The Effectiveness of Poverty Alleviation in Increasing Economic Development in Kudus Regency

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Abstract: This research is motivated by the relationship between poverty alleviation and economic development in Kudus Regency. Kudus Regency has very significant challenges to high poverty and economic disparities in the Kudus Regency area from 2021 to 2022. This study aims to analyze or find out the effectiveness of poverty alleviation efforts that have been carried out by the Kudus Regency government in the context of improving the economy. The research method used was a qualitative descriptive analysis method by obtaining data from the Central Bureau of Statistics (BPS). The data was used to analyze the effectiveness of poverty alleviation efforts, the amount of poverty, and the factors that cause poverty in Kudus Regency. The research illustrates that poverty in Kudus Regency is caused by factors such as lack of skills or expertise, people’s mindset is too stagnant towards work, consumptive behavior, and low production productivity. Poverty alleviation efforts that have been carried out by the Kudus Regency government through programs including UMKM, village funds per sub-district, and the SDGs program which have a positive impact on reducing poverty and can improve the welfare of the people of Kudus Regency so that the relationship with economic development and poverty alleviation certainly requires an approach comprehensive.

Keywords: Economic Development, Government Programs, and Poverty Alleviation

Introduction

Indonesian society in the future will experience quite rapid revolutionary changes due to the fact that the Indonesian state is increasingly advancing technology day by day from previous developments (Muhamad & Rahmi, 2023). This is of course driven by advances in science, both in terms of material and non-material, as well as the emergence of globalization which has had socio-cultural, economic and resource impacts on people’s lives so that it can trigger Indonesia’s economic development to become strong (Fahrizi, 2023). Development is defined as an effort that is planned and directed with the aim of increasing human welfare by requiring changes in social and cultural aspects (Aprianto &
Edwin, 2017). According to economists Cello (1974) states that development changes that have been predicted or planned can be carried out by stakeholder involvement.

Indonesia's economic development is one of the most important aspects of the performance of a region in which to find out how effectively the resources are used (Fadila, 2023). If the community's economic category increases, it means that there is an increase in the production of goods or services in the economy, which indicates that the community tends to be better able to meet economic needs, while the community's economy decreases, the production of goods or services will experience a slowdown, which creates difficulties for the community to meet their daily economic needs (Pabelan et al., 2023).

In recent years the Indonesian government has discussed development policies aimed at increasing the modernization of the country and creating essential activities that focus more on economic development as if the government wanted to apply development activities and concepts such as rural development, urban development, and regional development (Hanly, 2018). And in the end all sectors experienced development changes. Indonesia's development can be realized through a just society that is prosperous both materially and spiritually, based on the values of Pancasila within the Unitary State of the Republic of Indonesia which contains an independent, sovereign and united Indonesian State (Masruroh, Yulia Et., 2014). It is even stated in the preamble of the 1945 Constitution concerning national development goals. On the other hand, the essence of Indonesia's national development must focus on overall human development and the strengthening of Indonesian society. Tackling poverty is one of the priorities in Indonesia's development, both at the regional government level such as provinces, districts and cities. This is in line with Presidential Regulation Number 15 of 2010 which aims to accelerate poverty alleviation, as well as with the enactment of Law Number 23 of 2014 concerning Regional Government which has granted autonomy to the regions since 2001. In this context, structured, systematic efforts are needed, and big for overcoming the problem of poverty and improving the quality of services for the poor in all regions of Indonesia.

The rampant activities and development of various sectors planned by the government have not been fully realized, so it is said that the government cannot prosper the nation and state. We can see that Kudus Regency itself, until now the poverty conflict has not been handled properly, then the increasingly widespread development actually increases the poverty line even though the area of Kudus Regency, Central Java, is the smallest city that has a population of 856,472 people in 2022 compared to other districts (Ma & Cahyadi, 2023). Kudus Regency is known as the richest city that cannot be separated from the influence of the industrial sector so that by obtaining GRDP, its per capita income reaches Rp. 123 million means that the regional GRDP figure does not necessarily show that all the people of Kudus Regency have sufficient necessities of life, but there is a possibility that there is an economic gap between the residents of Kudus Regency.
According to a report by the Central Statistics Agency (BPS) for Kudus Regency during the 2021-2022 period, it has experienced a gradual decline. The percentage of poor people in urban or rural areas ranges from 67.06% to 66.060%. In 2021, data from P3KE records that there are 69,005 heads of households (KK) spread across 9 sub-districts of Kudus Regency. Of this amount, there are around 274,774 people who are in the poor category so that the poverty percentage reaches around 32.23%. However, it is estimated that in 2022 there will be an increase to 303,605 poor people with a total of 120,018 from the Family Card (KK). The population of Kudus Regency at that time was 856,472 people so that the poverty percentage increased to 35.45%, information about poverty in 2022 was taken from the Ministry of Social Affairs.

Poverty alleviation has started since the New Order era, but until now there are still quite difficult problems even though there have been several changes of government. During this period, the government implemented various programs, such as Direct Cash Assistance (BLT), School Operational Assistance (BOS), and the P2KP program.(Zamjani, 2018). In addition to carrying out alternative ways for development activities through various poverty alleviation programs, efforts have been made to overcome the problem of poverty. The Provincial Government of Central Java, including Kudus Regency, continues to try to overcome this problem by launching various programs to reduce poverty. But it's a shame it hasn't been fully resolved yet, the government should pay more attention to poverty.
alleviation first. In research conducted by (Bukhari, 2021) previous research regarding poverty programs shows that globally these programs are not evenly distributed to all villages even though several government programs have been implemented. Apart from that, (Tampi, 2018) research on the implementation of government policies in poverty alleviation shows that regional government policies cannot run well due to wrong targets which means they have not been implemented effectively. And research (Pabelan et al., 2023) states that the assistance provided by the government is not in accordance with what was budgeted, becoming increasingly expensive and inadequate for the assistance received.

The problem of poverty programs in Kudus Regency has not been fully distributed even though the community has accepted the programs provided by the government. Based on the background that has been described, poverty alleviation through programs carried out by the Kudus Regency government. So the authors are interested in researching and analyzing the effectiveness in poverty alleviation in Kudus Regency in increasing economic development.

Methodology

The analytical method used in this study is a qualitative descriptive analysis method, which can be interpreted as a technique for describing the state of an object through classification, analysis, interpretation, and collection of data obtained during the research process, with the aim of reflecting the actual situation. The source of the data in this study came from the Central Statistics Agency for Kudus Regency. The data is used to describe, analyze, and explain the picture of the effectiveness of poverty alleviation efforts in Kudus Regency.

Within this research framework, the main focus is the amount of poverty. The population that is the subject or object of research is a member of the population that has special characteristics, namely the number of poor people in Kudus Regency (Ulum M, 2013 ; Ulum M, 2020, Ulum, M ., & Mun’im, A. , 2023 ). Meanwhile, the sample is part of the population, according to the definition given bySugiyono (2010). The sample in this study was determined by considering the poor population who experience chronic poverty in Kudus Regency.

In taking poverty samples in Kudus Regency, there are the following criteria:

1. The population of Kudus Regency in the period from 2021 to 2022 will experience chronic poverty.
2. The income of the poor is included in the low category.
3. The inability of the poor to meet the necessities of life.
Results and Discussion

Poverty is a phase of circumstances characterized by the inability to meet needs but these needs are lacking in the economic, educational, health and transportation spheres which are always needed by the community. (Masruroh, Yulia Et., 2014). Where the emergence of this poverty occurs due to difficulties in fulfilling basic needs coupled with difficulties in finding a job, a decent place to live. low, of course the poverty rate is one of the main challenges in developing countries, especially Kudus Regency. Poverty can be likened to a circle without end. If someone has entered the poverty line, that person will have difficulty meeting basic needs (Ellya, 2019). The way to get out of the poverty line can be through education, but education does not necessarily come out on the poverty line, many people who have an education still find it difficult in terms of costs, which are relatively expensive, as a result, poverty will be passed on to their children and grandchildren. (Tampi, 2018).

Until now the problem of poverty continues, the government has issued various policies and regulations that are expected to contribute to poverty alleviation in economic development, including (Www.Bpkp.Go.Id, 2009):

a. The acceleration of eradicating extreme poverty at the Indonesian government level refers to Presidential Regulation Number 96 of 2015 concerning the acceleration of poverty reduction.

b. Law Number 4 of 2022 concerning accelerating the elimination of extreme poverty

c. Regulation of the Minister of Home Affairs Number 53 of 2020 in coordinating the formulation of policies, planning, implementation and monitoring of the implementation of poverty alleviation

d. Regulation of the President of the Republic of Indonesia Number 13 of 2009 concerning coordination of poverty alleviation

e. Law Number 17 of 2007 concerning the 2005-2025 national long-term development plan

Poverty alleviation is the center of attention in the economic development of a country or each region. Effective economic development is expected to increase people's living standards, reduce social and economic disparities and create opportunities for all levels of society in Kudus Regency. The size of the problem of poverty is not only seen from statistical data alone. Even though the statistical figures for Kudus Regency are large, there are definitely community problems whose lives are more threatened. In some communities whose human rights are violated, if poverty occurs in the family, it will affect children who may face problems such as hunger, malnutrition, so that the health and mentality of the children begin to be threatened. These children may not be able to enjoy the right as a child's role to get an education. The inability to meet basic needs and access to adequate services is a violation of human rights. From a human rights perspective, the problem of poverty is a collective responsibility of the
whole society and the government, therefore various studies and poverty alleviation efforts in Kudus Regency are not actual but are still very much needed by the community.

The following are the causes of poverty in Kudus Regency from 2021 to 2022, namely (Fadhilah Putri Anintya, 2023):

1. Lack of skill development or skills at a young age-elderly age.

   The people of Kudus Regency do not optimize the skills they have, because maybe the people are not aware of the potential and opportunities to apply skills. The education sector and information about business opportunities or job opportunities for the people of Kudus Regency are on a low or limited scale so that people face difficulties in utilizing their skills properly.

2. The mindset of the people of Kudus Regency at productive age does not want to work

   The perception of the people of Kudus Regency tends to feel limited in choosing existing jobs. Some of them also rely on social assistance or assistance from their family so they don't feel the need to look for additional work. In addition, some people in the Kudus community prioritize work that is considered to have a higher social status.

3. Consumptive lifestyle behavior

   In Kudus district, people often buy unnecessary consumption goods, even sacrificing their savings or emergency funds. The development of technology and the internet also tempts people with special offers and massive discounts, because they focus more on self-satisfaction to improve their image in the eyes of others.

4. Low productivity and production

   Limited access to capital and financing can be a serious problem for the people of Kudus Regency, because capital is needed to develop businesses or increase production. This condition hinders the utilization of potential. In addition, the low level of competition in the market results in a lack of incentives for the people of Kudus Regency to increase productivity.

   The combination of the four factors that cause poverty in Kudus Regency has the potential to create a vicious circle, where poverty and people's economic difficulties influence each other and exacerbate each other's conditions. This phenomenon is often referred to as the "poverty cycle," in which poverty and economic hardship are intertwined, creating challenges that are difficult to solve. It is important for the government and society to collaborate with each other in creating a holistic and sustainable strategy to overcome the cycle of poverty and improve the welfare of society as a whole.
The Relationship between Economic Development and Poverty Alleviation in Kudus Regency

The relationship between economic development and poverty alleviation is complex and controversial. In general, economic development acts as an indicator to measure a country's economic progress, compares the level of social welfare between regions or countries, and understands the various development patterns adopted by each country. The importance of economic development in efforts to reduce poverty in Kudus Regency has encouraged the government to strive for inclusive development (Fuady & Fuady, 2021). In this case, the Indonesian Ministry of National Development Planning/Bappenas took the initiative to assist local governments in dealing with the issue of poverty which is the main topic of discussion, especially in Kudus Regency (Prasetyoningrum, 2018). Inclusive economic development makes it possible to assess the extent to which the level of inclusivity reduces social inequality. This will complement the government’s important efforts to maintain macroeconomic stability, stabilize prices, and create jobs for the people of Kudus Regency (Badriah & Soedirman, 2019).

To achieve poverty alleviation and reduce inequality in Indonesia, comprehensive efforts are needed from various aspects, from upstream to downstream. It should be remembered that poverty and inequality are not only related to low income levels, but are also related to people's access to and ability to maintain economic conditions so that their lives do not get worse. The Kudus Regency Government can implement the relationship between economic development and poverty alleviation for the Kudus area by implementing several methods, namely as follows:

1. Creating new jobs

Sustainable economic development of Kudus Regency can tend to create new job opportunities in the industrial sector where Kudus Regency is more in charge of the cigarette industry so that job creation in the cigarette industry sector can open up opportunities for the poor of Kudus Regency to get decent jobs and be able to carry out alleviation Poverty rate.

2. Decreasing prices of goods and services at the Kudus District Market

Good economic development and efficiency in production will have an impact on reducing prices for goods or services in the market. When the prices of goods or services become more affordable, the benefits will be directly felt by the poor because the cost of living for the poor will decrease.

3. Infrastructure development by the Government of Kudus Regency

The Kudus district government can allocate more resources to build infrastructure, especially at the education level, health level, clean water supply level, and road access level. Infrastructure development that focuses on this sector will improve the quality of life for the people of Kudus Regency and help alleviate poverty.
By implementing the relationship between economic development and poverty alleviation. The Government of Kudus Regency can establish good linkages in poverty alleviation for the poor in Kudus Regency so as to provide wider benefits for the community.

**Poverty Alleviation Government Program in Kudus District**

The success of the development carried out by the Kudus Regency government can be assessed based on the level of welfare of the community by considering the level of poverty that exists in each region (Bukhari, 2021). Given the lack of regional empowerment, the government of Kudus Regency has launched a number of effective programs to reduce the high poverty rate by 2022 compared to areas outside Kudus Regency. Through this program, the Kudus Regency government hopes to improve the welfare of the entire community and help residents who are included in the poor population to get out of their poverty condition. However, even though various programs have been implemented by the Kudus Regency government, there are still poor people left at the end of each development cycle in a one-year period.

The argument put forward by Bradshaw states that efforts to overcome poverty require a comprehensive approach taking into account the various factors that affect sustainable development. (Ted, 2006). These factors include aspects of actors, processes, evaluations, and theoretical foundations that are relevant to ways of reducing poverty in an area. To achieve success in efforts to reduce poverty, more concrete policy planning is needed in the various programs that will be implemented. In addition, effective programs to overcome poverty must be prepared more operationally. Selection of appropriate program criteria to reduce poverty specifically can be done by taking into account public awareness of the root causes of poverty, bearing in mind that the situation of poverty cannot be understood in isolation. (Sofian et al., 2022). However, if the poverty alleviation policy programs are not in accordance with various existing situations, the government has the flexibility to adapt the people of Kudus Regency to the needs and conditions of poverty that exist in certain areas.

In an effort to reduce poverty in Kudus Regency, it is very important for the local government to plan and implement programs with due regard to a thorough understanding of the social, economic situation and other factors that contribute to poverty in the area. With this approach, it is hoped that the programs designed will be more effective and relevant in overcoming the problem of poverty in the people of Kudus Regency. Therefore, the Government of Kudus Regency is committed to issuing policies on poverty alleviation, which will likely emphasize programs that focus on the root causes of poverty and involve the active participation of the local community.

As part of the government's efforts to eradicate poverty, the Kudus Regency MSME program was designed with the aim of bringing people out of poverty (Rachmawati, 2020). MSMEs are considered
as an alternative to overcome socio-economic problems, such as poverty, by developing entrepreneurial skills and knowledge through institutional-based training. It is hoped that the MSME training program organized through BLK will create new economic opportunities and increase the competitiveness of local MSMEs in a wider market. In addition, the government of Kudus Regency also utilizes the potential skills and expertise of its people, such as in the Rahtauw Region where the majority of the population is engaged as entrepreneurs who process plantation products into food products or involve the community in knitting and handicrafts with promising income potential. All of this aims to support the growth of MSMEs and involve the poor in productive enterprises.

The program run by the Kudus Regency government is the Village Fund per sub-district. These funds come from the APBN through the APBD, and by relying on these village funds, the Kudus Regency government is trying to reduce poverty (Pramesti & Diponegoro, 2018). These funds are focused on people who are in the poor category and are considered an effective instrument, but must be applied in an appropriate manner. Through the allocation of Village Funds, the government of Kudus Regency is able to build and repair important infrastructure such as roads, bridges and clean water sources. By increasing the quality of this infrastructure, the accessibility and mobility of the people in the Kudus Regency area can be opened better (Bukhari, 2021).

In addition, village funds are also used to support the development of the local economic sector, which aims to increase people's income and reduce dependence on the agricultural sector which is prone to price fluctuations and weather. The Kudus District Government also utilizes the Village Fund to improve the quality of life of the community by providing better public facilities. This aims to provide optimal benefits for the poor in Kudus Regency through the effective use of village funds.

In an effort to sustainable development in Kudus Regency Village, the Government of Kudus Regency implements the SDGs (Sustainable Development Goals) system end poverty. This is done as a step to overcome the problem of poverty and social inequality in the region. This SDGs program was initiated in 2021, and has received a positive response from the people of Kudus Regency (Pratama & Purnomo, 2020). A circular letter from the Government regarding the implementation of the SDGs program has become the center of attention for the community, because this program is expected to be able to quickly reduce poverty and reduce social inequality. The SDGs program itself focuses on new development agreements that encourage sustainable change based on human rights and equality of social, economic and environmental development (Nawir & Sinjai, 2022). In implementing this program, the Government of Kudus Regency prioritizes accurate and complete data collection and mapping at the village level. This data is updated every 6 months to provide a more precise picture of community poverty. The community is very enthusiastic and supports this program, providing support
to the volunteers who are responsible for implementing the SDGs. This program is expected to be the first step in helping people get out of the poverty zone and benefit from the SDGs program.

**Development Strategy in Poverty Alleviation in Kudus District**

Safwadi, Ibrahim, and Astini (2022) expressing thoughts on a national development strategy which outlines development that leads to improving people's quality of life or creating better economic growth. National development as a dynamic process makes efforts that will not stop but must be ongoing. In addition, development policies are always adapted to existing developments and challenges. A development, even though it is very good, sometimes other development problems also arise. This problem can be more complex because it involves a wider range of problems. The theory states that the more limited people's income, the simpler their needs will be. Conversely, the greater the people's income, the more complex their needs will be.

Economic development aims at increasing economic growth and national income, using an economic development strategy or better known as GNP (Gross National Product), solely aimed at developing countries, including Indonesia which has a very large population. (Pilihanto et al., 2023). However, unfortunately, until now, this economic development situation has not provided equal opportunities for the lower classes of society to enjoy the fruits of this economic growth. The government can implement a more inclusive development strategy, in which the allocation of resources and support for regional development is more emphasized in remote areas, and is able to create equitable social justice. This strategy aims to prevent social inequality and avoid a life where the rich get richer, while the poor get poorer. By implementing this equality development strategy, it is hoped that economic growth will provide better access to quality education, sufficient health services for the community, potentially creating jobs.

It is only natural that the conflict between social inequality and poverty is based on the concept of national development accompanied by a poverty alleviation strategy. The government basically carries out regional development with changes in structural forms that will improve infrastructure, human capabilities and reduce economic disparities in society. Seeing that significant social structure changes are used as the government's operational steps and human positions are the target, the government uses the right poverty alleviation strategy, namely empowering people's lives through economic empowerment. Poverty alleviation with strategies can avoid government programs that are not on target. Therefore, it is a tough task for the Government of Kudus Regency at this time and in the next period in poverty alleviation. Of course, as a society, we expect government or state leaders to be
concerned with overcoming poverty problems together to find solutions or ways out so that the Kudus Regency government is free from social inequality.

The problem of poverty is one of the most difficult social gaps to overcome. The government can carry out strategies to reduce poverty as follows (Masruroh, 2014):

1. Reducing the expenditure burden of the poor and vulnerable
2. Doing empowerment in increasing the productivity of the poor
3. Improve poverty problems in planning and budgeting at the national level
4. Strengthen monitoring and studies of poverty programs
5. Implementing a more flexible pre-employment system
6. Increasing access of the poor through clean water, sanitation, electricity by using the same development strategy between rural and urban areas
7. The government collaborates with the private sector and community institutions in designing and implementing poverty programs.
8. Invest in the education sector by improving access and distance to schools as well as providing skills and business capital assistance for the poor
9. Providing better health services
10. Overcoming the very high maternal mortality rate in the country of Indonesia
11. The government can launch a poverty alleviation program for the construction of village roads
12. Strengthen access to financial services to facilitate business development and community savings

Conclusion

It is important to remember that poverty and inequality are not only related to low incomes, but are also related to people's access to and ability to maintain people's economic conditions so that they do not get worse. The high poverty rate in Kudus Regency compared to the previous year has encouraged the government to implement effective programs to reduce poverty in the region. Several programs include implementing Micro, Small and Medium Enterprises (MSMEs) activities for the community, developing the skills and expertise of the residents of Kudus Regency, using village funds per sub-district, and applying the area as sustainable development (SDGs) end poverty. In an effort to achieve more inclusive results, the government needs to apply a development strategy that is more focused on remote areas, by allocating resources and development support equally.

References


