Thesis

Poverty Profile Analysis and Poverty Reduction Strategy
in Kulon Progo Regency, Yogyakarta, Indonesia

presented as partial fulfilment for the requirements to the master degree in Public Administration Studies Program

Prepared and Compiled by:
Insan Hidayat
16/404024/PSP/05697

MAGISTER OF PUBLIC ADMINISTRATION
FACULTY OF SOCIAL AND POLITICAL SCIENCES
UNIVERSITAS GADJAH MADA
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ABSTRACT

The poverty level in KulonProgo Regency is relatively higher than the national level and the Yogyakarta province level. This study aims to analyze the characteristics of the poor and the livelihoods of the heads of poor households to design a poverty profile of KulonProgo Regency, Yogyakarta, Indonesia. It also discusses further the development of poverty reduction strategies based on the poverty profile.

It uses the data of the poverty household census from 2012 to 2016 in 12 sub-districts of KulonProgo Regency which were then analyzed using ANOVA. Qualitative analysis of the local government’s annual poverty reduction report was also conducted.

The result shows that there is a significant difference with a P-value of 0.00000208 among the proportions of poor people in every sub-district in KulonProgo Regency. It implies that there are various types of poverty characteristics in each sub-district in this regency. Moreover, other findings also indicate that the poverty is in part due to the fact that many households eligible for benefits from at least five social assistance programs do not receive such benefits.

Based on the characteristics of the poor and the livelihoods of the heads of the poor household, the local government has been developing institutional infrastructure as part of its poverty reduction strategies (PRS). The PRS consists of institution, regulation, human resource, funding, and program as the poverty reduction policy. However, its infrastructure lacks coordination.

There is a need to acquire accurate data regarding the poor households as the target of government assistance. Thus, it is important to design a responsive and suitable poverty intervention program for each sub-district in KulonProgo Regency especially by considering the livelihoods of the heads of the poor household characteristics and improving the poverty database quality.

Keywords: poverty profile, poor household livelihoods, poverty reduction strategies, KulonProgo.
INTISARI


Penelitian ini menggunakan data dari sensus rumah tangga miskin daritahun 2012 hingga 2016 di 12 kecamatan Kabupaten Kulon Progo yang dilakukandengan ANOVA. Analisis kualitatif atas laporan penanggulangan kemiskinan tahunan pemerintah setempat juga dilakukantambahluastategipemerintahdaerahdalammelaksanakan program pengurangankemiskinan.

Dari hasilpenelitianini menunjukkan bahwa ada perbedaan yang signifikan dengan P-value 0.00000208 antara proporsi penduduk miskin di setiap kecamatan di Kabupaten Kulon Progo. Dengan demikian, ada berbagai jenis karakteristik kemiskinan di setiap kecamatan di daerah ini yang mempengaruhi tingkat kemiskinan yang berbeda di setiap kecamatan. Selain itu, temuan lain juga menunjukkan bahwa kemiskinan sebagian disebabkan oleh fakta bahwa banyak rumah tangga yang tidak menerima manfaat dari setidaknya lima program bantuan sosial tersebut. Berdasarkan karakteristik orang miskin dan mata pencaharian kepala rumah tangga miskin, pemerintah daerah telah mengembangkan infrastruktur kelembagaan sebagai bagian dari strategi penanggulangan kemiskinan (SPK). SPK terdiri dari institusi, regulasi, sumber daya manusia, pendanaan, dan program sebagai kebijakan penanggulangan kemiskinan. Namun, infrastrukturnya kurang koordinasi.

Olehkarenaituperlunya kebutuhan untuk memperoleh data akurat tentang rumah tangga miskin sebagai target bantuan pemerintah. Dengan demikian, penting untuk merancang program intervensi kemiskinan yang responsif dan cocok untuk setiap kecamatan di Kabupaten Kulon Progo terutama dengan mempertimbangkan karakteristik mata pencaharian kepala rumah tangga dan meningkatkan kualitas database kemiskinan.

Kata kunci: profil kemiskinan, matapencaharian rumah tangga miskin, strategi penanggulangan kemiskinan, Kulon Progo.
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CHAPTER I

INTRODUCTION

I.1. Background of Study

In the period of five years from 2012 to 2016, Indonesia showed some changes in its poverty reduction program on both national and local levels. During this period, this country built some infrastructures such as institution enforcement, regulation, human resources, government special budget, and non-infrastructure elements such as intervention programs, organizational framework, and policy system. Despite the changes, the poverty rate in Indonesia only decreased by 0.96 percent from 11.66 percent in 2012 to 10.70 percent in 2016. In addition, the poverty rate reached 11.47 percent in 2013, 10.96 percent in 2014, and 11.13 percent in 2015.

This paper addresses the question of what aspect contributes to the slow growth of the poverty reduction after the implementation of the poverty reduction program at the national level. This slow-paced growth can be analyzed from the accuracy of poverty intervention programs of which the budgets were allocated at the same amount for the last decade. From the President Susilo Bambang Yudhoyono’s administration period (2004–2014) until President Joko Widodo’s (2014 up to now), poverty intervention programs have been designed to reduce the national poverty rate by targeting intervention towards the urban and rural population of the poor.

Poverty is a condition of life which is under the minimum standard of economic capacity to survive individually in which the spending rate for consumption per month is insufficient to support one’s daily necessities (BAPPENAS, 2010). The minimum standard of economic capacity per capita per month in Kulon Progo Regency is Rp. 240,301 for food consumption (2011) and Rp. 256,575 for non-food consumption (2012) respectively. The food consumption rate is the amount of money needed to obtain the food equivalent for producing energy of 2,100 kilos of calories per person.
per day. The non-food consumption rate is the amount of money needed for housing, lamp, fuel, clothing, education, health, transportation, durable goods, and other services. The minimum standard of economic capacity per capita per month both for food consumption and non-food consumption is different at any level of the government based on the different measurement indicators.

Furthermore, poverty is seen as the opposite of well-being. Beyond a lack of income, the multidimensional concept of poverty also refers to the disadvantages due to the lack of access to land, credit, and services (e.g., health and education); vulnerability towards violence, external economic shocks, and natural disasters; and powerlessness and social exclusion (Gerster, R., Zimmermann, 2003).

According to Mardimin (1996), “structural poverty goes to people or groups who remain poor or poor because of the unequal structure of their society which is unfavorable for the weak” (p. 24). The concept of structural poverty shows the government’s management failure in achieving the perfectly equal income distribution. This government’s failure results in the inequality of income distribution among the poor. Hence, poverty exists in the society. Even so, it is also stated in this concept that the inability of the poor to obtain sufficient income for their family’s welfare is due to some internal factors such as the laziness and ignorance of the individuals in accessing the available economic resources. Meanwhile, this concept states that the inability of the poor to obtain sufficient income for their family’s welfare is due to internal factors of the family such as laziness and ignorance to access available economic resources. Therefore, government, communities, and private organizations should understand the causes of poverty and work together to address the distribution of income and the expansion of job and welfare access.
I.2. Research Problems

Until 2010, several programs were implemented by the Indonesian government in effort to reduce the national poverty rate. However, these programs used an inaccurate national database of the poor in the implementation process. The database of the beneficiaries of poverty-reducing programs was arranged by the National Team for Acceleration of Poverty Reduction (NTAPR/TNP2K) based on the poverty macro survey of BPS in 2011, i.e.: 11.66 percent of the Indonesian population is considered poor (BPS, 2012). Meanwhile in the same year, Yogyakarta Province had 16.14 percent of poor population and Kulon Progo Regency had 24.8 percent (BPS, 2012). The inaccurate poor household database, mistargeted beneficiaries, and ineffective poverty intervention program sparked difficulties in analyzing the poverty rate. Moreover, the gap in the income equality is also difficult to decrease the poverty reduction program. In order to figure out the framework to analyze the poverty profile and develop an appropriate poverty intervention program, it is important to study the characteristics of poor people especially the aspects which cause poverty in particular.

I.3. Previous Studies

There are several studies which examine the determinant factor which causes poverty. In Indonesia, several demographic variables are positively correlated with poverty. A study by Triana (2006) as cited in Bintoro (2011) found that some variables such as the age and education level of the heads of the household contribute to the poverty rate. According to this study, there are many aspects that reduce the poverty rate such as expanding access to education for the heads of households as well as the prospective heads of households and increasing capacity of the informal sectors, especially agriculture sector. Moreover, a study in Tanzania by Ellis and Mdoe (2003) showed that the lack of farmland, a small number of livestock, and the inability to secure non-agricultural alternatives increase the rural poverty rate. From
the two findings above, it can be concluded that it is necessary to examine the profile of poverty regarding the number of poor people and livelihoods of the heads of the poor households to design poverty reduction strategies.

One way to reduce the poverty rate is using the livelihoods of the heads of the poor households approach. In this case, the livelihoods of the heads of the poor household in KulonProgo Regency consist of agriculture; micro, small and medium enterprises; construction services; and home industry. The livelihood of the heads of the poor households is closely related to the household income which is also influenced by some poor household characteristics such as the family head’s education level and age as well as the family size.

There have been several studies conducted previously in Indonesia regarding poverty characteristics and the livelihoods of the heads of the poor households characteristics approach. Bintoro (2011) investigated the characteristics of poor households at the national level between Java and non-Java areas to develop the poverty profile. This study found that Java has different characteristics compared to the non-Java areas regarding the poverty data of the heads of the households’ working sector, current job status, and family size. It indicated that the most important poverty reduction strategy is the differentiation between the heads of the households’ needs and the support in the area for the poor either at the regency level or the province level especially in Java in which KulonProgo Regency is a part of Yogyakarta Special Province. Furthermore, another study concerning this approach found that the poverty profile based on the characteristics of the poor households at the province level among four regencies and one municipality showed that “only poor household’s category has the significant and different poverty characteristic among the regencies and municipal in Yogyakarta Special Province” (Badrudin & Warokka, 2012, p.600). It means that every regency has to design their own poverty reduction strategy (Badrudin & Warokka, 2012).
I.4. Research Questions and Purposes

Both studies above have explained that there are differences in the poverty characteristics and those of the livelihoods of the heads of the poor households between Java and non-Java areas at the national level and among regencies and municipalities at the province level. Such differences will influence the central government’s poverty reduction strategies. Meanwhile at the district level, particularly in the KulonProgo Regency, there is no study that discusses the poverty profile among the sub-districts in order to depict the poverty characteristics in the district. Hence, this paper addresses two research questions as follows:

1. How is the poverty profile in KulonProgo Regency based on the number of the poor households and the livelihoods of the heads of the poor households characteristics?

2. What are the institutional infrastructure possibilities that the KulonProgo Local Government can develop as part of its poverty reduction strategies?

Therefore, this study will fill the gap by examining the poverty characteristics in the area of KulonProgo Regency regarding the number of poor households and the livelihoods of the heads of the poor households among twelve sub-districts. This study has the following research objectives:

1. To develop the poverty profile of KulonProgo Regency by analyzing the characteristics of the poor and their household’s livelihoods.

2. To propose an appropriate poverty reduction strategy based on the poverty profile of KulonProgo Regency.

This policy paper is organized into five chapters beginning with an introductory chapter. The literature review and method will be explained in chapter 2 and chapter 3 followed by findings and discussion in chapter 4. The conclusions and policy implications of this study will be presented in chapter 5.
CHAPTER II

LITERATURE REVIEW

II. 1. Poverty Characteristics

Regional-level characteristics denote all types of the geographical areas such as land, mountain, river, and seashore in which the group of poor people lives as well as their vulnerability to face natural disasters (floods, landslide, earthquake, etc.) (Badrudin & Warokka, 2012). KulonProgo Regency is covered by coastal areas, lowlands, and mountainous landscapes. The coastal areas cover four sub-districts including Temon, Wates, Panjatan, and Galur. Meanwhile, the lowlands cover several sub-districts namely Lendah, Sentolo, Pengasih, Wates, Panjatan, Galur and Nanggulan. In addition, the mountainous landscapes cover Girimulyo, Nanggulan and Samigaluh. The geographical features in several sub-districts affect the livelihoods of the heads of the poor households in relation to the accessibility of the economic centers such as traditional market and services. In general, the heads of the poor households in coastal areas and lowlands have the livelihoods in traditional fishing and agriculture sector while the ones in mountainous landscapes do not have the enough main economic resources like agriculture sector. Most of them are working in service sector jobs such as rock mining, carpentry, and seasonal labor in lowlands.

Community-level characteristics are the power of a poor community to sustain their socio-economic life such as their accessibility to the infrastructures, for example roads, water, and electricity, and also their accessibility to their basic needs of health, education, and livelihoods (Badrudin & Warokka, 2012). The government of KulonProgo Regency has easier access to build the infrastructures of public service in lowlands rather than in the highlands or mountainous areas. As a result, the public services for the community infrastructure in lowlands far more complete than those of highlands or mountainous areas. In addition to the lack of physical infrastructure, the
mountainous areas also have a smaller number of people working as civil servants who have the capacity and capability to serve the poor.

Household and individual-level characteristics include the various types of poor people either at the household level or the individual level. These characteristics consist of demographic (age of family members, dependency ratio, the gender of the heads of the households), economic (the types of livelihoods, employment status, working hours, owned property), and social (nutritional status, education level of family members) (Badrudin & Warokka, 2012). The analysis of these characteristics in KulonProgo Regency is usually related to the quality of human resource development and empowerment program by the government. The level of education of the residents in KulonProgo is relatively lower than the other regencies’ in Yogyakarta Province. Therefore, their lack of awareness on self-household empowerment through education, economic access and social development cannot alleviate their own poverty.

This study uses ANOVA analysis. It is a statistical analysis conducted by comparing mean differences between two or more groups that have been split into two independent variables called factors. This method is used to reveal the level of poverty differences among the sub-districts in KulonProgo Regency. Through this method, it is expected that the poverty level of each sub-district can be analyzed and the accurate poverty intervention program for each can be determined. For the last few decades, the government tended to launch the intervention program for the poor in the same type and quantity for each poor household in each sub-district. Therefore, it is necessary to analyze each sub-district in regards to the different characteristics of poverty in each area using ANOVA.

The analysis of poverty profile is the depiction of the characteristic patterns of poverty in a certain area without considering its causes (World Bank, 2005) as cited in Badrudin and Warokka (2012). It is important to figure out the poverty characteristics
in each sub-district of all the regencies in Yogyakarta Province especially in KulonProgo Regency to design the effective and efficient program intervention. Poverty profile can help the policy makers in creating an accurate program for the poor both by name and address of each poor household. Hence, the fixed quantity and clear quality of type and target of poverty intervention in the whole of regency will be obtained.

II. 2. Formal and Informal Livelihoods

The discussion of poverty profile analysis is related to the poor household livelihoods. Most of the poor households in KulonProgo are working in formal sector and the rest of them are working in the informal sectors such as services. The formal economy sector is “defined as a business that has a business license, its business gets legal guarantees to get protection from the government”(Winata and Harjanti, 2013.p.2). Meanwhile, according to BPS (2009), “formal economy can be defined as a business that requires certain conditions in order to conduct business activities, such as business permits, the amount of capital, activity proposals, and the composition of the board. Preparation for entering the formal economy should really consider all matters in relation to the economy. The characteristics of the formal economy are as follows:

1. Have permission
2. The existence of the obligation to pay taxes
3. Subject to policies of the state
4. In general, its sector yields a large profit
5. Usually, the economy is done in urban areas”. (p.xxviii)

The informal livelihoods sector includes the indicator of unorganized, unregulated, and mostly legal but unregistered businesses/services (Widodo, 2006). Moreover, according to Pitoyo (2007), “the informal sector effort is defined as an independent business using simple technology, small capital and relatively unorganized and not
yet officially registered” (p.129). The Indonesian government has not considered the informal business sector since most informal business sectors are not listed in the government’s administration. These circumstances result in the difficulty of control and policy determination in accordance with the needs of these informal business actors. In this regard, it is true that most of the poor and very poor in rural areas especially in KulonProgo Regency work in the informal sectors rather than the formal sectors. Informal economic sectors consist of street vendors (PedagangKaki Lima /PKL), rural transportation drivers, pedicab drivers, parking stylists, street singers, and street children who perform various services, market traders, farm laborers, and others.

Furthermore, BPS (2009) states that “informal activity referring to economic activity is done traditionally by low-level or non-owned organizations structure, with no transaction account, and a working relationship is usually seasonal (casual), friendship or personal rather than contract-based. In the publication, informal activity is withdrawn from the cross-tabulation of two variables: “occupational status and main occupation” (BPS 2009, p. xxix, emphasis on authenticity). The livelihood of the heads of poor households in KulonProgo Regency is included in the informal sectors such as agriculture; services; micro, small and medium enterprises; carpentry; and other seasonal labors. Due to the low level of education and the lack of affordability in economic access, they do not have any option in gaining better livelihoods. The information on informal sectors of the analysis on the poors’ livelihoods is needed for the development sector of policy makers as the long-term strategy and to determine the accurate poverty intervention program as the short-term strategy.

Moreover, in the individual unit analysis on the household-individual characteristics, according to BPS (2016), “employee is a person who works permanently for other people or institution/ office/ company and gains some
money or cash or goods as wage/salary” (p.59). Meanwhile, a person who does not work permanently and has had no employer for at least the past one month is called a casual employee. “A casual employee is a person who usually works at agriculture and the non-agriculture sector as a peasant, home industry, and non-home industry, and they are paid by money or goods daily or contract payment system” (BPS, 2016.p.60). The type of employee can be used to differentiate the heads of the poor households’ status to access the economic resources and sustain their life. It will depict the characteristics of the poor in KulonProgo Regency in the distribution of their employment status and provide the information for policy makers to prepare the intervention such as providing the job opportunities for them. Even though the data already show that most of them are working as casual workers, it is important to obtain the information on how they are empowered by some life skills and knowledge. According to Iskandar Putong (2003) as cited in Setiyawati and Hamzah (2007), an unemployed person is a resident who is not working but is looking for an occupation or is preparing a new business or a resident who is not looking for a job because it is impossible to get a job (discouraged workers) or a resident who is not looking for a job because he/she has been accepted to work or have a job but are not yet working (future starts). In addition to this, Samuelson (1997) as cited in Setiyawati and Hamzah (2007) states, “there are 3 (three) types of causes of unemployment, namely: (1) frictional unemployment; (2) structural unemployment; and (3) cyclical unemployment. Based on his practice, according to Kuncoro (2003), unemployment is classified as full unemployed, under-employed, and sometimes unemployed” (p.215). In some cases of the studies conducted in Indonesia, it is difficult to reveal the characteristics of unemployment of the heads of the poor households due to the culture and norm emerged in certain areas such as in the Java island. By using this analysis, it is expected that the data on why the poor face problems in gaining fixed jobs along with the solutions provided by the policy makers to solve this matter can
be obtained. The two factors influencing the unemployment in poor households: first, an individual factor in which the poor fail to acquire enough life skills, knowledge through education, and empowerment as the capital to achieve a better life by accessing to the economic sources; and second, the failure of the government and policy makers in providing the job vacancy for every element of people based on their socio-economic level such as life skills and knowledge.
CHAPTER III
METHODOLOGY

III. 1. Research Area

This study was conducted in the KulonProgo Regency, a part of Yogyakarta Special Region, Indonesia. The total population in 2016 was 445,493 thousand with 60,816 people living below the poverty line. In terms of the local budget, the main public service program is the highest local government expenditure comprising of 73.09 percent of the local government expenditure total in 2015 (KulonProgo Poverty Reduction Annual Report 2015). However, not all of the main public service budget is aimed for the poverty reduction program directly. The local government uses the rest of the local budget to issue the poverty intervention programs. Many poverty intervention programs were implemented in the 5 years from 2012 to 2016 consisting of a few programs such as subsidized rice, conditional cash transfer, scholarship, family care, housing, sanitation, national health insurance, and small and micro-business assistance for the poor. This study focuses on the poverty intervention based on the livelihoods of the heads of the poor households as an approach to mitigate poverty in KulonProgo Regency.

III. 2. Research Method

This research employs the ANOVA analysis to investigate the differences between poverty characteristics and the heads of the poor households’ livelihood characteristics in every sub-district of KulonProgo Regency by using the database of the poor households from the local government’s poverty reduction program from 2012 until 2016.

III. 3. Data
In 2012, the sub-district with the highest number of the poor is Kokap sub-district with the population of 4340 poor households. Moreover, in 2013, 2014 and 2015, the sub-district with the most poor households was also Kokap sub-district with the population of 3924, 2737 and 2428 poor households respectively. In 2016, the highest number of poor households was found in Sentolo sub-district with the population of 2805 poor households. The following table will explain more about the distribution of poor households in KulonProgo Regency from 2012 until 2016 (see Table 1).

Table 1. The distribution of poor households in KulonProgo Regency from 2012 until 2016

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<td>2,132</td>
<td>19.9</td>
<td>2,001</td>
<td>18.64</td>
<td>2,030</td>
</tr>
<tr>
<td>5</td>
<td>LENDAH</td>
<td>3,121</td>
<td>24.3</td>
<td>2,594</td>
<td>19.58</td>
<td>2,218</td>
</tr>
<tr>
<td>6</td>
<td>SENTOLO</td>
<td>3,952</td>
<td>26.9</td>
<td>3,869</td>
<td>25.59</td>
<td>2,672</td>
</tr>
<tr>
<td>7</td>
<td>PENGASIH</td>
<td>3,495</td>
<td>22.5</td>
<td>2,808</td>
<td>17.72</td>
<td>2,675</td>
</tr>
<tr>
<td>8</td>
<td>KOKAP</td>
<td>4,340</td>
<td>38.6</td>
<td>3,924</td>
<td>34.14</td>
<td>2,737</td>
</tr>
<tr>
<td>9</td>
<td>GIRIMULYO</td>
<td>3,089</td>
<td>39.2</td>
<td>2,682</td>
<td>33.52</td>
<td>1,715</td>
</tr>
<tr>
<td>10</td>
<td>NANGGULAN</td>
<td>2,446</td>
<td>27.0</td>
<td>1,907</td>
<td>20.29</td>
<td>889</td>
</tr>
<tr>
<td>11</td>
<td>SAMIGALUH</td>
<td>2,848</td>
<td>30.2</td>
<td>2,812</td>
<td>30.65</td>
<td>1,876</td>
</tr>
<tr>
<td>12</td>
<td>KALIBAWANG</td>
<td>2,783</td>
<td>26.8</td>
<td>2,664</td>
<td>27.12</td>
<td>1,918</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>34,089</td>
<td>24.6</td>
<td>31,453</td>
<td>23.26</td>
<td>23,845</td>
</tr>
</tbody>
</table>

Source: Managed Data of Local Government of KulonProgo Poverty Census 2012–2016

Notes: H=Poor household number; %= percentage of poor households out of the total number of households in the sub-district
Compared to the province’s poverty rate or even the national poverty rate, the poverty rate in KulonProgo Regency is still higher. Starting from 2012, the number of poor people in KulonProgo Regency reached 23.3 percent of the population or 479,189 people, while at the province level it was only 15.88 percent and national level 11.66 percent. In 2013, the poverty rate at the regency level was 21.4 percent, at the province level 15.43 percent, and at the national level 11.47 percent. In 2014, poverty at the regency level reached 20.6 percent while the province level 15 percent and the national level 10.96 percent. In 2015, KulonProgo Regency’s poverty rate was at 21.4 percent, the province level 14.91 percent, and the national rate 11.13 percent. Lastly, in 2016, poverty rate in the regency reached 20.3 percent while the province level of Yogyakarta 13.34% and the national level remained 10.70 percent. The following table shows the comparison of the poverty rate nationally, provincially, and locally from 2012 until 2016 (see Table 2).

Table 2. The comparison of poverty rate of the KulonProgo Regency, The Province of Yogyakarta and The National of Indonesia

<table>
<thead>
<tr>
<th>Year/Poverty Level</th>
<th>2012 (%)</th>
<th>2013 (%)</th>
<th>2014 (%)</th>
<th>2015 (%)</th>
<th>2016 (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regency</td>
<td>23.31</td>
<td>21.39</td>
<td>20.64</td>
<td>21.4</td>
<td>20.3</td>
</tr>
<tr>
<td>Province</td>
<td>15.88</td>
<td>15.43</td>
<td>15.00</td>
<td>14.92</td>
<td>13.34</td>
</tr>
<tr>
<td>National</td>
<td>11.66</td>
<td>11.47</td>
<td>10.96</td>
<td>11.13</td>
<td>10.70</td>
</tr>
</tbody>
</table>

Source: BPS.

According to the previous study from Badrudin and Warokka (2012), it was found that the regional characteristics were not significant for depicting the differences of poverty characteristics among regencies and municipalities in Yogyakarta Special Province. Thus, the regional characteristics are avoided. Meanwhile, the poor household's category is significant for depicting the differences
inthe poverty levelsofeach regency. Moreover, in the case of KulonProgo Regency, the number of people in every sub-district is different depending on the type of demographic segregation. Geographically, the population of KulonProgo Regency is concentrated in semi-urban areas where there are economic centers such as traditional markets and the center of governance in Wates sub-district, economic and governance support in Pengasih and Kokap sub-districts, and the area near to the province’s capital town such as Sentolo sub-district.

In addition, according to BPS, the classification system of the poor places them into three groups: chronically poor, transiently poor, and nearly poor. KulonProgo Regency also uses this stratification from BPS to classify the poor category. However, the data used to analyze the poverty characteristics in this study only concern the chronically poor and the transiently poor since these categories are the main targets of poverty intervention and need more economic support from the government. The aggregated data between the chronically poor and the transiently poor have been shown in detail in Table 3. Thus, this study examines the poor household's characteristics in every sub-district in KulonProgo Regency. I argued that the poverty line used by the government of KulonProgo to classify the groups of poor households is significant to differentiate the poverty level in every sub-district.

Hypothesis: There is a significant difference in the poverty level of each sub-district based on the poor household category.

In addition to this, most of the poor or 62.7 percent of the people in KulonProgo Regency worked as farmers with microscale land ownership in 2012 as their livelihoods. Meanwhile, from 2013 to 2016, most of the poor still worked as farmers by the percentage 65.03 percent, 66.22 percent, 70.8 percent, and 67.9 percent respectively. The high number of poor people in KulonProgo Regency who work as farmers indicates that the agriculture sector is still the main livelihood to
sustain the lives of the poor. The agriculture sector in this study is classified as the informal sector which dominates the poverty profile in KulonProgo.

In KulonProgo Regency, the classification of works in the informal sector is as follows:
1. Transportation: rural transportation drivers, mechanics.
2. Trade: street vendors of food, beverages, clothing, used goods, stationery, and handicrafts.
3. Home industry: food and beverage industries, wood industry, and building materials industry.
5. Services: tailor, shoe polish, wristwatch repair, radio and television repair.

On the other hand, the employees working at the formal sector usually work in minimarkets, cooperative businesses, and factories. These workers usually get a fixed salary on a weekly or monthly basic wage of a relatively small value as income to cover their household’s daily needs. The formal sector comprises of a smaller section, that is, less than 5 percent, of the poor households in every sub-district of KulonProgo Regency than the informal sector.

The table below shows the number of the heads of the poor households who work in the formal and informal sectors in KulonProgo Regency from 2012 to 2016.
Table 3. The number of poor household's head classified based on the formal and informal sector in the KulonProgo Regency 2012–2016

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td></td>
<td>TEMON</td>
<td>25</td>
<td>1537</td>
<td>24</td>
<td>1431</td>
<td>24</td>
<td>934</td>
<td>24</td>
<td>618</td>
<td>23</td>
<td>864</td>
</tr>
<tr>
<td>2</td>
<td></td>
<td>WATES</td>
<td>36</td>
<td>1748</td>
<td>33</td>
<td>1533</td>
<td>32</td>
<td>1106</td>
<td>31</td>
<td>914</td>
<td>31</td>
<td>1179</td>
</tr>
<tr>
<td>3</td>
<td></td>
<td>PANJATAN</td>
<td>61</td>
<td>2758</td>
<td>57</td>
<td>2467</td>
<td>53</td>
<td>1845</td>
<td>53</td>
<td>1422</td>
<td>52</td>
<td>1617</td>
</tr>
<tr>
<td>4</td>
<td></td>
<td>GALUR</td>
<td>28</td>
<td>2197</td>
<td>27</td>
<td>2035</td>
<td>26</td>
<td>1472</td>
<td>26</td>
<td>1105</td>
<td>26</td>
<td>1309</td>
</tr>
<tr>
<td>5</td>
<td></td>
<td>LENDAH</td>
<td>59</td>
<td>3236</td>
<td>56</td>
<td>3007</td>
<td>56</td>
<td>2346</td>
<td>55</td>
<td>1724</td>
<td>59</td>
<td>1934</td>
</tr>
<tr>
<td>6</td>
<td></td>
<td>SENTOLO</td>
<td>154</td>
<td>3890</td>
<td>139</td>
<td>3623</td>
<td>137</td>
<td>2738</td>
<td>133</td>
<td>2144</td>
<td>134</td>
<td>2387</td>
</tr>
<tr>
<td>7</td>
<td></td>
<td>PENGASIH</td>
<td>87</td>
<td>3395</td>
<td>87</td>
<td>3102</td>
<td>74</td>
<td>2416</td>
<td>74</td>
<td>2088</td>
<td>73</td>
<td>2465</td>
</tr>
<tr>
<td>8</td>
<td></td>
<td>KOKAP</td>
<td>69</td>
<td>4239</td>
<td>66</td>
<td>4067</td>
<td>66</td>
<td>3452</td>
<td>66</td>
<td>2676</td>
<td>66</td>
<td>2709</td>
</tr>
<tr>
<td>9</td>
<td></td>
<td>GIRIMULYO</td>
<td>81</td>
<td>2979</td>
<td>73</td>
<td>2618</td>
<td>72</td>
<td>2032</td>
<td>72</td>
<td>1761</td>
<td>76</td>
<td>2117</td>
</tr>
<tr>
<td>10</td>
<td></td>
<td>NANGGULAN</td>
<td>144</td>
<td>2289</td>
<td>132</td>
<td>2214</td>
<td>129</td>
<td>1524</td>
<td>128</td>
<td>1204</td>
<td>127</td>
<td>1478</td>
</tr>
<tr>
<td>11</td>
<td></td>
<td>SAMIGALUH</td>
<td>65</td>
<td>2978</td>
<td>59</td>
<td>2752</td>
<td>58</td>
<td>2176</td>
<td>57</td>
<td>1689</td>
<td>59</td>
<td>1968</td>
</tr>
<tr>
<td>12</td>
<td></td>
<td>KALIBAWANG</td>
<td>57</td>
<td>1977</td>
<td>57</td>
<td>1794</td>
<td>55</td>
<td>1022</td>
<td>55</td>
<td>715</td>
<td>55</td>
<td>1012</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td></td>
<td>866</td>
<td>3322</td>
<td>3</td>
<td>810</td>
<td>3</td>
<td>782</td>
<td>3</td>
<td>774</td>
<td>0</td>
<td>781</td>
</tr>
</tbody>
</table>

Source: Managed Data of Local Government of KulonProgo Poverty Census 2012-2016
Notes: Fml = Formal sector; Inf = Informal sector

In 2012, most of the heads of the poor households in KulonProgo working in the informal sector reached a percentage of 97.46 percent. On the other hand, sequentially in 2013, 2014, 2015, and 2016, the heads of KulonProgo's poor households working in the informal sector reached the percentages of 97.42 percent, 96.72 percent, 95.89 percent, and 96.42 percent respectively. The heads of the poor households' livelihoods indicate the amount of income that can support their daily basic needs such as food, clothes, and housing. Moreover, when the head of a household only relies on agriculture sector as their livelihood then the household is more vulnerable to poverty. Hence, we argue that the heads of the poor
households’ livelihood characteristics play a significant role in determining the poverty level in every sub-district of KulonProgo Regency.

By having an appropriate analysis regarding the differences in the poverty levels of each sub-district, this study can acquire knowledge and information accurately to depict the poverty characteristics of each sub-district and to develop poverty reduction strategies. Poverty reduction intervention programs for every sub-district will be undertaken by the government both at the national and the local levels easily. If there is no difference in the poverty levels of each sub-district, the government will end up committing a serious error in terms of the determination and classification of poverty level indicators. Furthermore, if the government makes a mistake in determining the level of poverty in each sub-district then the policy of poverty alleviation in each sub-district will also experience errors in terms of number, type, and quality.

Furthermore, determining the difference in the poverty levels from the livelihoods of the heads of the poor households will also determine the efficiency of poverty reduction strategies adopted by the government. Therefore, it is expected that from the information on the differences in the mortality characteristics of the heads of the poor households, the government can provide interventions according to the needs and characters of the livelihood of such families in each sub-district.
CHAPTER IV

RESULTS AND DISCUSSIONS

IV. 1. Anova Analysis

In this study, the hypothesis was tested using ANOVA—a one-way analysis in which twelve sub-districts for five years from 2012 until 2016 were examined as the subject of the data. The data of the category of the number of poor households in twelve sub-districts during 2012 until 2016 was selected for the first analysis based on the local government’s poverty survey that consists of the chronically poor and the transiently poor. The results are presented in Table 4:

Table 4. Anova: analysis of poverty rate households in the kulonprogo regency 2012–2016

<table>
<thead>
<tr>
<th>Groups</th>
<th>Count</th>
<th>Sum</th>
<th>Average</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>12</td>
<td>304.033</td>
<td>25.33608</td>
<td>68.23063</td>
</tr>
<tr>
<td>2013</td>
<td>12</td>
<td>279.09</td>
<td>23.2575</td>
<td>45.47898</td>
</tr>
<tr>
<td>2014</td>
<td>12</td>
<td>202.76</td>
<td>16.89667</td>
<td>15.65961</td>
</tr>
<tr>
<td>2015</td>
<td>12</td>
<td>164.57</td>
<td>13.71417</td>
<td>12.86097</td>
</tr>
<tr>
<td>2016</td>
<td>12</td>
<td>177.23</td>
<td>14.76917</td>
<td>12.03128</td>
</tr>
</tbody>
</table>

ANOVA

<table>
<thead>
<tr>
<th>Source of Variation</th>
<th>SS</th>
<th>df</th>
<th>MS</th>
<th>F</th>
<th>P-value</th>
<th>F crit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Between Groups</td>
<td>1299.90594</td>
<td>4</td>
<td>324.9765</td>
<td>10.5333</td>
<td>2.08408E-06</td>
<td>2.5396</td>
</tr>
<tr>
<td>Within Groups</td>
<td>1696.87617</td>
<td>55</td>
<td>30.85229</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>2996.78212</td>
<td>59</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Local Government Poverty Census 2012–2016 Database (Managed data), P-value = <0.05
The ANOVA results reveal that the poverty level in each sub-district level is significant with a P-value of 0.00000208. It indicates that each sub-district has the level of poverty rate as demonstrated by observing the P-value between groups which is not under 0.05. According to the number of poor people determined by the fourteen indicators of poverty such as the width of the floor, housing ownership, electricity, assets, water sanitation, and others which influenced the level of poverty in each sub-district, the difference in the poverty level in each sub-district may have a direct impact on the poverty characteristics in each sub-district of KulonProgo Regency. This, in turn, will differentiate social policy implications in order to reduce the poverty rate.

Many intervention programs did not consider the poor household’s characteristics and did not acquire the same accurately, therefore these programs will not be effective in decreasing the poverty rate. The involvement of households’ beneficiaries is also important to make sure that the intervention program achieves the target of the poor and is adjustable to their necessities.

Meanwhile, the poor households’ livelihoods also exhibit the difference in the level of poverty characteristics of every sub-district in KulonProgo Regency. It implies that every sub-district has different characteristics mainly in the informal sectors of livelihood. Although more than 50 percent of the informal sectors in every sub-district in KulonProgo is included in the agriculture sector, there are many types of informal poor households’ livelihood such as micro, small and medium enterprises; home industry; free labor; and half-unemployment.

Based on the data of the livelihoods of the heads of the poor households, more than 90 percent of the heads of the poor households are working in the informal sectors in every sub-district in KulonProgo Regency while the rest are working in the formal sectors.
IV. 2. The Livelihood of The Heads of The Poor Households Characteristics

Based on the local poverty database in KulonProgo, the 12 sub-districts can be differentiated into several characteristics such as the number of population, the number of poor people, the number of the heads of the poor households working in informal sectors, and sub-district geographical characteristics. (See Table 4).
### Table 5. Sub-district characteristics of KulonProgo 2016

<table>
<thead>
<tr>
<th>No.</th>
<th>Sub-District</th>
<th>Characteristics</th>
<th>Population</th>
<th>Number of Poor People</th>
<th>Number of Poor Household’s Head Working in Informal</th>
<th>Geographical Characteristics</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>TEMON</td>
<td></td>
<td>29,057</td>
<td>3,917</td>
<td>1,366</td>
<td>Lowland and agricultural area</td>
</tr>
<tr>
<td>2</td>
<td>WATES</td>
<td></td>
<td>49,307</td>
<td>3,960</td>
<td>1,252</td>
<td>Lowland and semi urban</td>
</tr>
<tr>
<td>3</td>
<td>PANJATAN</td>
<td></td>
<td>39,236</td>
<td>4,054</td>
<td>1,407</td>
<td>Lowland and agricultural area</td>
</tr>
<tr>
<td>4</td>
<td>GALUR</td>
<td></td>
<td>32,803</td>
<td>5,119</td>
<td>1,881</td>
<td>Lowland and agricultural area</td>
</tr>
<tr>
<td>5</td>
<td>LENDAH</td>
<td></td>
<td>41,216</td>
<td>5,328</td>
<td>1,925</td>
<td>Lowland and agricultural area</td>
</tr>
<tr>
<td>6</td>
<td>SENTOLO</td>
<td></td>
<td>49,987</td>
<td>8,218</td>
<td>2,748</td>
<td>Lowland and agricultural area</td>
</tr>
<tr>
<td>7</td>
<td>PENGASIH</td>
<td></td>
<td>51,117</td>
<td>5,864</td>
<td>2,032</td>
<td>Lowland and mountains</td>
</tr>
<tr>
<td>8</td>
<td>KOKAP</td>
<td></td>
<td>36,533</td>
<td>7,210</td>
<td>2,489</td>
<td>Mountains and hills</td>
</tr>
<tr>
<td>9</td>
<td>GIRIMULYO</td>
<td></td>
<td>25,219</td>
<td>3,891</td>
<td>1,376</td>
<td>Mountains and highland</td>
</tr>
<tr>
<td>No.</td>
<td>Sub-District</td>
<td>Characteristics</td>
<td>Population</td>
<td>Number of Poor People</td>
<td>Number of Poor Household’s Head Working in Informal</td>
<td>Geographical Characteristics</td>
</tr>
<tr>
<td>-----</td>
<td>--------------</td>
<td>-------------------</td>
<td>------------</td>
<td>-----------------------</td>
<td>-----------------------------------------------------</td>
<td>-----------------------------------</td>
</tr>
<tr>
<td>10</td>
<td>NANGGULAN</td>
<td></td>
<td>30,773</td>
<td>3,753</td>
<td>1,272</td>
<td>Lowland and agricultural area</td>
</tr>
<tr>
<td>11</td>
<td>SAMIGALUH</td>
<td></td>
<td>28,928</td>
<td>3,974</td>
<td>1,367</td>
<td>Mountains and highland</td>
</tr>
<tr>
<td>12</td>
<td>KALIBAWANG</td>
<td></td>
<td>31,117</td>
<td>5,528</td>
<td>1,924</td>
<td>Mountains and lowland</td>
</tr>
<tr>
<td></td>
<td>TOTAL</td>
<td></td>
<td>445,293</td>
<td>60,816</td>
<td>21,039</td>
<td></td>
</tr>
</tbody>
</table>
On the one hand, most of the poor people in KulonProgo Regency live in the mountains and highlands such as Kokapsub-district, Girimulyosub-district, and Kalibawangsub-district. However in Sentolo, the sub-district which has the lowland and agriculture areas, has a high poverty rate because in this sub-district many of the heads of the poor households work as peasants and seasonal labors. On the other hand, the sub-districts that have the lowland and agricultural areas tend to be out of poverty conditions, for example Temon, Wates, Galur, Lendah, and Pengasih sub-districts. Moreover, the sub-district close to the district capital, Wates, has more opportunities to increase its welfare by gaining employment in the service and trade sectors.

Based on the findings above, there are some different poverty characteristics in every sub-district in KulonProgo Regency either in terms of the number of poor households or the livelihoods of the heads of the households. To address the poverty problem at the regency level, some poverty program interventions have been initiated both from the national and the local governments which can be adjusted to the characteristics of the livelihoods of the heads of the households.

The informal livelihoods of the heads of poor households in KulonProgo Regency have various types and numbers of diversifications in the chronically and the transiently poor. Each sub-district has its own characteristics in terms of the informal livelihoods which significantly draw its poverty profile. The southern area which includes Temon, Panjatan, Galur, and Lendah sub-districts is dominated by the agriculture sector and casual labours of industry construction. Meanwhile, in the central area which includes Sentolo, Pengasih, Kokap, and Wates sub-districts, many of the heads of poor households work in transportation, services, and small trade sectors. In the northern area which includes Nanggulan, Girimulyo, Samigaluh, and Kalibawang sub-districts, the livelihoods of the poor are dominated by home industry, handicrafts and food, as well as tourism sectors.
In line with the policy implication regarding the livelihoods of the heads of poor households in KulonProgo Regency, a recent study from Laos stated that it turns out that the livelihood diversification strategies which include informal activities in the agriculture and non-agriculture sectors will be closely related to the level of wealth and ownership of better assets to achieve prosperity. Moreover, these findings have implications for a strong consideration regarding the policy-making process related to the livelihood diversification aspects of poverty reduction (Martin & Lorenzen, 2016).

IV. 3. Mis-allocation of Social Assistance Program

Another finding shows that from 2013 until 2016, there has been mis-allocation of poverty intervention programs. Misallocation of poverty intervention programs ensues when households eligible for benefits of social assistance program developed by the government do not receive such benefits. On the other hand, many households ineligible for any social assistance programs receive these benefits. Originally, some social assistance programs are aimed to cover the daily basic needs for the poor and chronically poor households. Moreover, the government has also designed economic assistance programs especially for the nearly poor and the non-poor households in KulonProgo.

Based on the local poverty database from 2013 until 2016, there was at least some misallocation of social assistance in several poverty intervention programs. The misallocations were found in five programs such as Subsidized National Health Insurance, Subsidized Provincial Health Insurance, Subsidized Regency Health Insurance, Family Hope Program, and Rice-for-Poor Program. In brief, the subsidized health insurance programs are the social assistance programs designed for the poor and chronically poor people and the burden of their premium is paid by the government every month. The family hope program is a social and economic
empowerment program for the poor and chronically poor people which provides scholarship for the kids, cash transfer, job training and job opportunity access for the heads of the households. Finally, Rice-for-Poor program is a poverty intervention program providing subsidized 15 kg rice per poor household every month. The poor households pay only Rp. 1,600 per kg of the rice which is different from the market price where people have to pay Rp. 10,000 per kg.
<table>
<thead>
<tr>
<th>Year</th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Category</td>
<td>Subsidized National Health Insurance</td>
<td>Subsidized Provincial Health Insurance</td>
</tr>
<tr>
<td>Nearly Poor</td>
<td>1,770</td>
<td>3,681</td>
</tr>
<tr>
<td>Non-Poor</td>
<td>2,391</td>
<td>4,675</td>
</tr>
<tr>
<td>Total</td>
<td>4,161</td>
<td>8,356</td>
</tr>
</tbody>
</table>
Table 6b. Mis-allocation of social assistance program in KulonProgo 2015–2016

<table>
<thead>
<tr>
<th>Year</th>
<th>2015</th>
<th>2016</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Nearly Poor</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Category</td>
<td>Subsidized National Health Insurance</td>
<td>Subsidized Provincial Health Insurance</td>
<td>Subsidized Regency Health Insurance</td>
</tr>
<tr>
<td>Subsidized National Health Insurance</td>
<td>1,943</td>
<td>3,795</td>
<td>3,993</td>
</tr>
<tr>
<td>Subsidized Provincial Health Insurance</td>
<td>1,909</td>
<td>1,221</td>
<td>7,575</td>
</tr>
<tr>
<td>Subsidized Regency Health Insurance</td>
<td>1,726</td>
<td>1,726</td>
<td>1,726</td>
</tr>
<tr>
<td>Total</td>
<td>5,719</td>
<td>5,719</td>
<td>5,719</td>
</tr>
</tbody>
</table>
The percentage rate of the misallocation demonstrated some fluctuations. In 2013, the data shows that 42 percent of the misallocation was in the social assistance programs implementation. It means that there were 34,987 cases of households categorized as non-poor and nearly poor who received benefits from among the social assistance programs listed above. In 2014, 87 percent of the misallocation was in the social assistance program implementation which indicates there were 25,754 cases of households categorized as non-poor and nearly poor who received benefits from among the social assistance programs above. There was an increase by 43 percent in rate, but the total number of social assistance misallocation cases was decreased. Moreover, this study found that in 2015, there was a decrease in both the percentage and the total number of misallocation cases by 65 percent with 24,163 misallocation cases with respect to non-poor and nearly poor households. Lastly, in 2016, an increase occurred both in the percentage and the total number of social assistance misallocation cases by 74 percent with 28,864 cases of misallocated households.

In order to depict the mis-allocation of poverty alleviation program in each sub-district, this study conducted a survey using purposive sampling in KulonProgo Regency, a part of Yogyakarta Special Region, Indonesia. The total population in 2016 was 445,493 thousand with the 60,816 people living under the poverty line. In terms of local GDP, poverty reduction programs are the highest local government expenditure spending up to 73.09% of the total Regional GDP in 2016 (KulonProgo Poverty Reduction Annual Report 2016). Many poverty intervention programs were implemented during the 5 years from 2012 until 2016, for example rice-for-poor, cash transfer, scholarship, family care, housing, sanitation, national health insurance, and micro, small and medium enterprises assistance.

The following explanations will focus more on the implementation of poverty interventions in each sub district in KulonProgo Regency which consists of 12 sub
districts. The researcher obtained the data profile by conducting several interviews which involved the 30 beneficiary households in each sub-district. There are 360 beneficiary households as the informants.

**IV.3.1. Temon Sub District Poverty Reduction Profile.**

Temon sub district is covered by coastal area and agricultural area in low land, moreover it has relatively small population (29,057 people) among sub district and only has 3,917 poor people, and 1,366 poor households. The individual development is supported by limited educational and empowerment institutions. Then, their economic wealthy by providing and various livelihoods is mainly supported by agriculture, fishing, and tourism can decrease the number of people. The centre of economic and infrastructure is relatively easier to be accessed for people in this sub-district due to the location is close to capital of regency.

In 2016, the population in Temon sub district was 26,343 consisting of 12,913 males and 13,430 females (BPS, 2016) with the poverty rate of 14.9% (KulonProgo, Annual Report 2016). Most people in Temon have occupation in agriculture sector.

Based on an in-depth interview with 30 household in this sub-district, some information were collected with the number of informants based on gender consisting of 26 men and 4 women.
According to the interviews on the pro-poor program in Temon sub district, there are 22 households receiving rice-for-the-poor, 3 households receiving cash transfer, 3 households receiving scholarship-for-the-poor, 12 households receiving family care program, 12 households receiving housing-for-the-poor program, there is no household received poor sanitation program, 24 households receiving national health insurance for the poor program, 15 households receiving micro, small and medium enterprises assistance, and no household receiving sanitation program for the poor. Therefore, the average duration of pro-poor program consists of 1 year, 2 years, 3 years, 4 years, and 5 years with 20, 1, 7, 2 and 0 people respectively.

Meanwhile, based on the interview, there are some opinions about the pro-poor program in KulonProgo regency especially the one implemented in Temon Sub district. First, it concerns the change in the life conditions after receiving several poverty intervention programs, in which they stated that 24 people gave positive responds by agreeing that the program changed their life condition for the better and 6 people gave negative responds by saying that the program did not make any changes in their life conditions. In addition, concerning how the assistance program could suit their needs, 28 people revealed that the program did suit their needs while 2 people
said that the program did not. Furthermore, they also gave their opinions on whether there were any unregistered poor households around them in which 13 people told there was none while 17 people stated that there were some. Lastly, they gave their opinions on whether there were some poor households around them having not received any pro-poor intervention program yet. There were 6 people who answered that there was no poor household having not received the program and 24 people who answered that there were indeed some poor households having not received the program.

IV. 3. 2. Wates Sub District Poverty Reduction Profile

Wates sub district is covered by coastal area and centre of economic area as the capital regency of KulonProgo, moreover it has relatively high population (49,307 people) among sub district but only has 3,960 poor people and 1,229 poor households. The individual development supported by a number of educational and empowerment institutions. While, their economic wealthy by providing and various livelihoods is mainly supported by centre of government, traditional market, and service can decrease the number of people. The centre of economic and infrastructure is relatively well-developed for people in this sub-district.

In 2016, the population in Wates sub district was 47,354 consisting of 23,222 males and 24,132 females (BPS, 2016) with the poverty rate of 8.4 % (KulonProgo, Annual Report 2016). Most people in Wates have the occupation in micro, small and medium enterprises as well as services sector.

Based on an in-depth interview with 30 households in this sub district, some information were collected with the number of informants based on gender consisting of 24 men and 6 women
According to the interviews about pro-poor program in Wates sub district, there were 16 households receiving rice-for-the-poor, 3 households receiving cash transfer, 6 households receiving scholarship for the poor, 22 households receiving family care program, 10 households receiving housing for the poor program, 17 households receiving national health insurance for the poor program, 3 households receiving micro, small and medium enterprises assistance, and no household receiving sanitation for the poor program. Therefore, the average duration of pro-poor program consists of 1 year, 2 years, 3 years, 4 years, and 5 years with 23, 1, 0, 0, and 6 people respectively.

Meanwhile, based on the interviews, there were some opinions about the pro-poor program in KulonProgo regency especially the one implemented in Wates Sub district. First, concerning the changes in the life conditions after receiving several poverty intervention programs, 29 people gave positive responds by stating that the program changed their life conditions for the better and 1 people gave a negative respond by saying that the program did not change anything. Moreover, concerning
how the assistance program could suit their needs, 28 people revealed that the program did suit their needs while 2 people said that the program did not.

They also gave their opinion on whether there were any unregistered poor households around them in which 13 people said that there was no unregistered poor household while 17 people stated there were some. Lastly, they stated an opinion on whether there were some poor households around them having not received any pro-poor intervention programs yet. 12 people answered that there was no poor household having not received the program while 18 people answered that there were indeed some who still have not received any intervention program.

**IV. 3. 3. Panjatan Sub District Poverty Reduction Profile.**

Panjatan sub district is covered by coastal area and agricultural area in low land, moreover it has population in medium size relatively (39,236 people) among sub districts and only has 4,054 poor people, and 1,407 poor households. The individual development is supported by limited educational and empowerment institutions. Moreover, their economic wealthy by providing and various livelihoods is mainly supported by agriculture, and service can decrease the number of people. The centre of economic and infrastructure is relatively easier to be accessed for people in this sub-district due to the location is close to capital of regency.

In 2016, the population in Panjatan sub district was 35,715 consisting of 17,414 men and 18,301 women (BPS, 2016) with the poverty rate of 11.4 % (KulonProgo, Annual Report 2016). Most people in Panjatan have the occupation in agriculture sector.

Based on an in-depth interview with 30 households in this sub district, some information were collected with the number of informants based on gender consisting of 22 men and women 8.
According to the interviews about the pro-poor program implemented in Panjatan sub-district, there were 22 households receiving rice-for-poor, 13 households receiving cash transfer, 9 households receiving scholarship for the poor, 14 households receiving family care program, 12 households receiving housing for the poor program, 3 households receiving sanitation for the poor program, 19 households receiving national health insurance for the poor program, and 4 households receiving micro, small and medium enterprises assistance. Therefore, the average duration of pro-poor program consists of 1 year, 2 years, 3 years, 4 years, and 5 years with 8, 4, 2, 0, and 16 people respectively.

Meanwhile, based on the interview, there were some opinions about the pro-poor program in KulonProgo regency especially the one implemented in Panjatan sub-district. First, concerning the changes in the life conditions after receiving several poverty intervention programs in which 26 people gave positive responds by stating
that there were some changes in their life conditions for the better and 4 people gave negative responds by stating that the program did not make any changes in their life. In addition, concerning whether the assistance programs could suit their needs, 28 people said that the programs could suit their needs while 2 people stated that the programs could not. They also gave their opinions on whether there were some unregistered poor households around them in which 6 people revealed that there was no unregistered poor household while 24 people said there were some. Lastly, they stated their opinions on whether there were still some poor households around them having not received any pro-poor intervention programs yet. 6 people said that there was no poor household having not received such programs but 24 people said that there were some.

IV. 3. 4. Galur Sub District Poverty Reduction Profile.

Galur sub district is covered by coastal area and agricultural area in low land, moreover it has population in medium size relatively (32,803 people) among sub districts and only has 5,119 poor people, and 1,881 poor households. The individual development is supported by limited educational and empowerment institutions. While, their economic wealthy by providing and various livelihoods is mainly supported by agriculture, traditional market, tourism, and service can decrease the number of people. The centre of economic and infrastructure is relatively easier to be accessed for people in this sub-district due to the location is close to capital of regency.

In 2016, the population in Galur sub district was 30,777 consisting of 15,230 males and 15,547 females (BPS, 2016) with the poverty rate of 16.6 % (KulonProgo, Annual Report 2016). Most people in Galur have the occupation in agriculture sector. Based on an in-depth interview with 30 households in this sub district, some information were collected with the number of informants based on gender consisting of 21 men and 9 women.
According to the interviews about pro-poor program in Galur sub-district, there are 19 households receiving rice-for-poor, 1 household receiving cash transfer, 14 households receiving family care program, 10 households receiving housing for the poor program, 19 households receiving national health insurance for the poor program, 2 households receiving micro, small and medium enterprises assistance, no household receiving scholarship for the poor, and no household receiving sanitation for the poor program. Therefore, the average duration of pro-poor program consists of 1 year, 2 years, 3 years, 4 years, and 5 years with 10, 16, 4, 0, and 0 people respectively.

Meanwhile, based on the interview, there were some opinions about the pro-poor program in KulonProgo regency especially the one implemented in Galur sub-district. First, concerning the changes in the life conditions after receiving several
poverty intervention programs, 26 people gave positive responds by stating that the programs changed their life conditions for the better while 4 people gave negative responds by saying that they did not change anything. Moreover, concerning whether the programs could suit their needs, 26 people revealed that they could indeed suit their needs while 4 people revealed that they could not. In addition, concerning whether there were any unregistered poor households around them, 8 people said that there was no unregistered poor household while 22 people revealed that there were some. Lastly, they were asked whether there were some poor households having not received any pro-poor intervention programs yet. 5 people answered that there was none while 25 people said that there were still some poor households having not received the programs yet.

IV. 3. 5. Lendah Sub District Poverty Reduction Profile.

Lendah sub district is covered by hill area and agricultural area, moreover it has high population relatively (41,216 people) among sub districts and only has 5,328 poor people, and 1,925 poor households. The individual development is supported by limited educational and empowerment institutions. While, their economic wealthy by providing and various livelihoods is mainly supported by agriculture, small micro enterprise and service can decrease the number of people. The centre of economic and infrastructure is relatively easier to be accessed for people in this sub-district.

In 2016, the population in Lendah sub district was 38,897 consisting of 19,334 males and 19,563 females (BPS, 2016) with the poverty rate of 13.7 % (KulonProgo, Annual Report 2016). Most people in Lendah have the occupation in agriculture and sand mining sectors.

Based on an in-depth interview with 30 households in this sub-district, some information were collected with the number of informants based on gender consisting of 26 men and 4 women.
According to the interviews about pro-poor program in Lendah sub-district, there were 21 households receiving rice-for-poor, 11 households receiving cash transfer, 10 households receiving scholarship for the poor, 17 households receiving family care program, 17 households receiving housing for the poor program, 7 households receiving sanitation for the poor program, 10 households receiving national health insurance for the poor program, and 4 households receiving micro, small and medium enterprises assistance. Therefore, the average duration of pro-poor program consists of 1 year, 2 years, 3 years, 4 years, and 5 years with 19, 1, 0, 5, and 5 people respectively.

Meanwhile, based on the interview, there were some opinions about the pro-poor program in KulonProgo regency especially the one implemented in Lendah sub-district. First, concerning the changes in the life conditions after receiving several
poverty intervention programs in which 29 people gave positive responds by saying that the program changed their life conditions for the better while 1 person gave a negative respond by saying that it did not change anything. Moreover, concerning whether the assistance programs could suit their needs, 29 people stated that the programs could indeed suit their needs while 1 person stated that the programs could not. Lastly, concerning whether there were any unregistered poor households around them having not received any pro-poor intervention programs yet, 11 people answered that there was none while 19 people answered that there were some unregistered poor households having not received the programs yet.


Sentolo sub district is covered by agricultural area in low land, moreover it has relatively high population (49,987 people) among sub districts and only has 8,218 poor people, and 2,748 poor households. The individual development is supported by limited educational and empowerment institutions. Moreover, their economic wealthy by providing and various livelihoods is mainly supported by only small micro enterprise as seasonal labor, agriculture as peasant, and micro service can not decrease the number of people. Moreover, the level of education in this sub district is relatively low rather than other. Eventhough the centre of economic and infrastructure is relatively easier to be accessed for people in this sub-district due to the location is close to capital of regency, the poverty level in Sentolo is still high because poor people do not have skill and knowledge to use the infrastructure capital to gain the wealth.

In 2016, the population in Sentolo sub-district was 47,817 consisting of 23,688 males and 24,129 females (BPS, 2016) with the poverty rate of 17.2 % (KulonProgo, Annual Report 2016). Most people in Sentolohave the occupation in agriculture and micro, small and medium enterprises sectors.
Based on an in-depth interview with 30 households in this sub-district, some information were collected with the number of informants based on gender consist of 21 men and 9 women.

Figure 6. Pro poor program in Sentolo Sub-district.

According to the interviews about pro-poor program in Sentolo sub-district, there were 27 households receiving rice-for-poor, 12 households receiving cash transfer, 3 households receiving scholarship for the poor, 11 households receiving family care program, 10 households receiving housing for the poor program, 3 households receiving sanitation for the poor program, 21 households receiving national health insurance for the poor program, and 5 households receiving micro, small and medium enterprises assistance. Therefore, the average duration of pro-poor program consists of 1 year, 2 years, 3 years, 4 years, and 5 years with 11, 5, 5, 5, and 4 people respectively.

Meanwhile, based on the interview, there were some opinions about the pro-poor program in KulonProgo regency especially the one implemented in Sentolo sub-district. First, concerning the changes in the life conditions after receiving several poverty intervention programs, 27 people gave positive responds by saying that the programs change their life conditions for the better while 3 people gave negative responds by saying that the program did not change anything. Moreover, concerning
whether the assistance programs could suit their needs, 24 people stated that the programs could indeed suit their needs while 6 people stated that the programs could not. They were also asked whether there were any unregistered poor households around them. 11 people answered that there was none while 19 people answered that there were some unregistered poor households. Lastly, concerning whether there were any poor households having not received any pro-poor intervention programs, 11 people revealed that there was none while 19 people revealed that there were some poor households having not yet received any intervention programs.

IV. 3. 7. Pengasih Sub-District Poverty Reduction Profile.

Pengasih sub-district is covered by agricultural areas in the lowlands and hill areas. Moreover, it has a relatively high population of 51,117 people among sub-districts in KulonProgo regency and only has 5,864 poor people and 2,032 poor households. The individual development is supported by a number of educational and empowerment institutions. Meanwhile, the economic wealth is supported by providing various livelihoods mainly agriculture and micro, small and medium enterprises sector that can decrease the number of the poor. In addition, the level of education in this sub-district is relatively higher than others. The centre of economic and infrastructure is relatively easier to be accessed by people in this sub-district due to the location being close to the capital of the regency.

In 2016, the population in Pengasih sub-district was 48,631 consisting of 23,646 males and 24,985 females (BPS, 2016) with the poverty rate of 12.1 % (KulonProgo, Annual Report 2016). Most people in Pengasih have the occupation in agriculture; micro, small and medium enterprise; and service sectors.

Based on an in-depth interview with 30 households in this sub-district some information were collected with the number of informants based on gender consisting of 26 men and 4 women.
According to the interviews about pro-poor program in Pengasih sub-district, there were 27 households receiving rice-for-poor, there is no household received cash transfer, there is no household received poor scholarship, 21 households receiving family care program, 3 households receiving housing for the poor program, there is no household received poor sanitation program, 26 households receiving national health insurance for the poor program, and no household receiving cash transfer, scholarship for the poor, and micro, small and medium enterprise assistance. Therefore, the average duration of pro-poor program consists of 1 year, 2 years, 3 years, 4 years, and 5 years with 2, 21, 6, 1, and 0 people respectively.

Meanwhile, there were some opinions about the pro-poor program in KulonProgo regency especially the one implemented in Pengasih sub-district. First, concerning the changes in the life conditions after receiving several poverty intervention programs, 14 people stated that the programs changed their life conditions for the better while 16 people said that the programs did not change
anything in their life. Moreover, concerning whether the assistance programs could suit their needs, 14 people stated that the programs could indeed suit their needs while 16 people the programs could not. They were also asked whether there were any unregistered poor households around them in which 4 people answered that there was none while 26 people answered there were some unregistered poor households. Lastly, concerning whether there were any poor households having not yet received any pro-poor intervention programs, 3 people answered that there was none while 27 people answered that there were some poor households having not yet received such programs.

Pengasih sub district is covered by agricultural area in low land and hill area, moreover it has relatively high population (51,117 people) among sub districts and only has 5,864 poor people, and 2,032 poor households. The individual development is supported by a number of educational and empowerment institutions. While, their economic wealthy by providing and various livelihoods is mainly supported by agriculture and micro service can decrease the number of people. Moreover, the level of education in this sub district is relatively higher than other. The centre of economic and infrastructure is relatively easier to be accessed for people in this sub-district due to the location is close to capital of regency.

IV. 3.8. Kokap Sub-District Poverty Reduction Profile.

Kokap sub district is covered by mountaineous area, moreover it has population in medium size relatively (36,533 people) among sub districts and has high number of poor by 7,210 people, and 2,489 poor households. The individual development is supported by limited educational and empowerment institutions. Moreover, their economic wealthy by providing and various livelihoods is mainly supported by small micro enterprise in palm sugar, rock mining as labor and service that can not decrease the number of people significantly. The centre of economic and
infrastructure is relatively difficult to be accessed for people in this sub-district due to the location is far from capital of regency.

In 2016, the population in Kokap sub district was 31,908 consisting of 15,735 males and 16,173 females (BPS, 2016) with the poverty rate of 22.6 % (KulonProgo, Annual Report 2016). Most people in Kokaphave the occupation in plantation and mining sectors.

Based on an in-depth interview with 30 households in this sub-district, some information were collected with the number of informants based on gender consisting of 24 men and 6 women.

Figure 8. Pro poor program in Kokap Sub-district.

According to the interviews about pro-poor program in Kokap sub-district, there were 14 households receiving rice-for-poor, 5 households receiving cash transfer, there is no household received poor scholarship, 7 households receiving family care program, 6 households receiving housing for the poor program, 1 household receiving sanitation for the poor program, 16 households receiving national health insurance for the poor program, 3 households receiving micro, small and medium enterprise assistance, and no household receiving scholarship for the poor. Therefore, the
average duration of pro-poor program consists of 1 year, 2 years, 3 years, 4 years, and 5 years with 18, 3, 3, 4, and 2 people respectively.

Meanwhile, there were some opinions about the pro-poor program in KulonProgo regency especially the one implemented in Kokap sub-district. First, concerning the changes in the life conditions after receiving several poverty intervention programs, 26 people stated that the programs changed their life conditions for the better while 4 people stated that the programs did not change anything in their life. Moreover, concerning whether the assistance programs could suit their needs, 27 people said that the programs could indeed suit their needs while 3 people said that they could not. They were also asked whether there were any unregistered poor households around them in which 11 people answered that there was none while 19 people answered that there were some unregistered poor households. Lastly, concerning whether there were any poor households having not yet received any pro-poor intervention program, 5 people said that there was none while 25 people revealed that there were some having not received such programs yet.

IV. 3.9. Girimulyo Sub-District Poverty Reduction Profile.

Girimulyo sub district is covered by mountaineous area in low land, moreover it has relatively small population (25,219 people) among sub district and has number of poor by 3,891 poor people, and 1,376 poor households. The individual development is supported by limited educational and empowerment institutions. While economic wealthy by providing and various livelihoods is mainly supported by small micro trade, micro tourism, and service that can not decrease the number of people significantly. The centre of economic and infrastructure is relatively difficult to be accessed for people in this sub-district due to the location is far from capital of regency.

In 2016, the population in Girimulyo sub district was 22,532 consisting of 11,008 males and 11,524 females (BPS, 2016) with the poverty rate of 17.3 %
(KulonProgo, Annual Report 2016). Most people in Girimulyo have the occupation in plantation and micro, small and medium enterprise sectors.

Based on an in-depth interview with 30 households in this sub-district some information were collected with the number of informants based on gender consisting of 24 men and 6 women.

Figure 9. Pro poor program in Girimulyo Sub-district.

![Pro Poor Program in Girimulyo Sub District](image)

According to the interviews about pro-poor program in Girimulyo sub-district, there were 27 households receiving rice-for-poor, 15 households receiving cash transfer, 7 households receiving scholarship for the poor, 13 households receiving family care program, 11 households receiving housing for the poor program, 3 households receiving sanitation for the poor program, 18 households receiving national health insurance for the poor program, and 8 households receiving micro, small and medium enterprise assistance. Therefore, the average duration of pro-poor program consists of 1 year, 2 years, 3 years, 4 years, and 5 years with 7, 3, 4, 5, and 11 people respectively.

Meanwhile, based on the interviews, there were some opinions about the pro-poor program in KulonProgo regency especially the one implemented in
Girimulyosub-district. First, concerning the changes in the life conditions after receiving several poverty intervention programs, 28 people said that the programs changed their life conditions for the better while 2 people said that the programs did not change anything. Moreover, concerning whether the assistance programs could suit their needs, 29 people stated that the programs could indeed suit their needs while 1 person stated that the programs could not. They were also asked whether there were any unregistered poor households around them in which 24 people said that there was none while 6 people said that there were some unregistered poor households. Lastly, concerning whether there were any poor households having not yet received any pro-poor intervention programs, 20 people answered that there was none while 10 people answered that there were some poor households having not received such programs yet.

**IV. 3. 10. Nanggulan Sub-District Poverty Reduction Profile.**

Nanggulan sub district is covered by mountaineous area and agricultural area, moreover it has relatively small population (30,773 people) among sub district and has number of poor by 3,753 poor people, and 1,272 poor households. The individual development is supported by limited educational and empowerment institutions and economic wealthy by providing and various livelihoods is mainly supported by small micro trade, agriculture, and service that can decrease the number of people significantly. The centre of economic and infrastructure is relatively difficult to be accessed for people in this sub-district due to the location is far from capital of regency.

In 2016, the population in Nanggulan sub-district was 29,089 consisting of 14,095 males and 14,994 females (BPS, 2016) with the poverty rate of 12.9 % (KulonProgo, Annual Report 2016). Most people in Nanggulan have the occupation in agriculture and micro, small and medium enterprise sectors.
Based on an in-depth interview with 30 households in this sub-district, some information were collected with the number of informants based on gender consist of 23 men and 7 women.

Figure 10. Pro poor program in Nanggulan Sub district.

According to the interviews about pro-poor program in Nanggulan sub-district, there were 13 households receiving rice-for-poor, 17 households receiving cash transfer, 13 households receiving scholarship for the poor, 3 households receiving family care program, 30 households receiving national health insurance for the poor program, 29 households receiving micro, small and medium enterprise assistance, and no household receiving housing for the poor and sanitation for the poor programs. Therefore, the average duration of pro-poor program consists of 1 year, 2 years, 3 years, 4 years, and 5 years with 3, 3, 23, 0, and 1 people respectively.

Meanwhile, based on the interviews, there were some opinions about the pro-poor program in KulonProgo regency especially the one implemented in Nanggulan sub-district. First, concerning the changes in the life conditions after receiving several poverty intervention programs, 29 people said that the programs changed their life for the better while 1 person said that the programs did not change anything. Moreover,
concerning whether the assistance programs could suit their needs, 28 people stated that the programs could indeed suit their needs while 2 people stated that the programs could not. They were also asked whether there were any unregistered poor households around them in which all 30 of the households answered that there were some unregistered poor households. Lastly, concerning whether there were any poor households having not yet received any pro-poor intervention programs, all 30 of the households revealed that there were poor households having not yet received such programs.

IV. 3. 11. Kalibawang Sub-District Poverty Reduction Profile.

Kalibawang sub district is covered by mountaineous and hill area, moreover it has relatively small population (31,117 people) among sub district and has number of poor by 5,528 poor people, and 1,924 poor households. The individual development is supported by limited educational and empowerment institutions. While, economic wealthy by providing various livelihoods is mainly supported by small micro trade, micro tourism, and service that can not decrease the number of people significantly. The centre of economic and infrastructure is relatively difficult to be accessed for people in this sub-district due to the location is far from capital of regency.

In 2016, the population in Kalibawang sub-district was 27,633 consisting of 13,351 males and 14,282 females (BPS, 2016) with the poverty rate of 20 % (KulonProgo, Annual Report 2016). Most people in Kalibawang have the occupation in agriculture and micro, small and medium enterprise sectors.

Based on an in-depth interview with 30 households in this sub-district, some information were collected with the number of informants based on gender consisting of 22 men and 8 women.
According to the interviews about pro-poor program in Kalibawang sub-district, there were 24 households receiving rice-for-poor, 14 households receiving cash transfer, 7 households receiving scholarship for the poor, 9 households receiving family care program, 10 households receiving housing for the poor program, 1 household receiving sanitation for the poor program, 23 households receiving national health insurance for the poor program, and 7 households receiving micro, small and medium enterprise assistance. Therefore, the average duration of pro-poor program consists of 1 year, 2 years, 3 years, 4 years, and 5 years with 7, 3, 4, 5, and 11 people respectively.

Meanwhile, based on the interviews, there were some opinions about the pro-poor program in KulonProgo regency especially the one implemented in Kalibawang sub-district. First, concerning the changes in the life conditions after receiving several programs...
poverty intervention programs, 28 people said that the programs changed their life conditions for the better while 2 people said that the programs did not change anything. Moreover, concerning whether the assistance programs could suit their needs, 29 people stated that the programs could indeed suit their needs while 1 person stated that the programs could not. They were also asked whether there were any unregistered poor households around them in which 24 people answered that there was none while 6 people answered that there were some unregistered poor households. Lastly, concerning whether there were any poor households having not yet received any pro-poor intervention programs, 20 people revealed that there was none while 10 people revealed that there were some poor households having not yet received such programs.


Samigaluh sub district is covered by mountaineous area, moreover it has relatively small population (28,928 people) among sub district and has number of poor by 3,974 poor people, and 1,367 poor households. The individual development is supported by limited educational and empowerment institutions and economic wealthy by providing various livelihoods are mainly supported by small micro trade, micro tourism, and service that can not decrease the number of people significantly. The centre of economic and infrastructure is relatively difficult to be accessed for people in this sub-district due to the location is far from capital of regency.

In 2016, the population in Samigaluh sub-district was 25,915 consisting of 12,736 males and 13,179 females (BPS, 2016) with the poverty rate of 15.3 % (KulonProgo, Annual Report 2016). Most people in Samigaluh have the occupation in plantation and micro, small and medium enterprise sector.

Based on an in-depth interview with 30 households in this sub-district, some information were collected with the number of informants based on gender consisting of 25 men and 5 women.
According to the interviews about pro-poor program in Samigaluh sub-district, there were 23 households receiving rice-for-poor, 3 households receiving cash transfer, 1 household receiving scholarship for the poor, 19 households receiving family care program, 9 households receiving housing for the poor program, there is no household received poor sanitation program, 13 households receiving national health insurance for the poor program, 5 households receiving micro, small and medium enterprise assistance and no household receiving sanitation for the poor program. Therefore, the average duration of pro-poor program consists of 1 year, 2 years, 3 years, 4 years, and 5 years with 15, 9, 1, 2, and 3 people respectively.
Meanwhile, based on the interviews, there were some opinions about the pro-poor program in KulonProgo regency especially the one implemented in Samigaluh sub-district. First, concerning the changes in the life conditions after receiving several poverty intervention programs, 28 people said that the programs changed their life conditions for the better while 2 people said that the programs did not change anything. Moreover, concerning whether the assistance programs could suit their needs, 27 people stated that the programs could indeed suit their needs while 3 people stated that the programs could not. They were also asked whether there were any unregistered poor households around them in which 14 people answered that there was none while 16 people answered that there were some unregistered poor households. Lastly, concerning whether there were any poor households having not yet received any pro-poor intervention programs, 10 people answered that there was none while 20 people revealed that there were some poor households having not yet received such programs.

IV. 4. The Institutional Infrastructure of Poverty Reduction Strategies in KulonProgo.

The policy of development planning based on the poverty profile for the poverty reduction program at the local government’s level includes the development of local government infrastructures which include institutional, regulatory, human capital, funding, and program aspects. First, it was based on the regulation passed by the mayor of the KulonProgo Regency (Number 325, 2010) on the Establishment of Coordination Team for Poverty of KulonProgo. The institution has the potential ability to develop a measurable and appropriate poverty reduction policy in accordance with the characteristics of poverty in the region. The opportunity for the future advancement of PRS lies within the development of special institutions for poverty reduction committees.
Second, at the local level, a set of rules is needed to ensure that the poverty reduction programs are effective and directed. A set of regulations regarding the poverty reduction program in KulonProgo Regency consists of the following:

1. Local regulation of the KulonProgo Regency number 19 of 2015 on poverty reduction policy which regulates the protection and fulfillment of the basic rights of poor families and their alignment with the realization of poverty reduction programs;

2. Local regulation of the KulonProgo Regency number 22 of 2012 regarding a corporate social responsibility which regulates public-private partnership in social and economic environments.

The opportunity for the future advancement of PRS lies within the development of another local regulation with respect to human and social empowerment.

Third, another possible infrastructure that the government of KulonProgo can develop is regarding the aspect of human capital. According to the regulation passed by the mayor of the KulonProgo Regency (Number 325, 2010), the local coordination team for poverty alleviation mandates that the member of the team comprised of the government, private corporations, and community concerned about the poverty reduction issues. Most of them are a collective of officials who have the authority to implement poverty reduction programs as well as budget users and experts who are concerned about poverty issues. The opportunity of the future of PRS is attracting all local and national stakeholders who are concerned about these issues.

Fourth, another important aspect is local budgeting. Based on the government of KulonProgo’s Local Poverty Alleviation Report in 2015, the local government spent 73.09 percent of the total local budget in 2015 for the main public service sectors such as education, health, and physical infrastructures. Problems of limited budget for PR programs arose as the local government spent 73.09 percent of the total local budget in 2015 with 50.84 percent for education affairs, 22.71 percent for health affairs, and
16.12 percent for public works affairs. This suggests that there is a need to utilize other non-government budgets, for example through CSR Funding. However, this percentage does not include the support for capital strengthening of the community and private sector funding. It means that the government needs to pay more attention to the funding aspect in order for the poverty reduction program to be effective. The basic needs of the poor such as education and health turn out to receive a large portion of the budget from the government followed by physical infrastructure programs as a means of economic access. Thus, a large portion of the budget for the poor indicates the alignment of government policy with the aspect of local pro-poor infrastructure development.

Finally, based on the poverty characteristics and the heads of the poor households’ characteristics, the local government of KulonProgo can develop the intervention programs for the poor. According to the BPS’s categorization of the poor, there are several groups of poor people (chronically poor, transiently poor, and nearly poor) accounted for the basic data regarding the beneficiaries of the appropriate program. In an effort to develop a credible and transparent poverty reduction program, the district government of KulonProgo has implemented a poverty reduction information system. The information system database displays the details of the poor such as names, addresses, types and amount of poverty reduction assistance for each sub-district, and the statistical level of poverty rate movement each year.

The poor need to sell their labor and products to extend their lives’ reliance on the formal and the informal sectors. Thus, the government should provide clear and concise plans which can assure the broad access and assistance in the formal and informal sectors. The certainty of the efficiency of program can be ensured by raising pro-poor regulations to accommodate the interests of employment access according to the capacity of the poor.
CHAPTER V

CONCLUSION AND POLICY IMPLICATIONS

V. 1. Conclusion

The characteristics of the poverty rate for each sub-district in KulonProgoRegency are different. The differences among the sub-districts are influenced by the geographical characteristics such as in Kokap sub-district, Girimulyo sub-district and Kalibawang sub-district which leave the poor out of the economic access such as agricultural field and traditional markets. Most of them are working as seasonal labors in other sub-districts or regencies. However in Sentolo sub district, it is also found the high rate of the poor is due to their livelihoods as peasants or seasonal labors. Thus, it needs a policy intervention program which is different in terms of type or quantity. Moreover, the livelihoods of the heads of the poor households in every sub-district in this regency have different characteristics in regards to both formal and informal sectors. 90 percent of the heads of the poor households work in the informal sectors and the rest work in the formal sectors.

National and local governments have the poverty intervention programs that are not accurate based on the livelihoods of the heads of the poor households’ characteristics. Meanwhile, another result informs implicitly that both the national and the local governments have designed poverty intervention programs that were ineffective as they targeted poor households but ignored their livelihood characteristics for each sub-district in KulonProgo Regency. This can be seen from the high rate of poverty in this regency compared to other regencies at the provincial and national levels. The ineffective program was marked by massive and uniform implementation without any consideration of specific characteristics of poverty in each sub-district of the regency. However, through the CSR program, the local
government started considering the specific characteristics of the heads of the poor households and potential resource areas in every village as the social capital to increase their wealth.

The development of poverty reduction infrastructure has played a significant role in empowering the regency’s policymakers for determining and implementing the measurable and well-directed poverty intervention programs. The government of KulonProgo has been developing poverty reduction infrastructure which consists of the aspects of institution, regulation, human resource, funding, and program to expedite the poverty reduction policy even though it still needs to be improved years ahead.

V. 2. Policy Implications

Based on the conclusions, this study suggests some policy implications to develop accurate poverty mitigation mechanisms at the district level, especially in KulonProgo Regency:

First, based on this study, it is important to design poverty intervention programs that are responsive and suitable for each sub-district in KulonProgo Regency. These programs should consider the specific poor household characteristics in every sub-district in this regency in order to determine the appropriate quality and type of the poverty intervention program required.

Second, poverty intervention programs need to consider the livelihoods of the heads of the poor households’ characteristics for each sub-district in KulonProgo Regency. As more than 90 percent of the heads of the poor households in each sub-district work in the informal sectors, there is a necessity for synchronizing the program based on their informal skill needs, for example home industry, handicraft, and micro, small and medium enterprises. Moreover, almost 50 percent of the informal sectors in which the poor households work in KulonProgo Regency is the agricultural sector. Thus, the government should design the appropriate programs
such as agricultural field training and agricultural business and management training to refine the agricultural skills of the heads of the poor households.

Lastly, it is necessary to improve the quality of the poverty database that includes names and addresses of the poor households which can help the poverty intervention programs reaching out their beneficiaries accurately. By using the institutional aspect of poverty infrastructure, there is a possibility to develop an accurate poverty database either locally or nationally. The availability of the poverty database might increase the efficiency of poverty intervention programs in KulonProgo Regency. Moreover, an increase in the accuracy of poverty intervention programs will help to decrease the poverty rate in this regency.
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