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Poverty Alleviation Efforts through MDG's and Economic Resources in Indonesia

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Abstract

The objective of this study is to examine and provide guidelines for regional governments, communities, and the private sector in planning and implementing poverty-reduction activities that are more effective, efficient, and targeted. Besides, this research's specific aims are: 1) increasing the rate of regional economic growth through optimization of potential sources of local income, 2) increasing per-capita income, and 3) reducing poverty, unemployment, and social-economic inequality of the community. The study was conducted in North Morowali District, Central Sulawesi Province, Indonesia, in 2018-2019. The research approach used quantitative and qualitative descriptive analysis. Data sources include sources from the Focus Group Discussion (FGD) and Regional Statistics. The results of this study are based on the Millennium Development Goals (MDG's) indicators that there are four priority scales in poverty reduction, namely, Health and Infrastructure (Priority I), Education (Priority II), Food stability (Priority III), and Population and Employment (Priority IV). Therefore, as a solution to poverty alleviation strategies, the cost approach through regional economic optimization and local income sources and community empowerment factors are essential. Apart from that, the involvement between elements (government, organizations, society, universities, and institutions) is expected to continue as an effort to realize poverty reduction can be optimally overcome.

Keywords: Millennium Development Goals, Social welfare, Macro Economics, Economic Policy

JEL Classification Code: D00, D04, D31, D6

1. Introduction

Poverty is a complicated and complex problem, as well as a disease that is difficult to cure. Poverty in Indonesia has occurred throughout the history of the founding of this country (McCulloch, 2008; Islam & Khan, 1986; Warr

& Yusuf, 2014). Poverty is not only meant as a shortage of clothing, food, and shelter. Poverty today is widely understood and covers the fields of economy, health, and education. Even lack of access to information received is also interpreted as poverty. Poverty has made people unable to get quality education, difficulty in financing health, (Gounder & Xing, 2012), lack of savings and investment (Afroz et al., 2020; Adams & Cuecuecha, 2013), lack of access to public services, unemployment (Liyanaarachchi et al., 2016), the lack of social security and protection of families, and the strengthening of urbanization to cities (Fang, 2020). Adverse effects caused by poverty can lead individuals or groups to be willing to sacrifice anything for survival (Anand & Lea, 2011).

One of the efforts in overcoming poverty in Indonesia is based on economic growth. But what happens next is that high economic growth is not followed by equitable distribution of income across all strata of society. There is a trade-off between growth and equity and, then, it creates an imbalance between the distribution of income from

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the development itself. The economic crisis in Indonesia in 1998, not only had a significant impact on the national economy, but also included an increase in the poverty rate of the community, which had risen from 17.57% (31.01 million people) to 49.50 million people (24.23%) in 1996. Therefore, in its efforts to reduce poverty due to the economic crisis, the Indonesian government set poverty-reduction efforts as one of its priorities (TNP2K.go.id, 2015). The poverty-alleviation program that has been carried out has provided a significant change that can reduce the poverty rate initially from 23.43% to 12.49% in 2011. The success in reducing the percentage of poor people is an achievement that is appreciated by the world, because Indonesia can reduce the average rate of the sparse population by 0.8% per year when compared to the successes of several other countries such as Cambodia, Thailand, China and Brazil, which are only able to reduce by 0.1% per year.

In 2010, as an effort to improve the effectiveness of poverty reduction efforts, by executive order, the Indonesian president issued Presidential Regulation No.15 of 2010 concerning the Acceleration of Poverty Reduction, which contains four basic strategies in accelerating poverty reduction, namely: 1) improve social protection programs; 2) increasing access of the poor to essential services; 3) community empowerment; and 4) inclusive development. Furthermore, through Presidential Instruction No. 7 of 2014 concerning the Implementation of the Family Welfare Savings Program, the Smart Indonesia Program and the Healthy Indonesia Program to Build Productive Families as well as Presidential Regulation Number 166 of 2014 concerning the Program for the Acceleration of Poverty Reduction, the Government has established a social protection program, which includes: 1) Prosperous Family Savings Program; 2) Smart Indonesia Program, and 3) Healthy Indonesia Program.

In its journey to support the smooth implementation of poverty alleviation programs, the Government formed the National Team for the Acceleration of Poverty Reduction (TNP2K), explaining that the role of TNP2K in poverty alleviation was a policy and program of the central government and regional governments carried out systematically, planned and in synergy with the world efforts and communities to reduce the number of poor people to improve the degree of the welfare of the people. Was then added poverty alleviation programs to increase the welfare of the poor through social assistance, community empowerment, empowerment of micro and small economic businesses, and other programs to increase economic activity. Funding for the implementation of the poverty alleviation acceleration program originates from the state/regional budget, and other non-binding funding sources following statutory provisions.

As a Regency, which has separated itself and the government structure since April 2013 from the previous Regency (Morowali), namely, North Morowali Regency, data collected through the North Central Morowali Regency Statistics Agency in 2017 illustrates the Original Revenue of North Morowali Regency in 2013 amounting to IDR39,134,372,089, increasing in 2014 to IDR40,673,134,304, then decreasing in 2015 to IDR20,000,000,000 and increasing again in 2016 to IDR37,206,044,507. The Regional Original Income (PAD) is derived from several regional incomes in the form of retribution and local taxes as well as other legitimate revenues as well as the dominant revenue composing the North Morowali Regency PAD, namely, the Regional Autonomy Adjustment Fund, the Tax Revenue Sharing Fund from the Province and the Financial Assistance from the Province or Regional Government. The dominant direct regional expenditure is Capital Expenditure, Goods and services Expenditure, and Personnel Expenditure. There are several potential natural resources such as agriculture, plantation, animal husbandry, fishery, forestry, mining industry, construction, and energy, trade, transportation, and communication, which are asked to contribute to the process of accelerating poverty reduction.

Therefore, a systematic, planned, and well-directed way to reduce poverty is needed that is set out in a strategic plan to be translated into programs and activities that are ready to be implemented. With the existence of a strategic plan that matches the resource potential and poverty conditions in North Morowali District, poverty-alleviation strategies and programs can be more targeted, focused, and measurable in their performance levels. The general objective of this study is to provide guidelines for regional governments, communities, and the private sector in planning and implementing poverty-reduction activities that are more effective, efficient, and targeted. Specifically, this study also aims to encourage the achievement of the goals and targets of economic development in North Morowali Regency until 2028, namely, 1) increasing the rate of regional economic growth through the optimization of potential sources of local income, 2) rising per capita income, and 3) reducing poverty, unemployment, and social and economic inequality in society.

2. Literature Review

2.1. Economic Policy and Poverty Reduction Strategy

Comprehensive poverty-reduction requires various stakeholders (i.e., central government, regional government,

business, and community) (Nguyen & Nguyen, 2019; Nazir et al., 2020; Chamidah et al., 2020) coming up with forms of poverty alleviation and realizing the acceleration of poverty reduction in Indonesia by formulating four leading principles. The first principle is to improve and develop social protection systems (Warr, 2005; Skoufias, 2001; Aspinall, 2014). In addition to facing the high potential for social vulnerability, Indonesia is also faced with the phenomenon of increasing population aging in its demographic structure. It is feared that this will create an economic burden on the younger generation to bear them or a high dependency ratio.

The second principle in poverty alleviation is to improve access of poor communities to essential services. Access to education services (Fahrudin & Yusuf, 2016), healthy (Aspinall, 2014), clean water and sanitation (Patunru, 2015), and food and nutrition will help reduce the costs that must be incurred by the poor (Warr, 2005). One of the most important forms of increasing access to basic services for the poor is increasing access to education (Wedgwood, 2007; Hayman, 2007; Aref, 2011). Education must be prioritized, given that education is an effective way for people to get out of poverty in the long run.

The third principle is an effort to empower the poor that aims to increase the effectiveness and sustainability of poverty reduction (Chamidah et al., 2020; Park & Wang, 2010). In the effort to reduce poverty, it is very important not to treat the poor as mere objects of development. The importance of implementing strategies with this principle in considering poverty is also caused by injustice and economic structures that do not favor the poor (Suriyanti et al., 2020; Holtemöller & Pohle, 2019; Luo et al., 2020). Income inequality causes economic growth output not to be distributed evenly among all groups of people (Shao et al., 2016). The poor, who are politically, socially, and economically powerless, cannot enjoy development proportionally. The uneven development and income distribution process make more impoverished communities more marginalized, both physically and psychologically (Teka et al., 2019). Therefore, taking into consideration empowering poor people is one of the main principles of poverty reduction strategies.

The fourth principle is inclusive development, which is defined as development that involves and at the same time benefits all elements of society. Participation is the keyword of the entire development implementation (Chamidah et al., 2020; Pouw et al., 2020; Pouw & Gupta, 2017). Facts in various countries show that poverty can only be reduced if the economy grows dynamically. Therefore, growth must be able to create productive employment in large numbers. To achieve a dynamic economy, it is necessary to create a conducive and stable business climate in terms of both implementation and policy (Nazir et al., 2020; Murdifi et al., 2018; Chamidah et al., 2020).

The main target of national development is to increase economic growth and equity so that national stability is maintained. Development planners must consider development activities in a regional context because society is a very determining factor in the success of national development (Chamidah et al., 2020). The implementation of regional development is not solely driven by the community's low level of life, but rather is a necessity for realizing healthy national economic growth, for the foreseeable future (Luong et al., 2020; Cheng et al., 2020). The implementation of regional development is expected to improve the standard of living of the people and is the foundation of national development. In regional development efforts, the most crucial issue that concerns economic experts and local planning experts in the process of economic growth and equitable development (Lyubimov, 2017).

2.2. Economic Development through Regional Potential Development

Regional economic development is a process whereby local governments and their communities manage existing resources and form a partnership pattern between the local government and the private sector to create new jobs and stimulate economic growth (Behrens & Thisse, 2007; Yudhistira & Sofiyandi, 2018; Fattah & Rahman, 2013). The success of economic development is shown in at least three aspects: 1) sustenance that is the ability to meet basic needs (Singh, 1979); (Burhan et al., 2014), 2) self-esteem, which is to become a whole person who is a self-drive to move forward, respect oneself and feel worthy of doing and achieving something, and the like (Tafarodi & Swann Jr, 2001; Goldsmith et al., 1997), 3) freedom or the ability to choose various things over something that is considered suitable for him and is one of the human rights. In the process of economic development, the problem of accelerating economic growth between regions is different, resulting in unavoidable regional gaps or disparities. Development disparity between regions and the center or regions and regions is a natural thing (von-Ehrlich & Seidel, 2015; Zhu et al., 2020; Nazir et al., 2020).

3. Research Methods and Materials

3.1. Design and Data

The study was conducted in North Morowali District, Central Sulawesi Province, Indonesia, in 2018-2019; the research approach used quantitative and qualitative descriptive analysis. This study's primary data were obtained from the Focus Group Discussion (FGD) on the North Morowali Regency local government apparatus (i.e., Head of Office, Regional Development Planning, Research and

Development Agency, Bapelitbanda) of North Morowali Regency, Central Sulawesi Province, Indonesia. Secondary data were obtained from the records of government performance reports and a survey of the Central Statistics Agency of Morowali Regency and Central Sulawesi Province as a comparison of environmental performance.

3.2. Measurement

Data were used to measure the effectiveness of national poverty acceleration system indicators (TNP2K) on achieving policy penetration to analyze poverty conditions on the subject of the study site by comparing the achievement of environmental performance against other districts in one Central Sulawesi province such as 1) Determining the scope of the field of poverty condition, a) pay attention to regional development policy priorities, b) local government budget priorities to address poverty in the region, c) achievement of poverty reduction targets within a specified period targeted by the Indonesia government. 2) Determination of poverty indicators based on fields, for example, a) employment poverty includes poverty levels, poverty depth index, poverty severity index and the unemployment rate, b) health indicators such as the adoption of infant mortality, infant mortality, the mortality rate per 1000 live births, percentage of infant immunized, maternal mortality rate, the proportion of births assisted by trained health workers, married women using contraceptive devices, birthrate age young, the portion of preventive needs that are not met, the number of new cases of HIV/AIDS, the prevalence of malaria per 1000 population, the discovery of new positive TB patients and the percentage of success, the prevalence of malnourished children. 3) Indicators of poverty in the education sector including rough participation rates, transparent participation rates, literacy rates. 4) Availability of necessary infrastructure including access to improved sanitation, improved drinking water, and the proportion of ownership of rights to housing, the percentage of livable houses, and the electrification ratio. 5) Food security including rice price development, net production of Serelia, prices of basic staples.

Next in this section is determining intervention priorities. Intervention priorities can be deduced from the results of the analysis of the relevance of the achievement of key indicators, the effectiveness of the interventions against the leading indicators, and the inter-relationship between the indicators. Based on the results of the linkage analysis, intervention priorities can refer to supporting indicators whose development is not yet as expected, while maintaining (improving) the handling of other supporting indicators that have shown progress in their development. Determination of priority scale is based on four priority scales (Priority-I = High Priority, Priority-II = Conducted after or in conjunction with the priority-I, Priority III =

Needs to be improved or maintained, Priority-IV = Requires attention to be maintained or increased), which are interpreted based on the results of the Strategic Issue Analysis study. Therefore, in answering the aims and objectives of this research, the final stage is to formulate poverty reduction strategies through a cost and community empowerment approach and build a program plan and priority scale for accelerating poverty reduction.

4. Results and Discussion

4.1. Millennium Development Goals (MDG)'s Indicators Achievement

Demographically, North Morowali Regency, Central Sulawesi-Indonesia Province, has an area of 10,024 km² with Kolonodale as the district capital. North Morowali Regency, Central Sulawesi-Indonesia Province, consists of ten districts and one hundred and twenty-two villages. There is a total population of 125,624 with a population growth rate of 2.21% since 2010. According to the statistical data of the productive age of the people in the age range of 20-64, 61.81% of the total population is in this bracket. In the distribution of the population who work based on education completed, the largest group are elementary school graduates (41.18%), followed by senior high schools (27.95%), junior high schools (18.89%), universities (9.25), and diplomas (2.70) %. The majority of the population works in the agriculture/plantation/forestry/fisheries sector, the retail trade, and services sector.

Table 1 describes the achievements of Millennium Development Goals (MDG)'s indicators and their comparison between North Morowali district and Central Sulawesi Province and Indonesia as a country. As regards the first indicator, namely, poverty and employment, in 2018-2019 there was an increase in the poverty line (in rupiah) from 379,730 to 392,110. An increase in the poverty line in nominal money assumes that the condition of society is experiencing an increase in income to meet needs. The poverty line in theoretical money also increases. Furthermore, there was a decrease in the poverty rate from 2018 to 2019, this also reduced the poverty severity index from 0.79 (2018) to 0.60 (2019). An increase in the level of income in addition to an impact on decreasing poverty levels and poverty severity index also has a positive effect, which is also a decrease in the unemployment rate from 5.43% (2018) to 3.81% (2019). The increase in the poverty line ratio based on food (GKM) also experienced an increase when compared between North Morowali regency and its Province, Central Sulawesi. It is also assumed that under the same conditions, between 2018-2019, the level of income of the community both in the Regency and in the province cumulatively also has improved.

Table 1: Comparative Achievement of Indicators Poverty and Employment and Analysis of Strategic Issues

Indicator 1. Poverty and Employment						
Year	Line of poverty (In Rupiah)	Poverty level (%)	Poverty Severity Index (Indonesia)	Poverty Depth Index (North Morowali)	Poverty Severity Index (North Morowali)	Unemployment Rate (%)
2017	379,730	(16.01%)	1.74	2.28	0.79	5.43
2018	392,110	(15.73%)	1.83	2.57	0.6	3.81
Comparison of Food Poverty Line (QCC) in Rupiah						
District / City / Province		2017		2018		
North Morowali		347,848		379,736		
Central Sulawesi		338,443		375,659		
Comparison of Severity Index for poverty						
		2017		2018		
Central Sulawesi		2.52		2.72		
North Morowali		3.04		2.28		

Then, as regards the second indicator, Health Facilities, in North Morowali District, the average number of health facilities between districts in Central Sulawesi Province is described in Table 2. The total number of health building facilities in North Morowali District (i.e., hospitals, maternity hospitals, public health center and Integrated Healthcare Center) is 181 units; the number of health workers/paramedics (i.e., midwives, nurses, pharmacy) is 677 people and the number of doctors is 76 people (i.e., general practitioners, specialist doctors, dentists). Achievement of health indicators based on prevalence and preventive measures in North Morowali district, comparing 2018-2019, experienced an increase in the percentage of treatment of children under five who were immunized (Polio, DPT, BCG, Measles and Hepatitis), but also a decrease in the percentage of births assisted by labor from the original 89.32% of the population in 2018 to 88.63% in 2019. Besides, the participation rate of women aged 15-49 years who use contraception (KB) has also decreased the level of participation. The definite decrease was also shown in the number of sufferers of new cases of HIV/AIDS from seven people to three people in 2018-2019. Likewise, the prevalence of malaria fell from 568 residents to 217 residents. The decline also occurred in the number of people with tuberculosis, from 115 residents to 103 residents, but there was an increase in the prevalence of malnourished children from six people (2018) to 14 people in 2019.

As regards the third indicator, in Table 3, namely, Education Indicator, is based on the ratio between teachers

and students at the elementary school level, junior high school, and senior high school. On average, it is a rate ratio of one teacher to ten students. This ratio can be categorized as a good ratio. Then, in the percentage of the population in Central Sulawesi Province compared to Indonesia in terms of literacy, there is a gap wherein Central Sulawesi Province, the percentage of people who are literate, is as much as 92.53%, meaning as much as 7.47% of the population in the province is illiterate. Meanwhile, compared with Indonesia's literacy rate 95.92%, the gap between the Central Sulawesi Province and Indonesia as a nation is 3.39%.

The fourth indicator, namely, Necessary Infrastructure, shown in Table 4, states that in North Morowali District 49.83% of the water consumed is drinking water. It means that 50.17% of the water use by residents of North Morowali Regency is unfit for consumption. Likewise, only 51.64% of the residents in the province have access to proper sanitation conditions. It means that 48.36% of the population does not. The percentage of ownership of residential houses in the North Morowali Regency is 90.83%, with the remaining 9.17% of the total rate renting under contract of free or housing allowance to civil servants. Apart from that, the proportion of livable houses according to roof conditions in the North Morowali district is dominated by zinc roofs for 67.20% of dwellings according to the prevailing wall conditions of community houses in North Morowali Regency; wood, stone, concrete walls account for 31.55%.

Table 2: Comparative Achievement of Health Indicator

Indicator 2. Health Indicator					
Comparison of Health Facilities					
	Hospital	Maternity Hospital	Public health center	Integrated Healthcare Center	Total
Central Sulawesi	24	5	189	3.309	221.309
North Morowali	1	-	13	186	200
Comparison of Number of Health Workers					
	Midwife	Nurse	Pharmacy	Total	
Central Sulawesi	3.806	5.585	691	10.082	
North Morowali	357	310	10	677	
Comparison of Number of Doctors					
	General practitioners	Medical specialist	Dentist	Total	
Central Sulawesi	473	178	149	800	
North Morowali	51	12	13	76	
Achievement of MDG's Health Indicators Based on Prevention and Medical Action in North Morowali District					
Medical treatment		2017		2018	
Infant Mortality Rate		N/A		N/A	
Toddler Mortality Rate		N/A		N/A	
Mortality / 1,000 live births		N/A		N/A	
births assisted by trained health workers (%)		89.32		88.63	
Coverage of antenatal care services		N/A		N/A	
Polio (1,2,3,4) immunization (%)		69.13%		80.53%	
DPT (1,2,4) immunization (%)		68.13%		82.44%	
BCG immunization (%)		82.47%		93.85%	
Measles immunization (%)		71.10%		76.20%	
Hepatitis (1,2,3) immunization (%)		62.57%		79,94%	
Women aged 15-49 years who use family planning tools		13,960 pairs of 17,900 pairs		8,599 pairs from 12,041 pairs	
Birth rates at a young age		N/A		N/A	
Family planning needs that are not met		N/A		N/A	
Number of new cases of HIV / AIDS		7		3	
Malaria prevalence		568		217	
TB Patient Rate		115		103	
Success rate of treatment of TB patients		N/A		N/A	
Toddler's prevalence of malnutrition		6		14	

Table 3: Comparative Achievement of Education and Basic Infrastructure Indicator

Indicator 3. Education Indicator													
Year	Elementary School				Junior High School			Senior High School					
	Building	Student	Teacher	Ratio	Building	Student	Teacher	Ratio	Building	Student	Teacher	Ratio	
2018	139	14.111	1.295	1:11	10	2.288	189	1:12	10	2.288	189	1:12	
2019	148	13.899	1.366	1:9	43	5.346	502	1:11	10	2.313	195	1:12	
Work Participation Rate (%)													
Educational-Level					Pure Participation Rate			gross enrollment rates					
Elementary School					90,7			103,9					
Junior High School					3,42			90,79					
Senior High School					72.93			79.70					
Comparison of Percentage of Literate Population in 2019													
Indonesia					95.92								
Central Sulawesi					92.53								
Indicator 4. Basic Infrastructure													
					Decent Drinking Water			Proper Sanitation					
North Morowali					49.83			51.64					
Central Sulawesi					61.49			55.37					
Right of ownership of houses with self-owned status (%)													
North Morowali					90.83								
Central Sulawesi					85.37								
Proportion of livable housing according to roof (%)													
		Concrete		Tile		Wood		iron sheeting		Asbestos		Fibers	Others
North Morowali		0.26	1.32		0.61		77.04		1.22		19.55		-
Central Sulawesi		0.43	1.71		0.29		83.80		2.22		11.30		0.25
Proportion of Livable Living According to the Wall (%)													
			Concrete			Wood			Bamboo			Others	
North Morowali			31.55			67.20			0.59			0.66	
Central Sulawesi			53			44.35			2.31			0.35	

4.2. Priority Scale Based on MDG's Indicators

The form of poverty in the North Morowali Regency is absolute poverty, primarily to fulfill basic needs such as education and health, and the kind of relative poverty is caused by social inequality. Based on the analysis of strategic issues, FGDs, and statistical data collection, the justification for determining the priority scale in poverty matters is described from Table 1 to Table 3. We are mapping a poverty reduction priority scale, explained in Table 4.

4.3. Discussion: Strategy and Problem-Solving with the Cost Approach and Community Empowerment

Table 5 describes the largest source of GDP of North Morowali Regency from Agriculture, Forestry, Fishing Mining, and Quarrying, which contribute over 30% of total GDP. Furthermore, revenue comes from balanced revenues (i.e., tax sharing, non-tax, natural resources sharing, general and special allocation funds), with 81.5% of revenue. While the principal aspect of local government expenditure is direct expenditure (i.e., personnel, goods and services,

Table 4: Poverty Reduction Priority Scale Based on Indicators Achievement

Priority	Indicators	Problems	Cause Factor
I	Health and Basic Infrastructure	• Scope ratio for the number of participants in Polio Immunization I, II, III, IV • Scope ratio for DPT Immunization participants I, II, III, IV • Coverage ratio of BCG and Measles Immunization participants • Proper Drinking Water Conditions • Proper Sanitation Conditions • Housing Conditions	• The lack of health workers, such as doctors, midwives, and other medical personnel. • The lack of health facilities such as public health centers and village health centers • The low interest and knowledge of the community about the importance of the implementation of immunization • Health personnel reporting system about the number of immunization participants that are not well managed • The primary infrastructure factor is caused by the community's inability to provide adequate sanitation facilities, which is also caused by the low status of education, knowledge, and information about the correlation between sanitation and health. • The vast demographic condition of 10,004.28 km with the typology of the natural terms of the hills, valleys, forests, savanna, nickel mining area and also the coastline which is inhabited by only 125,624 inhabitants, as well as the condition of inter-regional location access makes it difficult for local government coordination to carry out collecting data effectively and efficiently. • Apart from that, of course, there is also the condition of the access road, as well as the electrification ratio that has not covered the entire regency so that it becomes an important work to be completed by the Regional Government
II	Education	• Pure Participation Rate • Gross enrollment rates • Dropout rates	• Lack of school facilities, especially for junior high school, senior high school and vocational education levels
III	Food	• Development of prices for basic needs	• Distant access to location and distance as well as road terrain difficulties that cause price variations
IV	Population and Employment	• Poverty Rate • Unemployment Rate • Depth of Poverty • Severity of Poverty	• Lack of efforts to encourage economic growth in rural communities • The low initiatives, movements and participation of rural communities to develop village potentials and assets • Weak innovation and creativity • The low absorption of labor in the industrial sector is due to the lack of good relations with the industrial sector

Table 5: Gross Regional Domestic Bruto, Revenue and Government Expenditure (in Million rupiah)

Sources of GDP	Years				
	2014	2015	2016	2017	2018
Agriculture, forestry and fishing	2.183.337	2.871.330	2.926.632	3.140.097	3.294.253
Mining ad quarrying	3.097.495	1.421.334	1.628.270	2.426.973	3.349.266
Manufacturing	7.151	81.178	97.574	137.969	152.035
Electricity and gas	850	769	853	967	1.108
Water supply; sewerage, waste management and remediation activities	3.312	3.755	4.306	4.938	5.719
Construction	205.056	2.192.857	2.260.986	1.869.649	1.576.967
Wholesale and retail trade; repair of motor vehicles	42.413	498.354	571.958	641.277	721.382
Transportation and storage	19.738	24.698	28.352	31.259	34.947
Food service activities	15.906	18.676	20.103	21.812	23.907
Information, Communication	136.709	150.735	162.332	182.041	202.627
Financial, Insurance Activities	23.372	27.169	34.716	40.155	45.777
Real Estate Activities	116.261	139.907	150.249	160.163	172.438
Business Activities	970	1.087	1.231	141	163
Public Administration, Compulsory Social Security	13.592	158.374	184.604	205.588	231.248
Education	932	110.087	124.492	137.357	151.068
Human Health and Social Work Activities	52.595	60.711	68.863	7.564	81.915
Other Services Activities	37.693	43.966	51.857	61.237	73.038
GDP	6.618.054	7.804.988	8.317.377	9.138.534	10.119.324
Sources of Revenues	Years				
	2015	2016	2017	2018	
Original Local Government Revenues	20.000.000.000	37.206.044.507	54.607.359.268	40.010.721.337	
Balanced Budget	596.496.168.211	736.790.833.657	709.105.746.760	806.178.364.072	
Others Legal Revenue	64.556.943.131	95.150.294.724	126.234.038.118	142.948.843.548	
Total of Revenue	681.053.111.342	869.147.172.888	889.947.144.146	989.137.928.957	
Source of Local Government Expenditure	Years				
	2015	2016	2017	2018	
Indirect Expenditure	347.813.341.149	384.376.650.503	429.003.624.490	442.890.660.711	
Direct Expenditure	341.239.770.195	462.184.857.193	508.073.957.178	533.535.542.620	
Total of Local Government Expenditure	687.053.111.342	846.561.507.696	937.077.581.668	976.426.203.331	

Table 6: Blue-Print Long-Term Strategy to Accelerate Poverty Reduction in North Morowali District

Sectors	Tools	Targets	Goals
Health	- Development and addition of health infrastructure - Increasing the number of medical personnel and paramedics - Increased health education and outreach - Increased health insurance ownership status both organized by the government and non-government - Improvement of the health budget - Improvement of supporting facilities and infrastructures to create a healthy environment	- Improve health facility units - The realization of the degree of public health - Disease control and health education	- Establishment of quality and easily accessible health facilities - Realizing an increase in health status - The decline in infectious and noninfectious diseases - The creation of a healthy lifestyle of the community
Education	- Development and addition of Education facilities - The allocation of education cost assistance originating from the increased government budget - Recruitment of qualified and elegant teachers	- Development of educational facilities primarily for senior high schools - university - The increase in the ratio of the population with complete early childhood education - elementary, secondary and higher - education quality enhancement and non-standard vocational through job skills training, literacy education, and equality	- Establishment of quality education facilities and is within easy reach - Ensuring the school-age population to get quality essential education services - Realizing accelerated quality, equitable management and placement of educators
Basic infrastructure	- Development of clean water services through the construction of groundwater sources that reach all corners and other water-scarce areas - The development of a healthy and livable housing - Environmental sanitation that supports clean living culture to remote - Construction of generators and transmissions aimed at maintaining the supply of electrical energy. - Construction and preservation of inter-regional roads and bridges	null	The creation of comfortable and decent living conditions
Food	- Printing of agricultural land, plantations, and sustainability of food crop seeds and pesticides - Opening access roads and transportation modes - Education for actors in the farming sector and also the community. - Provision of distribution channels for agricultural products, plantations, fisheries, forests, and others monitored by the government	- Increasing the availability of quality and diversity of food commodities based on the main, leading and reliable sectors - Improve and maintain conditions of agricultural and plantation irrigation - Improved quality and quantity of food - The embodiment of government regulations that are pro to local agricultural production	- Increased food production - Mitigation of disruption to agricultural production - Food price stability - Improving the quality of food consumption and nutrition of the community - Increasing the welfare of actors in the farming sector

capital) accounting for 54.6% of government spending. The GDP factor is primarily spent on administrative needs in the government sector.

Based on this analysis, adjustments to the expenditure budget can be more easily done, so that the chances of implementing a poverty-reduction program are higher. Thus, this analysis does not place changes in the budget as the final destination, but only as a medium to increase opportunities for the implementation of poverty-alleviation programs in the regions. Funding for the health sector expenditure budget can come from two sources, namely, government and non-government. Apart from that, social empowerment to increase the effectiveness and sustainability of poverty reduction is also essential. To achieve dynamic economic growth, it is necessary to create a conducive business climate, clarity, and certainty of various policies and regulations that support the business climate. The model of cooperation with business actors in the industrial sector of mining becomes essential and can be an alternative for the government of North Morowali Regency considering that in the area there are so many companies engaged in the mining and plantation sectors.

There are two stages of local government work plans: consolidation through strengthening regulations and institutions, and collaboration between policies and spatial planning by synchronizing systems from upstream to downstream, explained in Table 6.

5. Conclusions

Overcoming poverty requires a strong political will from the Regional Government. Besides requiring the availability of resources, it also requires improvements in budget management to be more productive. Poverty alleviation also needs to be supported by efforts to create good governance. It also needs the support and participation of all development actors both from the central and regional governments, universities, non-governmental organizations, private and international institutions. The involvement and collaboration are expected to encourage the development of a universal perspective, agreement, and synergy in undertaking poverty-reduction efforts. Each region has characteristics and problems of poverty that are different from other areas. This research can also be a reference in undertaking poverty-reduction efforts in the short, medium, and long term, especially for developing countries. Departing from research in Indonesia, this study is open to further in-depth examination in the future, depending on the time and the environment, possibly forming the basis for a lead plan for poverty-alleviation efforts and community creation welfare.

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