

Analysis of Implementation of Government Fiscal Policy to Overcome Poverty in East Java

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Article Info	Abstract
<p>Article history: Received February 25, 2023 Revised March 10, 2023 Accepted March 24, 2023 Available online March 28, 2023</p> <p>*Corresponding author email : mhdrifqifauzi@gmail.com</p> <p>Keywords: Fiscal Policy, poverty, east java province</p>	<p>Introduction/Main Objectives: This research aims to analyze how the Government's Fiscal Policy is Implemented to Overcome the East Java Poverty Problem for the 2020-2021 period. Research Methods: The research method used is a qualitative method with a descriptive research methodology approach with content analysis and library research techniques. Research that utilizes library resources to obtain research data. Finding/Results: The results of the study show that the efforts made by the Provincial Government of East Java to overcome poverty are through various comprehensive poverty reduction programs, including social assistance for individuals and families, community empowerment and MSME empowerment, and other poverty reduction programs. Conclusion: With the right fiscal Policy, the government can overcome the problem of poverty. Then fiscal Policy is beneficial to improve people's welfare.</p>
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INTRODUCTION

Poverty is a chronic economic problem that is an enemy for all countries, especially in developing countries. Poverty is a harmful excess arising from the development process, which on the one hand, provides many benefits in the form of increased economic welfare, production of goods and services, and employment and income opportunities. However, on the other hand, the excesses of the development process also leave behind the problem of

poverty, which afflicts some members of society who cannot take a role in the development process (Yuliadi, 2019).

Poverty is a condition of an individual inability to meet the minimum basic needs for a decent life. Poverty is discussed and debated in various national and international forums, even though it appeared hundreds of years ago. The facts show that the development that has been carried out has not been able to reduce the increasing number of poor people in the world, especially in developing countries. Poverty appears when a person or group cannot meet the level of economic prosperity, which is considered the minimum requirement of a certain standard of living (Azizah et al., 2018). The uneven number of poor people in East Java reflects the lack of even distribution of income in society, even though East Java's economic growth is relatively high.

The number of poor people in Indonesia is still huge. In March 2021, the number of poor people in East Java reached 4,572.73 thousand people (11.40 percent), a decrease of 13.24 thousand people compared to conditions in September 2020 which amounted to 4,585.97 thousand people (11.46 percent) (BPS Province of East Java, 2021). The percentage of poor people in March 2021 decreased by 0.06 percentage points compared to September 2020. In urban areas, the percentage of poor people increased by 0.01 percentage points, from 8.37 percent in September 2020 to 8.38 percent in March 2021. Meanwhile, the percentage of poor people in rural areas in September 2020 was 15.16 percent, dropping to 15.05 percent in March 2021 (decreasing 0.11 percentage points).

From September 2020 to March 2021, the number of poor people in urban areas increased by 20.09 thousand (from 1,820.13 thousand people in September 2020 to 1,840.21 thousand people in March 2021). Meanwhile, in rural areas, it decreased by 33.32 thousand people (from 2,765.84 thousand people in September 2020 to 2,732.51 thousand people in March 2021). The food commodity in March 2021 had a role of 75.19 percent of the Poverty Line, an increase compared to conditions in September 2020, where its role was 75.00 percent. Several food commodities in March 2021 made a significant contribution to the food poverty line, both in rural and urban areas, namely rice, purebred chicken eggs, purebred chicken meat, cayenne pepper, sugar, tempeh, tofu, shallots, and instant noodles. The average number of poor household members has decreased from 4.30 people in September 2020 to 4.03 in March 2021 (Nur Aeni, 2022).

The condition of poverty raises several impacts or consequences. There are several impacts of poverty in Indonesia, such as increased unemployment, increased mortality, many cases of dropping out of school, various health problems in the community, decreased quality of the next generation, and the emergence of criminal acts (Nur Aeni, 2022). This research aims to determine the government's fiscal policy implementation to overcome poverty in East Java for the 2020-2021 period.

METHOD

This study uses a descriptive qualitative research methodology approach with content analysis and library research techniques. Research that utilizes library resources to obtain

research data. Library research is carried out using literature (library) in the form of books, notes, and reports on the results of previous research.

RESULTS AND DISCUSSION

Fiscal Policy

Poverty alleviation policies are the responsibility of the government and the community. One of the policies of the East Java Government to overcome poverty is to apply fiscal Policy. Fiscal Policy is a form of government intervention in the economy to achieve the ideal development goals, namely economic welfare, justice, equitable development, and economic growth (Arnold, 2004). Fiscal Policy is government policy to change government spending and revenue to achieve economic stability or manage the economy to a better condition (Rozalinda, 2014). Fiscal Policy can also be interpreted as the government's actions in the state budget field to run the economy.

The goal of fiscal Policy in the conventional economy is to achieve prosperity, defined as having maximum benefits for individuals regardless of human spiritual needs (Nasution, 2012). Fiscal Policy refers to policies made by the government to direct a country's economy through government spending and income (in the form of taxes) (Ghofur, 2017). The government carries out fiscal Policy to influence or direct the course of the economy toward the state it wants. Through fiscal Policy, the government can affect the level of national income, can affect employment opportunities, can affect the level of national investment, and can affect the distribution of national income.

Poverty Reduction Program in East Java

To implement fiscal Policy, the efforts made by the Provincial Government of East Java are through various comprehensive poverty reduction programs, including social assistance for individuals and families, community empowerment, and MSME empowerment as well as other poverty reduction programs (Bappennas, 2022). These various poverty alleviation programs are carried out by several Regional Apparatuses of East Java Province, namely:

1. Individual and Family Based Social Assistance

a. Family Hope Program (PKH) Plus

PKH is a program providing conditional social assistance to Poor Families (KM), which are designated as PKH beneficiary families, as an effort to accelerate poverty reduction which has been implemented since 2007 (Family Hope Program (PKH) | Ministry of Social Affairs of the Republic of Indonesia, 2022). PKH opens access for low-income families, especially pregnant women, and children, to take advantage of various health service facilities (faskes) and educational service facilities available around them. PKH benefits have also begun to be encouraged to include persons with disabilities and older people by maintaining their social welfare by the constitutional mandate and Nawacita President of the Republic of Indonesia. Through PKH, low-income families are encouraged to have access to and utilize essential social services in health, education, food, nutrition, care, and assistance, including access to

various other social protection programs which are complementary in a sustainable manner (Lestari & Sukmana, 2020).

The Family Hope Plus Program aims to improve the standard of living and welfare for elderly beneficiary families by utilizing social assistance in the form of money that is distributed in a non-cash manner with an amount of Rp. and above and comes from PKH beneficiary families with health and education components (Rapitasari, 2021).

b. Social Assistance Program for Persons with Disabilities (ASPD)

People with poor disabilities are a group of people who must receive immediate protection and treatment. Implementing social welfare is one solution for handling poor people with disabilities. Implementing social welfare can be done by creating policies and programs based on the needs and interests of the community. One of the government's efforts to organize social welfare is to provide protection and social security to poor people with disabilities by meeting their basic food needs (Ramha & Hardjati, 2022).

c. Health Financing Program for the Poor (BIAKESMASKIN)

Health is a fundamental right that must be fulfilled so that every individual can carry out activities and be productive to meet their life needs. Health, education, and well-being are indicators that have been used by UNDP since 1990 in determining the Human Development Index (HDI), which describes the level of quality of life as well as human capabilities. Health indicators are represented by life expectancy from birth; literacy rates represent education indicators; welfare indicators are represented by purchasing power.

Many poor people struggle to access health care due to limited funds. The government created a health financing program for people with low incomes. An example of its implementation is that Banyuwangi Regency is a district with a population of 1,588,082 (2014). Until now, only 47.06% of Banyuwangi residents have guaranteed health or have become health insurance participants. This means that more than half of Banyuwangi's population has not guaranteed their health. Of the population whose health is guaranteed, the majority are poor residents who are registered by the government and whose premiums or health insurance are borne by the government (registered as PBI JKN) or the local government (as Jamkesda participants) (Litawati, 2016).

2. Community and Village Empowerment Programs and MSME Empowerment

a. Women's Business Empowerment Program (JATIM PUSPA)

The Jatim Puspa Program is Women's Business Empowerment which is one of the refocusing programs in the context of handling the impact of Covid-19. The Jatim Puspa program is focused on increasing the income of beneficiary families (KPM) in recovering from the impact of the Covid-19 outbreak. The targeted beneficiary families (KPM) for East Java Puspa are women who own businesses and have the lowest welfare level of 8-12% based on the Ministry of Social Affairs' integrated social welfare data (DTKS). In addition, the East Java Puspa Program is also aimed at beneficiary families (KPM) of the Prosperous Independent Graduation Family of Hope Program (PKH). The Jatim Puspa Program is one of the initiatives of the East Java Provincial Government in handling the impact of Covid-19 to increase the

income of affected communities so that they can recover and increase their social and economic resilience ([Socialization of the East Java Puspa Program in 2020, 2020](#)).

b. Joint Business Group Program (KUBE)

The Joint Business Group (KUBE) is a gathering place for low-income people with the same goal of building prosperity through the group. With the formation of this program, groups of people who are less fortunate can participate in carrying out economic development activities so that people will be able to meet their daily needs. KUBE aims to increase family income which, of course, can empirically reduce poverty.

Based on RI Law No. 11 of 2009 concerning Social Welfare and followed up by Presidential Decree No. 15 of 2010 concerning the Acceleration of Poverty Reduction and RI Law No. 13 of 2011 concerning Handling the Poor in the Context of Poverty Alleviation. The Ministry of Social Affairs, a government agency with governance and development tasks in social welfare, plans a program to empower people with low incomes through the Joint Business Group (KUBE) approach ([Putro et al., 2020](#)).

c. Socioeconomic Vulnerable Women Program (WRSE)

WRSE are women, girls, and widows who are heads of families. WRSE is an adult woman who is not married or a widow who does not have enough income to be able to meet her daily basic needs with the characteristics of an adult woman, unmarried (a woman who is the child of people with low incomes) or a widow (a woman who is the head of the family), aged 18-60 years and income does not meet daily basic needs ([Fajarwati et al., 2017](#)).

The life of Socioeconomic Vulnerable Women (WRSE) in the book Profile of Socioeconomic Vulnerable Women (WRSE) which is a collaboration between the Social Welfare Data and Information Center of the Indonesian Ministry of Social Affairs and the Indonesian Central Bureau of Statistics in 2010, is classified as a poor group (living below the poverty line).). According to the Ministry of Social Affairs of the Republic of Indonesia, socioeconomically vulnerable women have criteria including breadwinners for their families, low average education, and meager incomes. In September 2018, BPS recorded IDR 425,250 per capita per month; it can be calculated that by dividing the poverty line by 30 days, a figure of IDR 14,175 thousand per day is obtained ([Khoirudin, 2019](#)).

An example of its implementation is the Batu City Social Service's efforts to reduce the problem of socioeconomically vulnerable women (WRSE) by helping additional economies. Providing the additional economy in question is by providing provisions to them in every village in Batu City. The training provided is a social service program to empower socioeconomically vulnerable women (WRSE), so they have the skills to open their businesses and live independently. Training and work skills are held to strengthen the family economy. The provision is to organize and provide basic training according to the abilities (skills) possessed by each woman who is socioeconomically vulnerable. Examples of training given are making pastries, sewing, and cooking ([Agatha, 2022](#)).

d. Capital Assistance for BUM Desa

BUM Desa is one of the policy strategies for developing Indonesia from the periphery through the development of village economic enterprises that are collective in nature to

improve the quality of life of Indonesian people in villages (Fitria, 2020). The definition of a Village-Owned Enterprise (BUM Desa) according to the Regulation of the Minister of Villages, Development of Disadvantaged Regions, and Transmigration of the Republic of Indonesia Number 4 of 2015 is a business entity whose capital is wholly or substantially owned by the village through direct participation originating from village assets that are separated for use managing assets, services, and other businesses for the maximum welfare of the village community. The purpose of establishing a Village BUM is based on PERMENDES No. 4/2015 in principle is to improve the village economy, optimize village assets so that they are helpful for village welfare, increase community businesses in managing village economic potential, develop plans for cooperation between villages and with third parties, create opportunities and market networks that support needs citizen public service (Zahrosa et al., 2021).

3. Other Poverty Reduction Programs

a. Livable House Rehabilitation Program

The Uninhabitable House Social Rehabilitation Program (RTLH) is a residential house that does not meet health, safety, and social requirements. Social Rehabilitation (RTLH) is the process of restoring the social functioning of people with low incomes and increasing the quality of their homes through efforts to improve the condition of the houses either wholly or partially to create conditions for a decent house as a place to live (Nugroho & Pradana, 2021). Social Rehabilitation of Uninhabitable Houses (RTLH) is a program intended for Poor Households (RTM), where RTM are people who do not have houses that meet standards for habitation (Milania, 2022). Social Rehabilitation of Uninhabitable Houses (RTLH) is a program for poor households (RTM) because their houses do not meet housing standards with the intention that they can improve their standard of living and have standard housing in the right way (Rahmayanti & Herawati, 2022).

Rehabilitation of uninhabitable houses is a program aimed at low-income families who, due to economic reasons, cannot meet their housing needs and occupy uninhabitable houses based on specific criteria, the allocation of which is determined by a local government decision. As for self-help housing itself, Law Number 1 of 2011 aims to fulfill housing for low-income people. This program applies the principle of self-help by positioning the community to play an active role in the planning, construction, monitoring, accountability, and reporting processes. Besides that, it also places the community as the leading actor in implementation, develops community potential, encourages, motivates, and raises awareness (Syaputra et al., 2021).

The Uninhabitable House Social Rehabilitation Program (RTLH) aims to improve the welfare of people experiencing poverty through assistance from the Uninhabitable House Social Rehabilitation (RTLH) program to actively participate in the implementation of government activities, as well as the implementation of independent activities sourced from the state expenditure budget (APBN). as well as the regional expenditure revenue budget (APBD). In this case, the characteristics of an uninhabitable house are that it does not meet the requirements for a safe, healthy home for oneself and family, it is necessary to repair the

house with functions for oneself and the poor or low-income people with a safe, healthy and decent house to live in. , environmental infrastructure that is not good, with that this program requires cooperation from the surrounding community,

b. Electricity Installation Assistance for the Poor

the New Electricity Installation Assistance Program (BPBL) is a new electricity installation assistance program for underprivileged households covering the installation of electric power installations, the cost of certification of operational eligibility (SLO), the cost of a new connection to PLN up to fill in the initial electricity token. BPBL beneficiaries are registered in the Social Welfare Integrated Data (DTKS) of the Ministry of Social Affairs (Santika Aristi, 2022). The Ministry of Energy and Mineral Resources (ESDM) provided New Electricity Assistance (BPBL) to 18,022 underprivileged households in East Java province through the New Electricity Assistance Program (BPBL) for the 2022 fiscal year ([Ministry of Energy and Mineral Resources Connects 18,022 Free Electricity in East Java, 2022](#)).

CONCLUSION

Poverty is a condition of an individual inability to meet the minimum basic needs for a decent life. One of the policies undertaken by the Government of East Java to overcome poverty is to apply fiscal Policy. Fiscal Policy is a form of government intervention in the economy to achieve ideal development goals, namely economic welfare, justice, equitable development, and economic growth. Efforts made by the East Java Provincial Government to overcome poverty in East Java are through various comprehensive poverty reduction programs, including Social assistance for individuals and families, such as the hope plus family program, social assistance programs for persons with disabilities, and health financing programs for the poor; Community empowerment and MSME empowerment, such as the women's business empowerment program or East Java Puspa, joint business group programs, socioeconomic vulnerable women programs, and capital assistance for BUM Desa; Other poverty alleviation programs, such as the rehabilitation program for livable houses and assistance for installing electricity for people experiencing poverty.

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