

Effectiveness of Poverty Management in Indonesia

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Abstract:- This type of qualitative research through phenomenological approaches, while the results of the study show that poverty management requires cooperation from all components both from government, private, government agencies and community leaders, the concept of integrated cooperation, meaning that in overcoming poverty there is not enough one field that handles for example social services, the limitations owned by a service will be perfected by other fields such as education, Health, population, labor and others, the problem of poverty is not only a problem they do not have a job, but there is a tendency for people to choose a job means they want a job that is engaged in accordance with their discipline..

Keywords:- Poverty, Policy, Strategy, Service, Independence.

I. INTRODUCTION

The phenomenon of poverty in Indonesia to this day is very concerning, conditions are exacerbated by the presence of the disaster of the spread of virus covid 19 that hit the world, especially in Indonesia, the impact of these conditions causes many private companies to be limited in wiggle room and working hours so that it has an impact on company income, the condition of almost all elements of development both private, government, the world of education experiencing a less good impact, many companies reduce the number of employees so that the integrity of work has an impact on the number of unemployed which numbers in the hundreds of thousands, while the government's assistance policy to the citizens has not been evenly distributed so that the famine looms over the community, in the context of the developing community in Indonesia the problem of the outbreak is only one of the problems experienced by the community, the low quality of education has an impact on output that cannot compete and tends to experience rejection from agencies or companies, in addition to low nutritional quality also caused by the inability of the community in disapproval. Nutritious food li, in addition to low morale has an impact on employee performance so that this condition requires strategi and targeted policies that must be taken by the Indonesian government.

Problem Formula

1. What is the condition of poverty in Indonesia?
2. How to strategy to alleviate poverty

II. LIBRARY REVIEW

A. Poverty

Poverty is a situation where there is a lack of things that are common to have such as food, clothing, shelter and drinking water, these things are closely related to quality of life. Poverty sometimes also means lack of access to education and jobs that are able to overcome the problem of poverty and get the honor they deserve as citizens. Poverty is a global problem. Some people understand the term subjectively and comparatively, while others see it morally and evaluatively, and others understand it from an established scientific point of view. The term "developing country" is usually used to refer to "poor" countries.

- Poverty is understood in many different ways. His main understanding includes:
 - ✚ An overview of material shortages, which usually include daily food needs, clothing, housing, and health services. Poverty in this sense is understood as a situation of scarcity of basic goods and services.
 - ✚ An overview of social needs, including social exclusion, dependence, and the inability to participate in society. This includes education and information. Social exclusion is usually distinguished from poverty, as it covers political and moral issues, and is not limited to economics.
 - ✚ An overview of the lack of adequate income and wealth. The meaning of "adequate" here varies greatly across political and economic parts around the world..

Meanwhile, the Head of the Central Statistics Agency, Rusman Heriawan said a person is considered poor if he is unable to meet the minimum living needs. The minimum living requirement is the need to consume food in a dose of 2100 kilos of calories per person per day and the minimum non-food needs such as housing, education, health and transportation. "So there is a food requirement in calories and non-food needs in rupiah. If the last rupiah is Rp 182,636 per person per month," Rusman Heriawan told the BBC. By that definition, the number of poor people in Indonesia in 2008 reached about 35,000,000 people..

The figure is the result of the national socioeconomic survey, Susenas with a sample of only 68,000 households, even though the number of households in Indonesia reached 55,000,000. According to statistician from Surabaya Institute of Technology, Kresnayana Yahya, the government's view of poverty does not reflect reality. "Something is not taken into account, the destroyers of calories. People smoking can be six to seven stems. That's

actually negative. He can say his shopping is so much, but in it there are six-seven cigarettes," said Kresnayana Yahya.

B. Measuring Poverty

Poverty can be grouped into two categories, namely absolute poverty and relative poverty. Absolute poverty refers to a consistent set of standards, unaffected by time and place/country. An example of absolute measurement is the percentage of the population that eats below the amount sufficient to support the needs of the human body (approximately 2000-2500 calories per day for adult men).

The World Bank defines absolute poverty as living on incomes below USD\$1/day and middle poverty for incomes below \$2 per day, with this limit estimated in 2001 1.1 billion people in the world consumed less than \$1/day and 2.7 billion people in the world consumed less than \$2/day." The proportion of the population of developing countries living in extreme poverty has fallen from 28% in 1990 to 21% in 2001. Looking at the period 1981-2001, the percentage of the world's population living below the poverty line of \$1 dollars/day has halved. However, the value of \$1 has also decreased in that period..

Although the world's most severe poverty is growing, there is evidence of the presence of poverty in every region. In developed countries, this condition presents homeless people who venture to and fro and poor suburbs and ghettos. Poverty can be seen as the collective condition of the poor, or the group of poor people, and in this sense the whole country is sometimes considered poor. To avoid this stigma, these countries are commonly referred to as developing countries.

III. RESEARCH METHODS

Types of Qualitative Research Through Phenomenological Approaches

IV. DISCUSSION

The Central Statistics Agency (BPS) said that the increase in incomes of people in the poverty line was increasing compared to the increase in the price of basic goods. In addition, although the price of rice rose, it was balanced by the creation of a rice program for the poor. . The vulnerability to falling poor is very high in Indonesia. The World Bank says there are three prominent characteristics of poverty in Indonesia. First, many households are around the poverty line which equates to a per capita income of \$1.55 per day. So many people who, although classified as not poor, are vulnerable to poverty.

Second, the measure of poverty is based on income so it does not describe the actual poverty limit. Many people may not be poor in terms of income, but are categorized as poor on the basis of lack of access to basic services. And low indicators of human development. Third, considering the vast and diverse territory of Indonesia, differences between regions are a fundamental feature of poverty in Indonesia.

The task is tough for the current government and the government which further does reduce poverty and unemployment. Of course we hope, the leader of this country is no longer divided with various party desires but becomes one to jointly overcome the problem of poverty and unemployment.

There is a kind of broad agreement, if poverty alleviation becomes the main motive of development policy, then procurement and increase of income of the poor become the most important goal of all activities. However, in that regard, there are two different paradigms on how it is achieved.

- ✦ *First*, the belief that economic growth is the most efficacious remedy for alleviating poverty because it will absorb a lot of labor. However, empirical reality shows the opposite. This is none other than the rise of capital-intensive and labor-efficient ways of producing.
- ✦ *Second*, the belief that the poor should be helped to earn an income. The small and medium enterprises (SMEs) sector is also believed to be the main joint of the people's economy. The assumption is that when the equation of opportunity with capital-intensive businesses is available, then small and medium-sized businesses are believed to be able to increase investment, business development, and income. Unfortunately, as the first paradigm, there has been no convincing empirical evidence to support the truth of the assumption. Based on the two paradigms above, it seems that there is no instant recipe that can be used as a definite handle in poverty alleviation policies..

Nevertheless, the author is of the view that there are several things that can be used as a reference for the existing government to maximize poverty alleviation efforts.

- First, addressing poverty through the procurement of employment must strongly consider the level of industrial development and integration of a country in the world market. Countries such as Indonesia whose industrial growth rate has not advanced and the informal sector is still very dominant, need to consider the right strategy. The desire to be able to compete in the global market should be balanced with various efforts to support small businesses as a base for industrialization.
- Second, developing countries with broad market potential such as Indonesia are particularly vulnerable to intervention by international financial institutions (read: World Trade Organization, International Monetary Fund, and World Bank) as well as developed industrialized countries to open their markets and eliminate subsidies. If the demand is met, then inevitably it will have an impact on the plummeting level of workers' wages which further potentially leads to an increase in the number of job cuts (layoffs). That means the number of poor people in Indonesia will increase.
- Third, equal opportunity should be given in competition between small and medium-sized businesses as well as between small businesses themselves. The provision of the same opportunity must certainly be implemented through various policies and regulations.

- Fourth, mapping the problems and potential of a country and specific development strategies will only be widely accepted if it is done by involving all socio-economic layers of society, especially the poor. So, it does not only involve entrepreneurs or the rich. With reference to the four things above, in relation to the formulation of poverty eradication policies, Indonesia is expected to achieve one of the millennium development goals (MDGs), which is to halve the number of poor people. The MDGs are humanitarian projects launched by the United Nations (UN) for a period of fifteen years (2000-2015). The MDGs were agreed upon by all UN members, including Indonesia. Thus only seven years left by Indonesia to halve the number of poor people.

According to Frances Fox Piven and Richard A Cloward (Regulating the Poor: The Functions of Public Welfare, Vintage Books 1993), poverty encompasses three aspects (1) of material shortages and scarcity of basic goods and services, which typically includes daily food needs, clothing, housing, and health services; (2) the unmet social needs, including social isolation, dependence, and inability to participate in society, including in education and information; and (3) lack of adequate income and wealth. The meaning of "adequate" here varies greatly, depending on the political and economic context of a country.

Plural poverty occurs in developing countries, but it also exists in developed countries in the form of homeless communities and ghettos. In Indonesia itself, according to data from the Coordination Team on Poverty Reduction (formed in 2005 through Presidential Decree No. 54, see www.tpkri.org), the Government has implemented poverty reduction programs since the 1960s through strategies to meet the basic needs of the people contained in the Eight-Year National Development Plan (Penasbede). But the program was stalled halfway through the political crisis of 1965. Meanwhile, in the Orba era, through Repelita, a special strategy was carried out to solve the problem of socio-economic inequality, which narrowed into the Inpres Program of Disadvantaged Villages (IDT). However, Orba's efforts failed due to the economic and political crisis of 1997.

➤ **Those who escaped the poverty alleviation policy in Indonesia**

In March 2018 poverty stood at 9.82 percent or 25.95 million poor people. The government later claimed that the figure was the lowest poverty rate since the 1998 crisis. To support this claim, BPS released an infographic showing the downward trend in poverty in Indonesia in recent years. This low poverty rate is considered an achievement in the implementation of poverty eradication policies since the last two decades.

But if we look at poverty in a broader lens, we need to question this government's claim because there are groups of Indonesians who are not monitored from poverty alleviation policies. They have continued to experience vulnerability, at one time at the end of the poverty line and when the other is below the poverty line. This group, which economists call

transient poor, fought all its life not to fall into poverty, and often failed. But they escaped government assistance.

Economist Martin Ravallion from Australia explains that transient poor people are those who identify as below the poverty line, but in the next survey period are slightly above the poverty line and have a chance of returning below the poverty line in the next survey period. Transient poor populations also include people who do not fall into the poor category. They are slightly above the poverty line, but have experienced a move below the poverty line even though they could creep up again above the poverty line in the next survey period.

The position of transient poor people is very unstable – they are no longer categorized as poor and excluded from the scheme of poor aid policy but because of their position that is only slightly above the poverty line, they are very vulnerable to falling back below the poverty line. Transient poor people are also neglected because data about them is not available.

➤ **Inclusive And Sustainable Policies**

We are faced with the global agenda of Sustainable Development Goals (SDGs) as a continuation of the Millennium Development Goals (MDGs). In the SDGs, there are 17 goals to equally create the Earth as a better place. In relation to poverty, stated in the first point is "No Poverty", meaning, at the local level, must be pursued poverty alleviation which is of course inclusive and sustainable.

An inclusive social environment means a safe, comfortable and accepting environment for all communities without exception to access social services with the aim of creating a sense of happiness and prosperous conditions. Such conditions will be difficult to achieve when poverty is still a problem and dilemma in itself. Meanwhile, the size of the poverty line used by BPS clearly must be reconstructed. By applying the wrong method, then the resulting policy will not be maximal.

Given that the cross-sectional method will not be able to comprehensively describe the dynamic and complex conditions of poverty problems in Indonesia, the most important thing to do is to incorporate transient poor into the policy formulation scheme. To achieve this, academics, practitioners, observers and of course the government of both central and regional must understand the concept of poverty in the same frequency.

More than that, the more top down policies of the central government will have to be changed because they won't be able to truly embrace society. Inclusive policies are needed in formulating poverty alleviation policies in Indonesia.

The recommended poverty alleviation policy is a community participation-based policy that emphasizes forms of empowerment that accommodate the local wisdom of the community. We can take the example of the

implementation of inclusive development in the city of Solo, especially how the arrangement of street vendors was done carefully when Jokowi was still the Mayor of Solo. Poverty alleviation policies should not be standardized but pay attention to the characteristics of each group of poor people. Thus, the assistance program and the form of empowerment provided can be more targeted.

➤ **World Bank support in poverty alleviation in Indonesia**

The World Bank continues to work closely with the Government of Indonesia in efforts to alleviate poverty. Research on poverty and poverty alleviation covers many areas, such as poverty trends, social assistance, social security, community-based programs, and more and better job creation. The research pool serves as a basis for providing policy recommendations as well as other support from the World Bank to the Government of Indonesia. The World Bank also provides technical support for implementing government programs. For example, PNPM Support Facility provides analytical and implementation support for the National Community Empowerment Program.

➤ **Poverty alleviation program from the era of President Suharto to Jokowi**

Jokowi-JK government managed to reduce the poverty rate to 9.82 percent in 2018. This achievement is considered not only the result of the hard work of the current government, but also the contribution of the previous government. The President's Special Staff for Economic Affairs, Ahmad Erani Yustika, said every government wants a low poverty level. This has also been addressed through various programs from the government of President Suharto to President Joko Widodo.

"I'm not saying which government is faster. I just want to give a message, the poverty reduction program is a commitment from all the leaders of the country. Therefore, from time to time, from the time of the new order of poverty down, there are numbers.

But what are the government's poverty eradication programs? The following merdeka.com summarizes the poverty reduction program from the time of President Suharto to the latest President Joko Widodo.

➤ **1970-1998 (President Suharto)**

1. Village inpres left behind
2. Poor welfare assistance program
3. Independent young family program
4. Women's role enhancement program
5. Cadet coral construction and assistance of poor families
6. Increased intensiveization of food crop agriculture
7. Education and Health programs
8. Construction of keciI-kredit business candak kulak
9. Transmigration program
10. Family Welfare Savings (Takesra) and Family Welfare Business Credit (Kukesra)

➤ **1998-1999 (President BJ Habibie)**

1. Social Rescue Network (JPS) Program
2. Subsidized rice for the community
3. Funds for the education of children from pre-welfare and prosperous families
4. Scholarships for unable students
5. Labor-intensive program

➤ **2000-2001 (President Gusdur)**

1. Health and education services for the poor
2. Improvement of residential home environment
3. Development of poor people's business culture
4. Clean water subsidy
5. Compensation for fuel price increases in education, health, and public transportation services

➤ **2001-2004 (President Megawati)**

1. Cheap electricity for poor households
2. Subsidies for underprivileged communities
3. Interest subsidies for micro-business credit programs
4. Fertilizer subsidies
5. Health services

➤ **2004-2014 (President SBY)**

1. National Community Empowerment Program (PNPM) Mandiri
2. Family Hope Program (PKH)
3. Rice subsidies for the poor (Raskin)
4. Poor Student Aid (BSM)
5. Askeskin/Jamkesmas Program
6. Cash Direct Assistance Program (BLT)
7. Community Temporary Direct Assistance Program (BLSM)

➤ **2014-2019 (President Jokowi)**

1. Smart Indonesia Program (PIP)
2. Healthy Indonesia Program (PIS)
3. Family Hope Program (PKH)
4. Prosperous Rice (Rastra) or Food Social Assistance
5. Non-Cash Food Assistance (BPNT)
6. Village Fund Program
7. Agrarian Reform and Social Forestry Program (RAPS).

➤ **Poverty Alleviation**

The world's population in the last 50 years has increased quite drastically, especially in developing countries. It is noted that the world population in 2010 reached 6.8 billion people. Even the United Nations predicts that by 2050 the world's population will increase to 9.2 billion people. While in Indonesia based on data from the World Bank, the population was recorded to have reached ±250 million people in 2013 and ranks as the fourth largest population in the world after China, India, and the United States.

Very rapid population growth is undeniably one of the factors that can cause new problems both economic and social in society. With the continued increase in the number of population practically causes the primary living needs of the community such as food to be very high. Meanwhile, the natural resources available on earth both land and

commodity materials continue to decrease. In addition, with the large population, the need for clean water also becomes very high while river pollution is increasingly worrying which then causes a clean water crisis, especially in large cities. The high population and supported by high urbanization also cause negative effects such as slums and poor sanitation levels in urban areas. As a result, economic and social problems such as health, education, poverty, and unemployment haunt poor families in various parts of the world.

Population growth is inseparable from economic problems such as poverty and increasing numbers of unemployed. The higher the population, the more jobs are reduced so that many people find it difficult to get a job. The lack of jobs will eventually lead to an increase in the number of poor people. In addition, the large number of residents also causes the costs needed by the government to provide basic services such as education and health to be even greater. While government finances are very limited, especially in poor and developing countries. As a result, it is difficult for governments to undertake sustainable development to alleviate poverty.

The problem of poverty is a problem for all nations and countries both developed, developing let alone countries that are in poor categories such as many countries in Africa, South America, West and South Asia. Some indicators used by the international community to measure poverty include the *Headcount Index*, *Foster-Greer-Thorbecke Index*, and *Multidimensional Poverty Index* (MPI). But the most commonly used is the Headcount Index, which calculates income per head of population with a measure of income of 1.25 dollars per day. The size of 1.25 dollars is a value set based on purchasing power parity in U.S. dollars.

The emergence of various problems of poverty due to high population growth causes governments in various parts of the world to create a policy to control the rate of population growth, especially as is done in developed countries, where they are currently experiencing a low birth phase. Unfortunately, in developing countries, the opposite is true. Population growth in developing countries is very high as it is in Bangladesh, India, Brazil, and Indonesia. Actually, population control programs in these countries have been carried out. In Indonesia, for example, the control program has been carried out since decades ago through family planning (KB) programs. However, the success rate of the program is not too felt due to the fact that Indonesia's population growth is still quite high. This then also becomes a challenge for us to overcome the problem of population growth rate while also overcoming the problem of poverty both in urban and rural areas.

In addition to controlling population growth, several direct policies in poverty alleviation efforts have also been carried out by the government such as cross-subsidy policies, direct community assistance schemes, the provision of business capital for community empowerment, health and education assistance, and other safety net programs. However, efforts to improve the standard of living of the

poor are not easy, it takes time and consistency and extraordinary efforts by creating breakthroughs and policies that are right and effective. Furthermore, the policies made must be able to be implemented in the field in accordance with the direction of the policy with good supervision and evaluation so that *misleading* does not occur.

One of the interesting policy options in poverty alleviation efforts in Indonesia and still going unnoticed by the government is progressive taxes for high-income people. The imposition of taxes on the wealthy with high incomes is not a popular policy. However, this progressive tax if applied can help government finances in subsidizing the needs of the poor. Revenue from progressive taxes can be allocated entirely to subsidize the poor through various poverty alleviation programs and other safety nets so that the subsidy budget used so far can be diverted for the development of more productive economic sectors.

In addition, some poverty alleviation policies that are also interesting to study and conduct are human capital development, social capital increase, increased capability through micro-enterprise financing (inclusive finance), agriculture, and other businesses. These policies can be done through the cooperation of governments at the local and international levels such as the World Bank and UNDP so that it is easier and more effective.

Poverty alleviation is ultimately difficult to achieve if the main problem is not well identified. Although various direct policies are carried out, if the main issue is not included in the policy model then it is likely that the policy will not work effectively and will not make significant changes. The real socioeconomic problem that is the result of the very high population growth of the last few decades is a major problem in poverty alleviation. Therefore, in addition to making efforts to fulfill basic services and safety net programs and other policies, efforts to control population growth need to be a more serious concern for the government in alleviating poverty.

➤ **The Huge Cost of Poverty Alleviation**

Time and again we hear the government pinning the phrase "first in history" when announcing poverty levels. In fact, that's an insignificant political gimmick in public policy, because in fact, every time there is a decline then the new number is always the lowest in history. Repetition only promises inefficiencies, one important thing that questions the poverty alleviation program. Every year the number of poor people goes down. However, every year the poverty alleviation budget goes uphill. The government sets the issue of poverty management in the social protection budget. The goal, as stated in the State Revenue and Expenditure Budget (APBN) is for poverty alleviation and empowerment and improvement of community welfare. Various programs are held, such as the Family Hope Program, poor people's rice, and other programs. Every year from 2015 to 2019, the cost of social protection rose by an average of 10.3 percent, while the number of poor people continued to fall. Ironic, it is. Because the reduction in poverty rate is what is always conveyed by the government that wants to say that the

program and utilization of the budget is successful. In fact, the government's announcement is still in a coma. At the same time, the poor are getting poorer. This is called the depth of poverty according to the language of the Central Statistics Agency (BPS). In March 2019, BPS recorded a poverty depth index of 1.55 or an average of 1.67 for the period 2015-2019. This figure is greater than the previous five years (2010-2014), which is 1.40. This depth indicator explains one thing.

The average expenditure of the poor in Indonesia is further below the poverty line. Thus, the poverty deepens, so to get out of the group of poor people is increasingly difficult. This group of people who experience deeper poverty levels shows helplessness in the face of changes that occur in the cost of goods and services. His income was unable to adapt. Thus, they could potentially be trapped in the vicious circle of poverty (Myrdal, 1968). Of course this part of the poverty depth is almost never announced by the government, because it is politically uncomfortable. Because this is not an achievement, but a disaster for poverty statistics and poor people. Related to the budget that continues to grow while the number of poor people is getting less and less is also ironic. It is necessary to question the efficiency of its utilization. For the period 2015-2018, the average cost of poverty alleviation has a monthly ratio of 1:23.42 million. This means, the cost to reduce poverty per month is Rp 23.42 million per person. Take for example in 2018. At that time, the government allocated social protection spending in the State Revenue and Expenditure Budget (APBN) of Rp 173.77 trillion. With such a large fund, it was only able to remove 805 thousand people from the category of poor groups. Thus, in a simple matter, the ratio is 1:17.99 million. The most expensive ratio occurred in 2016, which was 1:49.02 million.

Of course these large costs tend to be excessive. If there is no poverty alleviation program, then the budget is distributed to all the poor, it will still be surplus to get everything out of the poverty line. The cause of the Inefficient Poverty Alleviation Budget Is mysterious the allocation of poverty budgets that increase amid the number of poor people who continue to fall. It is possible that there is something wrong with the program that is run, so the cost seems inefficient. Another possibility that is still open is the presence of a mafia of non-cash food assistance – a buffer for the poor – as Perum Bulog has called out lately. Or, it may also be due to soaring bureaucratic costs such as meeting costs, official travel, and various studies. One thing is for sure: there has never been an open evaluation of poverty alleviation efficiency.

Moreover, the institutions that handle poverty alleviation are so many. Mentioned among them are the Ministry of Social Affairs, the National Team for The Acceleration of Poverty Reduction, there are even tucked in the Ministry of Health and the Ministry of Education. The absorption of this poverty alleviation committee makes the efficiency of budget use difficult to evaluate. Even if something is wrong or a waste of budget, the opportunity that occurs is mutual recrimination. It is no exaggeration if

President Joko Widodo consolidates the handling of poverty under one roof. Evaluation of achievement and utilization of its budget becomes easier and measurable. For example, handing over all poverty alleviation budgets scattered in one pocket of the Ministry of Social Affairs.

V. CONCLUSION

Poverty management requires the concept of integrated cooperation, meaning that in overcoming poverty is not enough one area that handles for example social services, the limitations owned by a service will be perfected by other fields such as education, health, population, labor and others, the problem of poverty is not only a problem they do not have a job, but there is a tendency for people to choose work because they want to work. it is in accordance with its discipline.

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