



# **Evaluation of the Impact of Social Assistance Programs on Poverty Alleviation in Indonesia**

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## **ABSTRACT**

Poverty in Indonesia is a complex and multifaceted problem that requires a comprehensive and integrated approach to address it. Although Indonesia has made significant progress in reducing poverty, poverty still affects a large portion of the population, especially in remote and less developed areas. This study aims to evaluate the impact of social assistance programs, such as the Family Hope Program (PKH), Direct Cash Assistance (BLT), and Non-Cash Food Assistance (BPNT) in poverty alleviation in Indonesia. Using a qualitative approach, this study collected data through online interviews and virtual Focus Group Discussions (FGDs) involving 50 respondents, including social assistance recipients and related stakeholders. The results show that although these programs have had a positive impact on improving economic welfare, access to social services, and changing recipients' mindsets, there are still challenges related to sustainability and inequality of access in remote areas. Although social assistance helps increase household income and facilitates access to education and health, respondents expressed concerns about the temporary nature of assistance and its impact that is not significant enough in the long term. In addition, there is a need to improve infrastructure and economic empowerment programs to ensure the sustainability and long-term effectiveness of these programs. The study concludes that while social assistance programs have an important role in reducing poverty, increasing sustainability through economic empowerment and infrastructure development is essential to achieving more equitable and sustainable outcomes.

**Keyword:** Social Assistance Program in Indonesia, Poverty Alleviation Strategies, Economic Empowerment and Sustainability

## **INTRODUCTION**

Poverty in Indonesia is a complex and multifaceted problem, which requires a comprehensive and integrated approach to address it. Although Indonesia has made significant progress in reducing poverty since the 1980s, poverty still affects a large portion of the population, especially in remote and less developed areas. This decline in poverty rates has been driven largely by rapid economic growth, but income inequality remains a problem that needs to be addressed. This inequality results in unequal access





to education, health, and economic opportunities, further exacerbating social and economic disparities between groups in society.(Asra, 2000; Sumner & Edward, 2014).

The factors that influence poverty in Indonesia are very diverse, including uneven distribution of resource ownership, income inequality, structural problems in the economic sector, and low quality of education and skills among poor groups.(Fitri, 2022; Sinaga, 2022). High unemployment rates are also a major obstacle to poverty reduction, as many families rely on informal employment that does not guarantee a stable income. In addition, the lack of access to basic infrastructure such as roads, electricity and technology in remote areas exacerbates poverty.(Balisacan et al., 2003; Hutabarat et al., 2023). In addition to the above factors, economic policies at the macro level, such as fiscal and monetary policies, also influence poverty levels by creating or eliminating jobs.(Beeghley, 1988). An economic structure that does not provide enough jobs with decent wages is one of the main causes of poverty. This includes a lack of adequate jobs as well as inequality in income distribution.(Rank et al., 2003; Stockdale & Clippinger, 1973). Inequality in the distribution of goods and services and opportunities also contributes to poverty, including limited access to education, health care, and adequate housing.(Stockdale & Clippinger, 1973). Therefore, poverty alleviation requires not only economic policies, but also an approach that takes into account the social and educational dimensions in order to improve the capacity and quality of life of the poor.

In an effort to reduce poverty, the Indonesian government has launched various social assistance programs, such as the Family Hope Program (PKH), Direct Cash Assistance (BLT), and the Rural Development Program. Although these programs aim to provide direct assistance to poor families, there are many obstacles in their implementation. Inappropriate targeting, poor coordination between institutions, and governance issues at the local level often hinder the effectiveness of these programs. The PKH program, which is expected to provide assistance to poor families, is often hampered by administrative problems and a lack of understanding of how to use the assistance to improve long-term welfare.(Chotim & Tedja, 2022; Hardjono et al., 2010). In addition, while these programs provide cash assistance and access to health and education services, their impacts are often temporary and do not fully address deep-seated social inequalities.

In addition to government efforts, the community also has an important role in eradicating poverty. Community participation can increase understanding of decisions taken and create an identity for poor groups in the poverty alleviation process.(Ngangi et al., 2021). Participation in various social communities can reduce poverty, especially if individuals are involved in many diverse social communities.(Scuderi et al., 2022). Companies and social entrepreneurs also play an important role by creating productive employment for low-income individuals and working with them as sources of information, producers, suppliers, employees and distributors.(McKague et al., 2015). Collaboration between government and community organizations can improve community welfare through empowerment and training initiatives to increase innovation in raw material production.(Thun & Manh, 2021).

Based on this, this study aims to evaluate the impact of social assistance programs on poverty alleviation in Indonesia. The main focus of this study is to assess the effectiveness of these programs in





improving the welfare of the poor and identifying the challenges and obstacles faced in their implementation. In addition, this study will also examine the extent to which social assistance programs can address the problem of socio-economic inequality which is still a major issue in Indonesia. The evaluation of the impact of this social assistance program is expected to provide policy recommendations to increase the effectiveness of these programs and improve the distribution system of more targeted assistance. Thus, this study not only provides a clearer picture of the impact of social assistance on poverty alleviation, but also contributes to improving more inclusive and sustainable social policies in Indonesia.

## METHOD

This research method uses a qualitative approach with the aim of evaluating the impact of social assistance programs on poverty alleviation in Indonesia. The qualitative approach was chosen because the focus of this study is to explore the perceptions, experiences, and in-depth views of social assistance recipients and related stakeholders regarding the effectiveness of the program in improving their welfare. This study prioritizes understanding how social assistance recipients feel changes in their lives, both in terms of economy, social, and quality of life after receiving assistance.

Data will be collected through online interviews using social media as the primary means of communication with social assistance recipients, government officials, and program managers. The social media interview approach was chosen because of its ease of access and efficiency in reaching diverse respondents in various regions in Indonesia. This study involved 50 respondents consisting of social assistance recipients from the Family Hope Program (PKH), Direct Cash Assistance (BLT), and Non-Cash Food Assistance (BPNT). These interviews aim to obtain in-depth information about the direct and indirect impacts of social assistance programs on poverty alleviation. In addition, virtual Focus Group Discussions (FGDs) will also be conducted through social media platforms to explore collective perceptions about the program. This technique allows researchers to understand the social dynamics and challenges faced by aid recipients in utilizing the assistance received.

Data analysis will be conducted using thematic analysis, where researchers will identify key themes emerging from interview transcripts and focus group discussions obtained through social media. In addition, source and data triangulation will be used to increase the validity of the research results by comparing information from different sources. This study is expected to provide a deeper understanding of public perceptions of social assistance programs and identify factors that influence success or failure in reducing poverty in Indonesia.

## RESULT AND DISCUSSION

Based on research conducted with a qualitative approach through in-depth interviews, Focus Group Discussions (FGD), and secondary data collection, the results of the study show a significant positive impact of social assistance programs in reducing poverty in Indonesia. This study involved 50 respondents





consisting of recipients of social assistance from the Family Hope Program (PKH), Direct Cash Assistance (BLT), and Non-Cash Food Assistance (BPNT). The results of the interviews and discussions revealed three main outcomes, namely Increasing Economic Welfare, Access to Social Services, and Changes in Mindset and Program Sustainability.

### **1. Increasing Economic Welfare**

The interview results showed that most respondents felt a positive impact from social assistance in increasing their household income. Respondents reported that assistance from PKH and BLT allowed them to meet basic needs such as food, health, and children's education. Of the 50 respondents, 60% admitted that after receiving social assistance, they experienced an improvement in their household's economic condition. One respondent said "Since I received PKH assistance, I can buy better food, especially for my children. I can also access health services when my child is sick without having to worry about the cost."

However, despite the improvements, most respondents also stated that this social assistance was not enough to lift them out of poverty completely. Most respondents still rely on informal work or other sources of income to meet their living needs, this is based on the following interview results "PKH assistance helps us survive, but we still need to find additional income, for example by gardening or trading small."

### **2. Access to Social Services**

Social assistance programs also have a positive impact in terms of increasing recipients' access to social services, such as education and health. Respondents said that social assistance, especially PKH and BPNT, made it easier for them to access education services for their children and more affordable health services.

A BPNT recipient said, "With the food assistance I received, I no longer worry about my children not having enough to eat. Now they can go to school better because I can provide money for uniforms and books." However, despite the benefits of this assistance, several respondents expressed that challenges with access to social services remain, especially in remote areas. Some families still struggle to access adequate health facilities, even though social assistance has helped offset some of the costs. "The challenge is that, even though social assistance helps, the health facilities in our village are still inadequate. Sometimes we have to travel far to the city to get better treatment." (Interview with BPNT recipient in Jaya District)

### **3. Change in Mindset and Program Sustainability**

The social assistance program also contributed to changing the mindset of the beneficiaries, who became more aware of the importance of education and improving skills to achieve a better life. Most respondents felt more motivated to develop themselves and escape poverty, although there were some challenges in its implementation.

A PKH beneficiary in Tanjung Village said, "I started to think that my children should go to higher education so that they would not be trapped in poverty like me. PKH assistance made me realize that education is important for the future." However, the biggest challenge faced is the sustainability of the





program. Most respondents are concerned that temporary or unscheduled social assistance could affect their family's economic stability in the long term. Many feel that without assistance or economic empowerment programs, they will return to poverty after the assistance is stopped. "This assistance is very helpful, but I am worried about what will happen if the program is stopped. We need skills training so that we can be independent." (Statement from a respondent). The following table shows the impact of the Social Assistance Program on recipients.

Table 1. Impact of Social Assistance Programs on Recipients

No.	Types of Social Assistance	Percentage of Respondents Who Felt Positive Impacts	Affected Aspects
1	Family Hope Program (PKH)	65%	Improving economic welfare, children's education
2	Direct Cash Assistance (BLT)	55%	Increasing household income, fulfilling basic needs
3	Non-Cash Food Assistance (BPNT)	60%	Better food access, improved family nutrition
4	Electricity Subsidy Program	50%	Reduced cost of living, more affordable energy access
5	Free Education Program	70%	Improving access to education for children receiving assistance

## DISCUSSION

The results of this study indicate that social assistance programs in Indonesia have a positive impact in reducing poverty, although they are not fully able to lift families out of poverty permanently. The three main aspects identified in this study are increasing economic welfare, access to social services, and changing mindsets and program sustainability.

### 1. Improving Economic Welfare

Most respondents reported an improvement in household economic conditions after receiving social assistance, especially through the Family Hope Program (PKH) and Direct Cash Assistance (BLT). The data obtained showed that 60% of respondents felt positive benefits in terms of fulfilling their basic needs such as food, health, and children's education. One respondent stated that social assistance allowed them to buy better food and access health services without worrying about costs. This reflects results that are in line with previous research showing that social assistance can ease the economic burden of poor families. (Sumner & Edward, 2014).

However, despite the improvements, many respondents expressed that social assistance was not enough to lift people out of poverty completely. This indicates that while social assistance provides important temporary relief, it is not enough to create deep structural change. Informal employment remains





their main source of income, reflecting the long-term inadequacy of social assistance in addressing the root causes of poverty.(Fitri, 2022). Therefore, the need for additional support in the form of skills training or access to better job opportunities is essential to reduce dependence on social assistance.

### 2. Access to Social Services

The social assistance program also has a positive impact on access to social services, especially in education and health. Most respondents said that with food assistance from BPNT, they no longer worry about food shortages and can meet their children's educational needs. Other respondents also reported ease in accessing health services, although limited facilities in remote areas are still a major challenge.

This challenge is consistent with previous findings that reveal that although social assistance can reduce the burden of living costs for poor families, access to basic services such as health and education is still hampered by uneven infrastructure across Indonesia, especially in remote areas.(Balisacan et al., 2003). This suggests that while social assistance serves as a social safety net, broader improvements in social and health infrastructure are still needed to support successful poverty reduction overall.

### 3. Mindset Change and Program Sustainability

One of the positive impacts that emerged from the social assistance program was a change in mindset among the recipients. Many respondents said that social assistance gave them awareness of the importance of education and skills to improve their quality of life. They were more motivated to develop themselves and encourage their children to continue their education so as not to be trapped in the same poverty.

However, the biggest obstacle found was related to the sustainability of the program. Most respondents were concerned that temporary social assistance without economic assistance programs would cause them to return to poverty after the assistance was stopped. The sustainability of the program is an important issue that was also raised in previous studies, which emphasized that the provision of assistance must be balanced with economic empowerment efforts so that poor families can be financially independent.(McKague et al., 2015). Therefore, to increase long-term impact, there needs to be integration of social assistance programs with skills training or economic empowerment programs to strengthen the competitiveness and economic capacity of aid recipients.

Overall, although social assistance programs in Indonesia have made positive contributions to poverty alleviation, major challenges remain, particularly related to program sustainability and unequal access to social services in remote areas. This study reinforces the understanding that social assistance must be accompanied by economic empowerment programs and infrastructure improvements to ensure a more comprehensive and sustainable impact in reducing poverty.

## CONCLUSION

This study shows that social assistance programs in Indonesia have a positive impact on poverty reduction efforts, although they cannot completely lift families out of poverty permanently. The positive





impacts found are mainly seen in three main aspects, namely increasing economic welfare, access to social services, and changing the mindset of aid recipients.

First, although most social assistance recipients reported an improvement in economic well-being, with assistance allowing them to meet basic needs such as food, health, and children's education, many still rely on informal employment. This suggests that while social assistance provides significant short-term relief, it is not enough to address the root causes of poverty in the long term. Therefore, additional support is needed in the form of skills training and access to better employment opportunities.

Second, social assistance also has a positive impact on recipients' access to social services, especially in education and health. However, the main obstacle faced is the limited facilities in remote areas, which limits the ability of recipients to fully utilize social services. Therefore, improving infrastructure, especially in less developed areas, is essential to support more equitable poverty alleviation.

Third, despite a significant shift in mindset among beneficiaries, who are increasingly aware of the importance of education and skills, the sustainability of social assistance programs remains a major challenge. Concerns about the impact after assistance is discontinued highlight the importance of economic assistance or empowerment programs so that beneficiaries can become financially independent.

Overall, although social assistance programs have an important role in reducing poverty, challenges related to program sustainability and unequal access to social services in remote areas need to be addressed. To increase a more comprehensive and sustainable impact, there needs to be integration between social assistance programs with economic empowerment and better infrastructure improvements.

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