

Implementation of Conditional Cash Transfer Program (Pkh) for Poverty Reduction in Indonesia (Case Study in Palu City)

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This article explores the implementation of the Conditional Cash Transfer Program, known as Program Keluarga Harapan (PKH), aimed at reducing poverty in Indonesia, with a focus on Palu City. The PKH program is part of the government's efforts to meet the Millennium Development Goals (MDGs) by providing conditional financial assistance to vulnerable families. The program includes components for health, education, and social welfare, targeting pregnant women, children, the elderly, and people with disabilities. Through qualitative descriptive research, the study examines how the PKH program has been implemented and identifies key challenges and benefits observed in Palu. Findings reveal that while the program has significantly improved the welfare of the beneficiaries, issues related to resource allocation, coordination among implementers, and data discrepancies hinder the program's full potential. Furthermore, the study highlights the importance of consistent policy execution and community involvement to ensure the effectiveness of poverty alleviation programs.

Keywords: Conditional Cash Transfer, Program Keluarga Harapan, poverty reduction, public policy, Palu City, Indonesia.

1. Introduction

The issue of poverty in Indonesia, with a projected population reaching 261 million in March 2017, is concerning. In September 2016, the population stood at 259 million; in March 2016,

it was 258 million. This indicates a population increase of approximately 3 million over the last year and a reduction in poverty by 234,190. However, the rising population has decreased the ratio of poor people to the overall population. One factor contributing to the increase in poverty is inadequate population control measures. High poverty levels, particularly in many eastern regions, require more comprehensive solutions. However, existing poverty alleviation programs have mainly focused on providing material assistance to meet the needs of the poor without helping them break free from the cycle of poverty. In other words, these programs do not empower low-income people to develop their abilities to meet their needs.

In response, the government established the Program Keluarga Harapan (PKH), aimed at reducing poverty, breaking the cycle of poverty, and improving the quality of life, especially for the poor. This initiative is part of efforts to achieve the Millennium Development Goals (MDGs) set by the United Nations.

The Program Keluarga Harapan (PKH) is a conditional cash transfer program for poor and vulnerable families registered in the integrated poverty management database managed by the Social Welfare Data and Information Center. These families are designated as PKH beneficiaries, with the program aiming to: a. Improve the living standards of beneficiaries through access to education, health, and social welfare services. b. Reduce expenses and increase income for poor and vulnerable families. c. Promote behavioural change and independence among beneficiaries in accessing health, education, and social welfare services. d. Reduce poverty and inequality.

The PKH program has been implemented in all 34 provinces across Indonesia, covering 514 districts/cities, with three main components:

1. Health (pregnant women, postpartum mothers, and children under six years old)
2. Education (elementary, junior high, and senior high school)
3. Social welfare (severe disabilities, elderly starting from 70 years old)

In 2018, PKH beneficiaries were targeted to reach 10,773,288 families. This expansion is not due to increased poverty levels but because the program has yet to reach all the poor population. The main challenge lies in funding and resource limitations. Expanding the program requires additional funds, which is why the proposed 2018 national budget included an allocation of IDR 17.4 trillion. Furthermore, additional social facilitators in each district and city were required for the program's expansion. This highlights the need for skilled facilitators to implement community empowerment activities successfully. Facilitators, called "change agents" by Lippit and Rogers, influence beneficiaries' decision-making processes when adopting innovations. Therefore, facilitators must be professional and possess the necessary qualifications in personality, knowledge, attitude, and skills to facilitate community empowerment (Mardikanto & Soebiato, 2017). In 2017, 363 PKH facilitators were assigned to assist 82,445 beneficiary families in Central Sulawesi.

The program aims to alleviate poverty through an integrated approach, helping communities achieve a decent standard of living, both in terms of income and access to essential services (Antara, November 24, 2017). However, differing perceptions and poverty indicators have created challenges, particularly in data collection. For example, in 2016, the BPS Palu

recorded 26,240 people living in poverty in Palu. However, in 2017, only 6,692 people were listed as PKH beneficiaries, leading to public concerns about the fairness of the program's implementation. Additionally, inconsistencies in personal data provided by target groups during the registration process have caused verification issues for PKH facilitators. This study will explore implementing the Keluarga Harapan Program in Palu City.

2. Theoretical Review

Policy Implementation Models

According to Grindle (1980), the success of public policy implementation is highly influenced by the policy's implementability, which consists of two main elements: the Content of Policy and the Context of Policy.

1. Content of Policy

2. A policy or program's content significantly impacts its implementation's success. Controversial policies, perceived as unpopular or requiring significant changes, often face resistance from target groups or the implementers themselves, who may struggle with executing the policy or feel disadvantaged by it. The elements of policy content are outlined as follows:

a) Interest Affected

This element refers to the various interests that are influenced by policy implementation. It argues that any policy will inevitably impact multiple interests, and the extent to which these interests are affected can influence the success of the policy's implementation. If a policy does not negatively impact any particular group, it will be easier to implement, as it will not face opposition from those whose interests are at risk.

b) Type of Benefits

This component of the policy content aims to demonstrate or explain that a policy must provide several types of benefits, showing the positive outcomes that result from the policy's implementation. Policies that offer collective benefits or positively impact many people are typically easier to implement, as they garner more support from the target groups or the general public.

c) Extent of Change Envisioned

Every policy aims to achieve specific goals or changes. This point in the content of the policy emphasizes the importance of defining the scale of change the policy seeks to achieve. The broader and more significant the desired change, the more challenging the implementation tends to be, as it may require substantial shifts in behaviour.

d) Site of Decision-Making

Decision-making plays a critical role in the implementation of any policy. This element focuses on identifying where the decision-making authority lies within a policy. The more dispersed the decision-making authority, geographically or organizationally, the more complex the implementation process becomes. Such challenges often arise in policies that

involve multiple institutions in their execution.

e) Program Implementers

The success of a policy also relies on having competent implementers. This section should clearly outline who the program implementers are, ensuring that their capabilities align with the demands of the policy. The more skilled and supported the implementers are, the higher the likelihood of successful policy execution.

f) Resources Committed

The availability of adequate resources is critical for the successful implementation of a policy. Resources such as workforce, expertise, funding, and infrastructure all contribute to ensuring smooth implementation. Having the necessary resources readily available facilitates the execution of the policy and increases its chances of success.

2. Context of Policy

The context in which and by whom a policy is implemented plays a significant role in its success. No matter how well-designed or supported a policy is, its outcomes depend on the implementers. The characteristics of the implementers affect their actions during implementation, as they are individuals who cannot be entirely free from personal beliefs, aspirations, and interests. In executing a policy, there is a possibility that implementers may deviate from its intended goals to serve their interests, potentially distancing the policy from its original objectives. The factors within the implementation context that influence policy success are as follows:

a) Power, Interests, and Strategies of Actors Involved

In any policy implementation, it is essential to consider the power dynamics, interests, and strategies employed by the actors involved, as these factors influence the smooth execution of the policy. If these elements are carefully considered, the implemented program may remain far from its intended outcomes. The implementers' strategies, resources, and power positions will determine the policy's success level. If a political power has vested interests in a program, it will develop strategies to gain an advantage in the implementation process, ensuring it benefits from the policy's outcomes.

b) Institutional and Regime Characteristics

The environment in which a policy is implemented also affects its success. This section aims to explain the characteristics of the institutions that influence policy implementation. Implementing a program can lead to conflicts among those whose interests are affected. The strategies used to resolve conflicts over "who gets what" may provide indirect clues about the characteristics of the governing regime or institution responsible for implementation, including their biases or leadership style (authoritarian, democratic, etc.).

c) Compliance and Responsiveness

Another crucial aspect of policy implementation is the level of compliance and responsiveness from the implementers. This point emphasizes the importance of understanding how faithfully and effectively the implementers respond to a policy. Implementers must be sensitive to the needs of the target groups in order for the program to

succeed and to gain the support of the intended beneficiaries.

Once the policy implementation, shaped by its content and context, is carried out, it becomes clearer whether the implementers adhere to the policy as expected. It also reveals whether the surrounding environment has influenced the policy, leading to the observed degree of change.

The following illustrates implementation as both a political and administrative process.

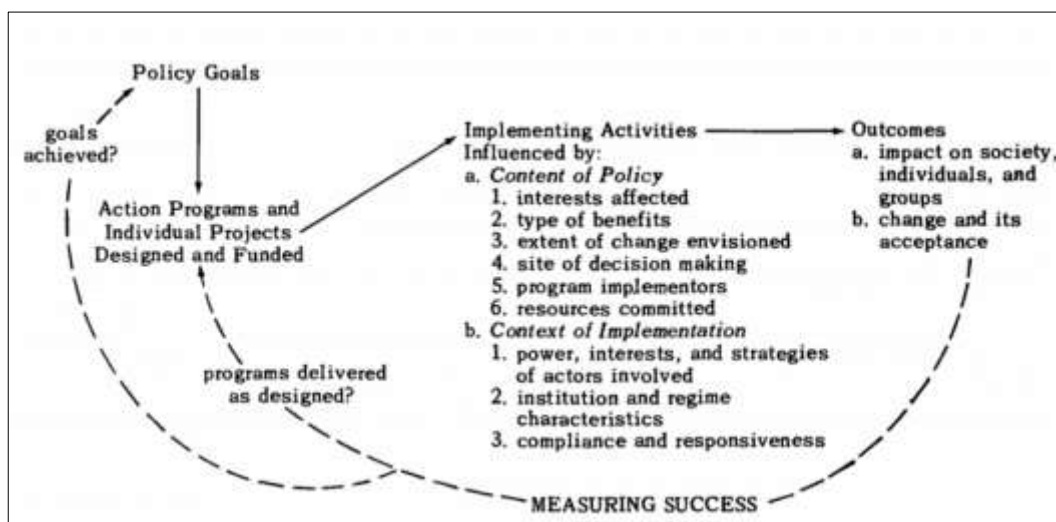


Figure 2.1 Grindle's Implementation Model

The model developed by Grindle appears more comprehensive than other models, as it not only considers the internal factors within the policy (Content of Policy) that can influence its implementation and the dynamics of relationships (conflict, support, etc.) with the recipients of the policy, as noted by previous authors but also takes into account the environmental context in which the policy is implemented and by whom. Additionally, it considers the conditions and resources necessary for successful implementation.

Program Keluarga Harapan (PKH)

The Family Hope Program, or Program Keluarga Harapan (PKH), is one of Indonesia's social protection programs. Social protection refers to a system that supports individuals in preventing and alleviating poverty caused by socio-economic risks, such as the loss of employment or income. Social protection policies serve as an operational pillar for building national welfare. The primary goals of PKH are to reduce poverty, break the cycle of poverty, and improve the quality of life for the poor. This initiative is part of efforts to achieve the Millennium Development Goals (MDGs) set by the United Nations. Since 2007, the Indonesian government has implemented PKH to accelerate poverty reduction efforts.

Internationally, this social protection program is called Conditional Cash Transfers (CCT), which effectively addresses poverty, especially in countries grappling with significant poverty issues. Conditional Cash Transfers (CCT) are social assistance programs that provide cash transfers to families or individuals who meet certain criteria or perform specific

actions. These funds are given under the condition that recipients adhere to specific requirements, such as sending children to school, undergoing regular health check-ups, or participating in skills training programs. The core idea behind this program is to improve access to education, health, and social welfare for economically and socially vulnerable groups.

According to Regulation No. 10/2017 from the Ministry of Social Affairs, PKH provides social assistance through cash, goods, or services to individuals, families, groups, or communities that are poor, unable to meet their basic needs, or vulnerable to social risks. The regulation outlines the objectives of PKH as follows: (a) To improve the living standards of beneficiary families by providing access to education, health, and social welfare services;

- (b) To reduce the financial burden and increase the income of poor and vulnerable families;
- (c) To foster behavioural changes and self-reliance among beneficiary families in accessing health, education, and social welfare services; and
- (d) To reduce poverty and inequality.

The target population of PKH consists of poor and vulnerable families registered in the integrated data system for poverty alleviation programs and meets specific health, education, and social welfare criteria. These criteria include the following:

1. Health Component Criteria:

- a. Pregnant/breastfeeding mothers; and
- b. Children aged 0 to 6 years.

2. Education Component Criteria:

- a. Children attending primary school (SD/MI) or its equivalent;
- b. Children attending junior high school (SMP/MTs) or its equivalent;
- c. Children attending senior high school (SMA/MA) or its equivalent; and
- d. Children aged 6 to 21 years who have not completed the 12 years of compulsory education.

3. Social Welfare Component Criteria:

- a. Elderly individuals, preferably aged 70 years or older; and
- b. Persons with severe disabilities.

Through PKH, beneficiary families are encouraged to access and utilize essential social services related to health, education, nutrition, care, and support, as well as other complementary social protection programs that are continuously implemented. PKH is designed to become a backbone for poverty alleviation, synergizing various national social protection and empowerment programs.

Beneficiary families in PKH are entitled to:

- a. Social assistance from PKH;
- b. Social support;
- c. Services from health, education, and social welfare facilities; and
- d. Complementary assistance programs include food, health, education, energy subsidies, economic support, housing, and other basic needs.

In return, beneficiary families have obligations, including:

- a. Attending health check-ups at health service facilities according to health protocols for pregnant/breastfeeding mothers and children aged 0 to 6 years;
- b. Ensuring school-age children attend at least 85% of the effective school days in the 12 years of compulsory education;
- c. Participating in social welfare activities as needed for families with elderly members aged 70 years or older and those with severe disabilities.

One of the critical elements in the successful implementation of public policy is the availability of resources, particularly human resources. In PKH, the human resources involved include the following:

- 1. Experts: Responsible for assisting the director in charge of PKH implementation, from planning and execution to evaluation;
- 2. Regional Coordinators: Assist provincial social service heads in coordinating PKH human resources at the provincial level;
- 3. District/City Coordinators: Support district/city social service heads in coordinating PKH human resources at the district/city level;
- 4. Social Facilitators: Responsible for providing PKH support at the sub-district level;
- 5. Operators: Collect, verify, process, and distribute PKH data at the national, provincial, and district/city levels.

3. Research Methodology

The type of research used in this study is descriptive research with a qualitative approach. According to Denzin & Lincoln, as cited in Creswell (2014:58), qualitative research is an activity that places the researcher in the world. It consists of a series of interpretive practices that make the world visible. These practices transform the world into a series of representations that include various field notes, interviews, conversations, photographs, recordings, and personal notes. In this context, qualitative research involves a naturalistic, interpretive approach to studying the world. This means that qualitative researchers study things in their natural settings, attempting to make sense of or interpret phenomena in terms of the meanings people bring to them.

The focus of this research is the implementation of the Program Keluarga Harapan (PKH) in

Palu City, specifically the implementation of the Family Hope Program policy. The study examines the following aspects: a) The content of the Family Hope Program policy, which includes:

1. The interests affected by the policy;
2. The types of benefits that will result;
3. The degree of change desired;
4. The position of the policymakers;
5. The implementers of the Family Hope Program;
6. The resources deployed.

4. Results and Discussion

The policy implementation model developed by Merilee S. Grindle focuses on two main factors that influence the implementation's success: the policy's content and its implementation context. The content of the policy relates to the substance of the policy itself, such as objectives, goals, targets, and the strategies used to achieve those objectives. The context of implementation refers to the environment in which the policy is executed, including social, economic, and political conditions.

Interests Affected by the PKH Policy in Palu City

Implementing any policy inevitably involves multiple interests, and the extent to which these interests are impacted influences its implementation. If a policy does not harm the interests of any party, it is easier to implement since there is no resistance from those whose interests are affected. This study found that the community, particularly the PKH Beneficiary Families (Keluarga Penerima Manfaat or KPM), felt their interests were positively impacted as their welfare improved. However, government employees, including those in the Social Service Office of Palu City, sub-district, and village governments, felt their interests were not served and were burdened by additional workload. The affected interests are broad, encompassing various aspects of life.

Types of Benefits Produced by PKH in Palu City

A policy should deliver several types of benefits, demonstrating the positive impacts of its implementation. Policies that provide collective benefits or affect many people are more accessible to implement as they garner more significant support from target groups or society. In Palu City, the PKH program, which benefits 12,739 families (with an additional three outside the city), distributed approximately IDR 10,181,025,000 per phase. Improving the poor's living conditions is central to the government's various social empowerment programs. The types of benefits PKH produces are diverse, encompassing social, economic, and political aspects. In this study, the community in Palu City realized the collective benefits, where both the beneficiaries and social coordinators experienced improved welfare. Even non-beneficiaries indirectly benefited from the overall improvement in the local economy.

Degree of Desired Change

This indicator measures the extent of change desired through policy implementation, requiring a precise scale. The broader and more significant the desired change, the more complex the implementation, as it demands more significant behavioural changes. The primary mission of the PKH to reduce poverty is critical, given the large number of poor people in Indonesia. In 2019, the government aimed to reduce the poverty rate to 7-8%, hoping PKH would contribute significantly to reducing the poverty rate, narrowing social inequality, and improving the Human Development Index (HDI). However, achieving the desired degree of change through PKH implementation in Palu City is a long-term process. The program aims to foster behavioural change and self-reliance, particularly among low-income people, to enhance their economic and social status. However, this behavioural change and independence have not been fully realized, as many beneficiaries still depend on their social assistants and social aid.

Position of PKH Policymakers

The PKH program is one of Indonesia's efforts to accelerate poverty alleviation and implement social protection policies. The Human Resources of the Family Hope Program (HR PKH) are individuals recruited, selected, and appointed by the Director of Family Social Security to support the implementation of PKH. The position of policymakers in policy implementation clarifies decision-making authority. The more geographically or organizationally dispersed the decision-making authority, the more complex the implementation becomes. This is often the case with policies involving multiple agencies. In the case of PKH in Palu City, the central government (Ministry of Social Affairs) and local governments are the key policymakers, with decision-making authority relatively close to the centre of power.

PKH Program Implementers

According to Regulation of the Minister of Social Affairs No. 10 of 2017, the PKH program implementers are recruited, selected, and appointed by the director in charge of PKH implementation. They consist of:

- a. Experts who assist the director in planning, implementing, and evaluating PKH;
- b. Regional Coordinators, who assist the head of the provincial social office in coordinating PKH human resources at the provincial level;
- c. District/City Coordinators, who assist the head of the district/city social office in coordinating PKH human resources at the district/city level;
- d. Social Assistants, who provide PKH assistance at the sub-district level;
- e. Operators who collect, verify, process, and distribute PKH data at the national, provincial, and district/city levels.

In Palu City, the program implementers include the local government, specifically the Palu City Social Service, PKH City Coordinator, Social Assistants, and Operators. However, the

coordination among PKH implementers at the local level could be more robust, mainly because the local government perceives PKH as a national program with dedicated implementers, making it feel less responsible.

Resources Deployed

Effective policy implementation requires the necessary resources to ensure smooth execution. These resources include workforce, expertise, funds, infrastructure, and more.

1. PKH HR needs are planned by the Sub-Directorate of Human Resources through workload analysis and confirmation with relevant parties, followed by a proposal submitted to the Director of Family Social Security.
2. The Ministry of Social Affairs, through the Directorate of Family Social Security, manages PKH HR, covering recruitment, competency standards, and core values.
3. The selection of PKH HR is regulated by the PKH HR Operational Selection Guidelines, ensuring an effective, transparent, objective, and accountable selection process across all locations.

5. Conclusion

Implementing the Conditional Cash Transfer Program (PKH) in Palu City demonstrates the Indonesian government's commitment to reducing poverty and improving the quality of life for vulnerable populations. The program has positively impacted, especially in providing low-income families access to essential services such as healthcare and education. However, challenges remain, particularly in data management, resource allocation, and coordination between government agencies. The study emphasizes the need for improved collaboration among stakeholders and a more efficient approach to addressing these challenges. A more comprehensive and integrated system is required to ensure that the PKH program can reach its full potential and contribute significantly to Indonesia's long-term poverty reduction and social welfare enhancement.

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