | 139      | 14.111  | 1.295   | 1:11  | 10       | 2.288   | 189     | 1:12  | 10       | 2.288   | 189     | 1:12  |
| 2019 | 148      | 13.899  | 1.366   | 1:9   | 43       | 5.346   | 502     | 1:11  | 10       | 2.313   | 195     | 1:12  |

#### Work Participation Rate (%)

| Educational-Level | Pure Participation Rate | gross enrollment rates |
|-------------------|--------------------------|------------------------|
| Elementary School | 90,7                     | 103,9                  |
| Junior High School| 3,42                     | 90,79                  |
| Senior High School| 72.93                    | 79.70                  |

#### Comparison of Percentage of Literate Population in 2019

| Province          | Literate Population |
|-------------------|---------------------|
| Indonesia         | 95.92               |
| Central Sulawesi  | 92.53               |

#### Indicator 4. Basic Infrastructure

|          | Decent Drinking Water | Proper Sanitation |
|----------|-----------------------|-------------------|
| North Morowali | 49.83               | 51.64             |
| Central Sulawesi | 61.49               | 55.37             |

#### Right of ownership of houses with self-owned status (%)

| Province          | Ownership Status    |
|-------------------|---------------------|
| North Morowali    | 90.83               |
| Central Sulawesi  | 85.37               |

#### Proportion of livable housing according to roof (%)

|                     | Concrete | Tile | Wood | iron sheeting | Asbestos | Fibers | Others |
|---------------------|----------|------|------|---------------|----------|--------|--------|
| North Morowali      | 0.26     | 1.32 | 0.61 | 77.04         | 1.22     | 19.55  | -      |
| Central Sulawesi    | 0.43     | 1.71 | 0.29 | 83.80         | 2.22     | 11.30  | 0.25   |

#### Proportion of Livable Living According to the Wall (%)

|                     | Concrete | Wood | Bamboo | Others |
|---------------------|----------|------|--------|--------|
| North Morowali      | 31.55    | 67.20| 0.59   | 0.66   |
| Central Sulawesi    | 53       | 44.35| 2.31   | 0.35   |
4.2. Priority Scale Based on MDG’s Indicators

The form of poverty in the North Morowali Regency is absolute poverty, primarily to fulfill basic needs such as education and health, and the kind of relative poverty is caused by social inequality. Based on the analysis of strategic issues, FGDs, and statistical data collection, the justification for determining the priority scale in poverty matters is described from Table 1 to Table 3. We are mapping a poverty reduction priority scale, explained in Table 4.

Table 4: Poverty Reduction Priority Scale Based on Indicators Achievement

| Priority | Indicators                  | Problems                                                                 | Cause Factor                                                                                                                                 |
|----------|-----------------------------|---------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------|
| I        | Health and Basic Infrastructure | • Scope ratio for the number of participants in Polio Immunization I, II, III, IV  
      |                                                                 | • The lack of health workers, such as doctors, midwives, and other medical personnel.  
      |                                                                 | • The lack of health facilities such as public health centers and village health centers.  
      |                                                                 | • The low interest and knowledge of the community about the importance of the implementation of immunization.  
      |                                                                 | • Health personnel reporting system about the number of immunization participants that are not well managed.  
      |                                                                 | • The primary infrastructure factor is caused by the community’s inability to provide adequate sanitation facilities, which is also caused by the low status of education, knowledge, and information about the correlation between sanitation and health.  
      |                                                                 | • The vast demographic condition of 10,004.28 km with the typology of the natural terms of the hills, valleys, forests, savanna, nickel mining area and also the coastline which is inhabited by only 125,624 inhabitants, as well as the condition of inter-regional location access makes it difficult for local government coordination to carry out collecting data effectively and efficiently.  
      |                                                                 | • Apart from that, of course, there is also the condition of the access road, as well as the electrification ratio that has not covered the entire regency so that it becomes an important work to be completed by the Regional Government.  |
| II       | Education                    | • Pure Participation Rate  
      |                                                                 | • Lack of school facilities, especially for junior high school, senior high school and vocational education levels.  |
|          |                              | • Gross enrollment rates  
      |                                                                 | • Distant access to location and distance as well as road terrain difficulties that cause price variations.  |
| III      | Food                         | • Development of prices for basic needs                                   | • Lack of efforts to encourage economic growth in rural communities.  
      |                                                                 | • The low initiatives, movements and participation of rural communities to develop village potentials and assets.  
      |                                                                 | • Weak innovation and creativity.  
      |                                                                 | • The low absorption of labor in the industrial sector is due to the lack of good relations with the industrial sector.  |
| Sources of GDP | 2014       | 2015       | 2016       | 2017       | 2018       |
|--------------|------------|------------|------------|------------|------------|
| Agriculture, forestry and fishing | 2,183,337  | 2,871,330  | 2,926,632  | 3,140,097  | 3,294,253  |
| Mining and quarrying | 3,097,495  | 1,421,334  | 1,628,270  | 2,426,973  | 3,349,266  |
| Manufacturing | 7,151      | 81,178     | 97,574     | 137,969    | 152,035    |
| Electricity and gas | 850        | 769        | 853        | 967        | 1,108      |
| Water supply; sewerage, waste management and remediation activities | 3,312      | 3,755      | 4,306      | 4,938      | 5,719      |
| Construction | 205,056    | 2,192,857  | 2,260,986  | 1,869,649  | 1,576,967  |
| Wholesale and retail trade; repair of motor vehicles | 42,413     | 498,354    | 571,958    | 641,277    | 721,382    |
| Transportation and storage | 19,738     | 24,698     | 28,352     | 31,259     | 34,947     |
| Food service activities | 15,906     | 18,676     | 20,103     | 21,812     | 23,907     |
| Information, Communication | 136,709    | 150,735    | 162,332    | 182,041    | 202,627    |
| Financial, Insurance Activities | 23,372     | 27,169     | 34,716     | 40,155     | 45,777     |
| Real Estate Activities | 116,261    | 139,907    | 150,249    | 160,163    | 172,438    |
| Business Activities | 970        | 1,087      | 1,231      | 141        | 163        |
| Public Administration, Compulsory Social Security | 13,592     | 158,374    | 184,604    | 205,588    | 231,248    |
| Education | 932        | 110,087    | 124,492    | 137,357    | 151,068    |
| Human Health and Social Work Activities | 52,595     | 60,711     | 68,863     | 7,564      | 81,915     |
| Other Services Activities | 37,693     | 43,966     | 51,857     | 61,237     | 73,038     |
| GDP | 6,618,054  | 7,804,988  | 8,317,377  | 9,138,534  | 10,119,324 |

| Sources of Revenues | 2015       | 2016       | 2017       | 2018       |
|---------------------|------------|------------|------------|------------|
| Original Local Government Revenues | 20,000,000,000 | 37,206,044,507 | 54,607,359,268 | 40,010,721,337 |
| Balanced Budget | 596,496,168,211 | 736,790,833,657 | 709,105,746,760 | 806,178,364,072 |
| Others Legal Revenue | 64,556,943,131 | 95,150,294,724 | 126,234,038,118 | 142,948,843,548 |
| Total of Revenue | 681,053,111,342 | 869,147,172,888 | 889,947,144,146 | 989,137,928,957 |

| Source of Local Government Expenditure | 2015       | 2016       | 2017       | 2018       |
|----------------------------------------|------------|------------|------------|------------|
| Indirect Expenditure | 347,813,341,149 | 384,376,650,503 | 429,003,624,490 | 442,890,660,711 |
| Direct Expenditure | 341,239,770,195 | 462,184,857,193 | 508,073,957,178 | 533,535,542,620 |
| Total of Local Government Expenditure | 687,053,111,342 | 846,561,507,696 | 937,077,581,668 | 976,426,203,331 |
### Table 6: Blue-Print Long-Term Strategy to Accelerate Poverty Reduction in North Morowali District

| Sectors                  | Tools                                                                 | Targets                                                                 | Goals                                                                 |
|--------------------------|------------------------------------------------------------------------|------------------------------------------------------------------------|------------------------------------------------------------------------|
| Health                   | ● Development and addition of health infrastructure                    | ● Improve health facility units                                         | ● Establishment of quality and easily accessible health facilities      |
|                          | ● Increasing the number of medical personnel and paramedics             | ● The realization of the degree of public health                       | ● Realizing an increase in health status                                |
|                          | ● Increased health education and outreach                               | ● Disease control and health education                                  | ● The decline in infectious and noninfectious diseases                  |
|                          | ● Increased health insurance ownership status both organized by the government and non-government |                                                                      | ● The creation of a healthy lifestyle of the community                 |
|                          | ● Improvement of the health budget                                      |                                                                        |                                                                        |
|                          | ● Improvement of supporting facilities and infrastructures to create a healthy environment |                                                                        |                                                                        |
| Education                | ● Development and addition of Education facilities                       | ● Development of educational facilities primarily for senior high schools - university | ● Establishment of quality education facilities and is within easy reach |
|                          | ● The allocation of education cost assistance originating from the increased government budget | ● The increase in the ratio of the population with complete early childhood education - elementary, secondary and higher | ● Ensuring the school-age population to get quality essential education services |
|                          | ● Recruitment of qualified and elegant teachers                           | ● education quality enhancement and non-standard vocational through job skills training, literacy education, and equality | ● Realizing accelerated quality, equitable management and placement of educators |
| Basic infrastructure     | ● Development of clean water services through the construction of groundwater sources that reach all corners and other water-scarce areas | null | ● The creation of comfortable and decent living conditions |
|                          | ● The development of a healthy and livable housing                       |                                                                        |                                                                        |
|                          | ● Environmental sanitation that supports clean living culture to remote |                                                                        |                                                                        |
|                          | ● Construction of generators and transmissions aimed at maintaining the supply of electrical energy. |                                                                        |                                                                        |
|                          | ● Construction and preservation of inter-regional roads and bridges      |                                                                        |                                                                        |
| Food                     | ● Printing of agricultural land, plantations, and sustainability of food crop seeds and pesticides | ● Increasing the availability of quality and diversity of food commodities based on the main, leading and reliable sectors | ● Increased food production |
|                          | ● Opening access roads and transportation modes                         | ● Improve and maintain conditions of agricultural and plantation irrigation | ● Mitigation of disruption to agricultural production                  |
|                          | ● Education for actors in the farming sector and also the community.    | ● Improved quality and quantity of food                                 | ● Food price stability                                                 |
|                          | ● Provision of distribution channels for agricultural products, plantations, fisheries, forests, and others monitored by the government | ● The embodiment of government regulations that are pro to local agricultural production | ● Improving the quality of food consumption and nutrition of the community |
|                          |                                                                        |                                                                        | ● Increasing the welfare of actors in the farming sector               |
capital) accounting for 54.6% of government spending. The GDP factor is primarily spent on administrative needs in the government sector.

Based on this analysis, adjustments to the expenditure budget can be more easily done, so that the chances of implementing a poverty-reduction program are higher. Thus, this analysis does not place changes in the budget as the final destination, but only as a medium to increase opportunities for the implementation of poverty-alleviation programs in the regions. Funding for the health sector expenditure budget can come from two sources, namely, government and non-government. Apart from that, social empowerment to increase the effectiveness and sustainability of poverty reduction is also essential. To achieve dynamic economic growth, it is necessary to create a conducive business climate, clarity, and certainty of various policies and regulations that support the business climate. The model of cooperation with business actors in the industrial sector of mining becomes essential and can be an alternative for the government of North Morowali Regency considering that in the area there are so many companies engaged in the mining and plantation sectors.

There are two stages of local government work plans: consolidation through strengthening regulations and institutions, and collaboration between policies and spatial planning by synchronizing systems from upstream to downstream, explained in Table 6.

5. Conclusions

Overcoming poverty requires a strong political will from the Regional Government. Besides requiring the availability of resources, it also requires improvements in budget management to be more productive. Poverty alleviation also needs to be supported by efforts to create good governance. It also needs the support and participation of all development actors both from the central and regional governments, universities, non-governmental organizations, private and international institutions. The involvement and collaboration are expected to encourage the development of a universal perspective, agreement, and synergy in undertaking poverty-reduction efforts. Each region has characteristics and problems of poverty that are different from other areas. This research can also be a reference in undertaking poverty-reduction efforts in the short, medium, and long term, especially for developing countries. Departing from research in Indonesia, this study is open to further in-depth examination in the future, depending on the time and the environment, possibly forming the basis for a lead plan for poverty-alleviation efforts and community creation welfare.

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