ENHANCING POOR COMMUNITY WELFARE THROUGH EVIDENCE-BASED POVERTY ALLEVIATION PROGRAMS IN SERDANG BEDAGAI REGENCY, NORTH SUMATRA, INDONESIA

a Moettaqien Hasrimi, bAgus Purwoko, cSatia Negara Lubis, dRujiman

ABSTRACT

Background: Effectively reducing poverty is vital for development, requiring comprehensive and efficient solutions. The government has initiated poverty alleviation initiatives, including the implementation of programs such as Non-Cash Food Assistance (BPNT) and the Family Hope Program (PKH). This program is expected to stimulate community economic activity. This research aims to analyze the relationship between socio-economic resources and the welfare of the poor in Serdang Bedagai Regency through a poverty alleviation program.

Method: The study adopted a causality, relationship, or influence model, examining the proposed hypotheses through the analysis method of SEM. The SEM analysis methods were used to identify the dimensions of a construct and concurrently measure the influence or degree of relationship between factors with identified dimensions.

Results: The result showed that socioeconomic resources had a direct impact on community welfare. Simultaneously, poverty alleviation programs also directly contribute to enhancing the welfare of these communities. Socioeconomic resources do not directly or indirectly influence the effectiveness of poverty alleviation programs. The current poverty alleviation programs alone are insufficient to expedite efforts in uplifting community welfare.

Conclusion: Various aspects of road infrastructure, including road quality, ease of mobility, connectivity, minimal obstacles, security/safety, accessibility, and timeliness, were developed as crucial factors influencing economic players in the tourism sector. Recognizing these facets had substantial policy implications, showing the importance of prioritizing road infrastructure development in the holistic progress of Lake Toba KSPN.

Keywords: bpnt, poverty alleviation programs, community welfare, pkh.

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RESUMO

Contexto: A redução efetiva da pobreza é vital para o desenvolvimento, exigindo soluções abrangentes e eficientes. O governo iniciou iniciativas para aliviar a pobreza, incluindo a implementação de programas como o BPNT (Non-Cash Food Assistance) e o PKH (Family Hope Program). Espera-se que este programa estimule a atividade económica comunitária. Esta pesquisa tem como objetivo analisar a relação entre os recursos socioeconómicos e o bem-estar dos pobres na Regência Serdang Bedagai através de um programa de alívio da pobreza.

Método: O estudo adotou um modelo de causalidade, relação ou influência, examinando as hipóteses propostas através do método de análise da SEM. Os métodos de análise SEM foram utilizados para identificar as dimensões de uma construção e medir simultaneamente a influência ou o grau de relação entre fatores com dimensões identificadas.

Resultados: O resultado mostrou que os recursos socioeconómicos tiveram impacto direto no bem-estar da comunidade. Simultaneamente, os programas de redução da pobreza também contribuem diretamente para melhorar o bem-estar dessas comunidades. Os recursos socioeconómicos não influenciam direta ou indiretamente a eficácia dos programas de redução da pobreza. Os atuais programas de redução da pobreza, por si só, são insuficientes para acelerar os esforços de promoção do bem-estar da comunidade.

Conclusão: Vários aspetos da infraestrutura rodoviária, incluindo qualidade da estrada, facilidade de mobilidade, conectividade, obstáculos mínimos, segurança/segurança, acessibilidade e pontualidade, foram desenvolvidos como fatores cruciais que influenciam os atores económicos no sector do turismo. Reconhecer essas facetas teve implicações políticas substanciais, mostrando a importância de priorizar o desenvolvimento da infraestrutura rodoviária no progresso holístico do Lago Toba KSPN.

Palavras-chave: bpnt, programas de alívio da pobreza, bem-estar comunitário, pkh.

1 INTRODUCTION

Poverty is a persistent issue in Indonesia, representing complex and multidimensional challenge recognized as development priority (Aaberge and Brandolini, 2015). The government has initiated numerous programs aimed at alleviating poverty, recognizing it as a critical problem requiring resolution. The overarching objective is to implement synergistic and systematic poverty alleviation programs, allowing all communities to experience a dignified life (Rukin, 2018).

In developing nations, including Indonesia, economic disparity, income inequality, and the widespread prevalence of poverty present substantial challenges (Mahadevan and Suardi, 2019). Disparities persist within impoverished communities at
different developmental stages, with the degree of prevalent imbalance varying in each country.

In accordance with Indonesia Law Number 11 of 2009, the ideal state of Community Welfare consists of the fulfilment of material, spiritual, and social needs of the citizens, enabling the individuals to live appropriately and pursue self-development while fulfilling social functions. Therefore, this study establishes a connection between spiritual needs and critical aspects such as education, security, and peace of mind. Current governmental initiatives have proven inadequate, leaving many marginalized communities untouched by these programs. Insufficient and sector-specific policies contribute to the ineffectiveness of poverty alleviation initiatives. Furthermore, the assumption that rural areas share identical poverty characteristics with poor communities intensifies the challenge.

The Central Bureau of Statistics (BPS) reported 26.16 million deprived communities, with North Sumatra Province recording 1.26 million across 33 regencies and cities. The root causes of poverty include limited employment opportunities, resulting in widespread unemployment, low educational attainment, and uneven regional development. The poverty rate in Serdang Bedagai Regency experienced a 0.33-point rise, from 7.97% in March 2020 to 8.30% in March 2021, affecting approximately 51.16 thousand citizens, marking a rise of around 1.98 thousand individuals in the past year (BPS Serdang Bedagai Regency, 2021).

In response to the pervasive issue, the government has formulated ideas, strategies, policies, and programs for poverty alleviation (Permana et al., 2014). Programs such as the Family Hope Program (PKH) and Non-Cash Food Assistance (BPNT) aim to stimulate economic activity within communities, focusing on liberating society from the shackles of impoverishment and underdevelopment. A poverty alleviation program is a set of economic and humanitarian actions intended to lift the community out of poverty permanently (Idike et al. 2021). Therefore, this study aimed to analyze and assess the role of these programs in accelerating the influence of socioeconomic resources on community welfare, thereby contributing to the broader mission of poverty eradication in Indonesia.
2 MATERIALS AND METHODS

2.1 DATA COLLECTION

This study was conducted in Serdang Bedagai Regency, North Sumatra Province, from August 2022 to August 2023. The primary data used included questionnaires, supplemented by secondary sources to enhance the depth of the study. The population included all households (RT) associated with poverty alleviation programs assistance. Based on data from the Serdang Bedagai Regency Social Service, 21,814 RTs received poverty alleviation program assistance in 2018. By 2023, the total recipients of these programs had increased to 43,799 households. This included 22,864 RTs benefiting solely from the BNPT Program, 5,231 from the PKH initiative, and 15,714 from both schemes (Dinas Sosial Kabupaten Serdang Bedagai, 2023).

The determination of the minimum sample size followed the method of multiplying 5 to 10 times the number of indicators in the study (Nisa et al. 2021). With 32 measuring indicators, this formula yielded the minimum sample size.

Sample = 5 x Number of Study Indicators

Based on this calculation, the minimum sample size for this study was established at 160 respondents. The sampling process adhered to the probability technique, ensuring equal opportunities for each element of the population to be selected as a sample member (Nuridin et al. 2018).

2.2. VARIABLES, SUB VARIABLES AND INDICATORS

The socioeconomic resources, as measured through a sustainable livelihood framework, were categorized into human, social, physical, natural, and financial capital (Chambers and Conway, 1992). These five sub-variables were assessed using a collection of 20 corresponding indicators. The evaluation of poverty alleviation programs included two sub-variables, namely BNPT and PKH, with assessments conducted using eight indicators. Simultaneously, the measurement of poor community welfare relied on four specific indicators.

2.3 DATA ANALYSIS

2.3.1 Instrument Validity and Reliability Test

The validity test showed the extent to which a measuring instrument can effectively measure its intended constructs (Siregar, 2017). Credibility pertained to what
the instrument measures and the proficiency with which it accomplished the task. Therefore, this test served as a means to assess the suitability of the indicators in a questionnaire, gauging how effectively the collected data can cover the entire study area (Taherdoost 2016; Mohajan 2017). Each question within the questionnaire was tested for validity using IBM SPSS software version 26, adopting Pearson bivariate correlation test technique. The formula applied for this validation process is as follows.

\[ r_{xy} = \frac{N \sum XY - \sum X \sum Y}{\sqrt{N \sum X^2 - (\sum X)^2} \cdot \sqrt{N \sum Y - (\sum Y)^2}} \]

Description:

\( r_{xy} \) = Validity coefficient (r_count)
\( N \) = Number of samples or respondents
\( x \) = Item score (answers from respondents)
\( y \) = Total score of the variable for the n-th respondent

The validity test confirmed its authenticity when the resulting value (r_{xy}) or r_{count} equalled or exceeded r_{table}, where r_{table} depended on the number of samples or respondents. The validity test acknowledged the credibility when the resulting value fell below the tolerated error benchmark or \( \alpha \).

Subsequent to the validity evaluation of the questionnaire, the reliability test was conducted. This test aimed to ascertain the consistency of measurement results when two or more dimensions of the same symptoms were taken with exact parameters (Siregar, 2013). Reliability is concerned with the confidence that the data obtained from instruments can effectively control random errors (Mohajan, 2017). According to Taherdoost (2016), the reliability test assesses the extent to which the measurement of a phenomenon provided stable and consistent results. Therefore, the reliability test held significance, ensuring consistency across all components of the measuring instrument in the questionnaire. The reliability test in this study used Cronbach alpha technique with the following formula:

\[ r_{ac} = \left( \frac{k}{k - 1} \right) \left[ 1 - \frac{\sum \sigma_b^2}{\sigma_t^2} \right] \]
Description:

\[ r_{ac} = \text{Instrument reliability} \]
\[ k = \text{Number of questions in the questionnaire} \]
\[ \sum \sigma^2_i = \text{Total variance} \]
\[ \sigma^2_t = \text{Total variances of the question items} \]

The resulting reliability test was considered valid when both the Cronbach’s alpha value \( r_{ac} \) and \( r_{count} \) equalled or exceeded \( r_{table} \), with \( r_{table} \) depended on the number of samples or respondents. This robust evaluation ensures the reliability of the measurements in capturing the consistency of the data.

2.3.2 Structural Equation Models (SEM) Test

The study adopted a causality, relationship, or influence model, examining the proposed hypotheses through the analysis method of SEM. The SEM analysis methods were used to identify the dimensions of a construct and concurrently measure the influence or degree of relationship between factors with identified dimensions (Sahadi and Wibowo, 2015). The data analysis methods using SEM were carried out to comprehensively explain the relationship between variables in the study (Carvalho and Chima, 2014). SEM used the Partial Least Square (PLS) method, incorporating the bootstrapping or random doubling method without concerns about the normality assumption. The purpose of using PLS was to formulate temporary conjectures or hypotheses.

3 RESULTS AND DISCUSSION

3.1 VALIDITY AND RELIABILITY

The validity of the instrument was tested by comparing the \( r_{count} \) value with the \( r_{table} \) value. The statement was considered valid when the \( r_{count} \) exceeded the \( r_{table} \) value. The reliability test for the instrument used the Cronbach's Alpha (\( \alpha \)) statistical test, with a construct or variable considered reliable and acceptable when it provided a Cronbach's Alpha value \( \geq 0.6 \) (Sekaran, 1992). The validity test results showed that all \( r_{count} \) values exceeded the \( r_{table} \) (0.195), thereby declaring all 32 instrument statements valid for further analysis. Out of the 32 indicators, 29 had a Cronbach's alpha value greater than 0.6, meeting the reliability requirements, while the remaining three could not be used.
3.2 SEM TEST RESULTS

Variance-based SEM or PLS, served as an alternative to address collinearity in statistical modeling, offering a strong method not reliant on many assumptions. Particularly, it didn't assume a multivariate normal distribution for all studied variables. Considering the data not adhering to assumptions of normal distribution, the PLS-SEM method was adopted, including two stages of analysis, namely the outer and inner model (Purwanto and Sudargini, 2021).

3.2.1 Measurement Model Analysis (Outer Model)

During the outer model stage, the measurement technique was executed (Hair et al. 2020). Prior to hypothesis testing for the relationship between latent variables in the structure, a preliminary evaluation of the measurement was carried out to validate indicators and concealed factors. Criteria for assessing the measurement model included indicator and composite reliability, as well as convergent and discriminant validity (Hamann et al., 2013).

3.2.1.1 Convergent Validity

Convergent validity was determined by item reliability (validity indicators), showed by the loading factor value (Ab Hamid et al., 2017). A loading factor, showing the correlation between a question item and the indicator scores of the construct it measures, was considered valid when its value exceeded 0.7 (M. I. Nasution et al., 2020). However, for an initial examination, a loading factor of approximately 0.3 was considered to meet the minimum level, 0.4 was scored better, and anything above 0.5 was generally valued as significant, following the perspective of Hair et al. (1998) in (Aziz and Fitriaty, 2023). Adopting a loading factor limit 0.7, the data was processed using SmartPLS 4.0 showed that 12 indicators were eliminated as the elements did not meet the convergent criteria. The outer loading values after this elimination, or with a loading factor of less than 0.70, were X_{21}, X_{22}, X_{23}, X_{24}, X_{31}, X_{41}, X_{43}, X_{54}, Y_{11}, Y_{12}, Z_{2}, and Z_{4}, while the remaining indicators were considered usable. Following the second iteration, the model and loading factor values are presented in Figure 1 and Table 1.
Figure 1. Second Iteration Outer Loading Results

Table 1. Second Iteration Loading Factor Values

<table>
<thead>
<tr>
<th>Variable</th>
<th>Indicator</th>
<th>Outer Loading</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Human capital (X₁)</td>
<td>X11</td>
<td>0.708</td>
<td>Valid</td>
</tr>
<tr>
<td></td>
<td>X12</td>
<td>0.748</td>
<td>Valid</td>
</tr>
<tr>
<td></td>
<td>X13</td>
<td>0.780</td>
<td>Valid</td>
</tr>
<tr>
<td></td>
<td>X14</td>
<td>0.771</td>
<td>Valid</td>
</tr>
<tr>
<td>Social capital (X₃)</td>
<td>X32</td>
<td>0.777</td>
<td>Valid</td>
</tr>
<tr>
<td></td>
<td>X33</td>
<td>0.741</td>
<td>Valid</td>
</tr>
<tr>
<td></td>
<td>X34</td>
<td>0.778</td>
<td>Valid</td>
</tr>
<tr>
<td>Financial capital (X₄)</td>
<td>X42</td>
<td>0.932</td>
<td>Valid</td>
</tr>
<tr>
<td></td>
<td>X44</td>
<td>0.915</td>
<td>Valid</td>
</tr>
<tr>
<td>Physical capital (X₅)</td>
<td>X51</td>
<td>0.852</td>
<td>Valid</td>
</tr>
<tr>
<td></td>
<td>X52</td>
<td>0.827</td>
<td>Valid</td>
</tr>
<tr>
<td></td>
<td>X53</td>
<td>0.810</td>
<td>Valid</td>
</tr>
<tr>
<td>BPNT (Y₁)</td>
<td>Y13</td>
<td>0.880</td>
<td>Valid</td>
</tr>
<tr>
<td></td>
<td>Y14</td>
<td>0.851</td>
<td>Valid</td>
</tr>
<tr>
<td>PKH (Y₂)</td>
<td>Y21</td>
<td>0.758</td>
<td>Valid</td>
</tr>
<tr>
<td></td>
<td>Y22</td>
<td>0.737</td>
<td>Valid</td>
</tr>
<tr>
<td></td>
<td>Y23</td>
<td>0.769</td>
<td>Valid</td>
</tr>
<tr>
<td></td>
<td>Y24</td>
<td>0.757</td>
<td>Valid</td>
</tr>
<tr>
<td>Poor Community Welfare (Z)</td>
<td>Z1</td>
<td>0.820</td>
<td>Valid</td>
</tr>
<tr>
<td></td>
<td>Z3</td>
<td>0.878</td>
<td>Valid</td>
</tr>
</tbody>
</table>

Source: Primary data processed 2023

3.2.1.2 Discriminant Validity

Discriminant validity was assessed by examining the cross-loading value of construct measurements (Henseler et al. 2015), showing the correlation magnitude between each framework, its indicators, and variables from other block elements (Lowry
and Gaskin, 2014). A measurement model showed good discriminant validity when the correlation between the construct and its indicator surpassed the relationship with variables from other block elements (Cheah et al. 2018). Following the process of data using SmartPLS 4.0, the results showed that the correlation value of the construct with its indicator exceeded the association value with other frameworks, showing good discriminant validity.

The subsequent evaluation compared the root value of AVE with the correlation between constructs. The recommended outcome stipulated that the root value of AVE should surpass the correlation between constructs (Afthanorhan, 2013). The model showed better discriminant validity when the square root of the AVE for each construct exceeded the association between the two constructs. The obtained AVE value exceeded 0.50, as shown in Table 2.

<table>
<thead>
<tr>
<th>Level</th>
<th>AVE</th>
<th>Critical point</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dimension</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Human capital (X₁)</td>
<td>0.566</td>
<td>0.5</td>
<td>Valid</td>
</tr>
<tr>
<td>Social capital (X₃)</td>
<td>0.586</td>
<td>0.5</td>
<td>Valid</td>
</tr>
<tr>
<td>Financial capital (X₄)</td>
<td>0.853</td>
<td>0.5</td>
<td>Valid</td>
</tr>
<tr>
<td>Physical capital (X₅)</td>
<td>0.688</td>
<td>0.5</td>
<td>Valid</td>
</tr>
<tr>
<td>BPNT (Y₁)</td>
<td>0.749</td>
<td>0.5</td>
<td>Valid</td>
</tr>
<tr>
<td>PKH (Y₂)</td>
<td>0.570</td>
<td>0.5</td>
<td>Valid</td>
</tr>
<tr>
<td>Variable</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Socioeconomic resources (X)</td>
<td>0.722</td>
<td>0.5</td>
<td>Valid</td>
</tr>
<tr>
<td>Poverty alleviation programs (Y)</td>
<td>0.612</td>
<td>0.5</td>
<td>Valid</td>
</tr>
<tr>
<td>Community welfare (Z)</td>
<td>0.517</td>
<td>0.5</td>
<td>Valid</td>
</tr>
</tbody>
</table>

Source: Primary data processed 2023

### 3.2.2 Structural Model Analysis (Inner Model)

Following the completion of the outer model evaluation, the subsequent test focused on the inner analysis (structural model). The inner model assessment included examining the dependent construct's r-square (indicator reliability) and the t-statistic value of the path coefficient test (Riyanto and Widyaningsih, 2022). A higher r-square value showed a better prediction model for the proposed study, while the path coefficient figure showed the level of significance in hypothesis testing.

The structural model is shown in Figure 2 below:
3.2.2.1 Variant Analysis ($R^2$) or Determination Test

The Variant Analysis ($R^2$) or Determination Test determined the effect of the independent variable on the dependent factor, ranging from 0 to 1, with 1 representing complete prediction accuracy (Hair et al., 2020). Acceptable $R^2$ levels were assessed using rules of thumb, with accuracy levels of 0.75 (substantial), 0.50 (moderate), and 0.25 (weak). The $R^2$ analysis results are presented in Table 3.

<table>
<thead>
<tr>
<th>Variable</th>
<th>$R^2$</th>
</tr>
</thead>
<tbody>
<tr>
<td>Poor Community Welfare (Z)</td>
<td>0.147</td>
</tr>
<tr>
<td>Poverty alleviation programs (Y)</td>
<td>0.100</td>
</tr>
</tbody>
</table>

Source: Primary data processed 2023

The $r$-square value in Table 3 showed that poor community welfare (Z) was 0.147 (in the weak category), signifying that welfare is influenced by socioeconomic resources and poverty alleviation programs by 14.7%. However, the rest was impacted by other factors not examined in this study. The $r$-square value for poverty alleviation programs (Y) was 0.100 (in the weak category), suggesting that these initiatives were influenced by socioeconomic resources by 10.0%, while the remaining influence originated from other unexamined factors.
3.2.2.2 Bootstrapping Hypothesis Testing (Path Analysis)

Hypothesis testing was conducted based on the results of the inner model evaluation (structural model), including output R-square, parameter coefficients, and t-statistics. Significant values between constructs, t-statistics, and p-values were considered to determine how a hypothesis could be accepted or rejected. The hypothesis testing for this study was performed using SmartPLS 4.0 software, with values observed from the results of bootstrapping. The rules of thumb applied were t-statistic > 1.96 with a significance level of p-value 0.05 (5%) and a positive figure for beta coefficients. The hypothesis testing values for this study are detailed in Table 4.

| Relationship       | Variable                                                                 | Original Sample (O) | T Statistics (|O/STDEV|) | P Values | Description |
|--------------------|--------------------------------------------------------------------------|---------------------|---------------------|----------|------------|
| Direct             | Economic Social Resources (X) → Poor Community Welfare (Z)               | 0.238               | 1.978               | 0.048    | Accepted   |
|                    | Economic Social Resources (X) → Poverty Alleviation Programs (Y)         | 0.036               | 0.295               | 0.768    | Rejected   |
|                    | Poverty Alleviation Programs (Y) → Poor Community Welfare (Z)           | 0.309               | 2.983               | 0.003    | Accepted   |
| Indirect           | Economic Social Resources (X) → Poverty Alleviation Programs (Y) → Poor Community Welfare (Z) | -0.011              | 0.248               | 0.804    | Rejected   |

Source: Primary data processed 2023

a. The Influence of Economic Social Resources on Poor Community Welfare

The first hypothesis explored the positive influence of economic social resources (X) positively influence poor community welfare (Z). The test results showed a significant and positive impact of economic and social resources on poor community welfare. H1 was accepted due to the findings, signifying that economic social resources did have a positive influence on poor community welfare.

The results showed that economic social resources, including human, natural, financial, social, and physical capital, positively contributed to the enhancement of poor community welfare. The intricate interconnections among various factors that contributed to improving living conditions were evident, indicating the foundational role of human capital, which includes knowledge, skills, and health. Tlonaen et al. (2014)
stated that improved access to quality education and healthcare services in poor communities equipped individuals with the necessary skills for the labor market and enhanced their ability to manage health effectively. This created more opportunities for securing better employment or engaging in entrepreneurship while mitigating the financial burden of health risks.

Natural and physical capital also played crucial roles in enhancing poor community welfare in line with the statement by Arif et al. (2020), who stated that improved access to natural resources, such as clean water, fertile agricultural land, and adequate transportation enhanced food resilience and economic mobility. Noviyanti and Putra (2023) further explained that well-maintained infrastructure, such as roads, electricity, and affordable healthcare facilities, reduced the urban-rural gap and improved access to essential services. Financial and social capital also played significant roles by facilitating access to human, natural, and physical resources. Monetary assets offered investment opportunities and financial protection, while social capital, such as networks and community solidarity, provided support, information, and collaboration prospects, reinforcing efforts to improve poor community welfare (Tamboto and Manongko, 2019). The integration and enhancement of these various forms of capital significantly elevated the well-being and sustainability of poor communities.

b. The Influence of Economic Social Resources on Poverty Alleviation Programs

The second hypothesis examined the influence of economic and social resources (X) on poverty alleviation programs (Y). The results showed that economic and social resources had no significant impact on poverty alleviation programs, leading to the rejection of H2. This showed that economic social resources, including human, natural, financial, social, and physical capital, had a negative influence on poverty alleviation programs. The results contradicted Nasution's (2017) study, suggesting that social capital was crucial in reducing poverty in rural areas. The presence of education, abundant natural resources, and strong social networks did not ensure the elimination of poverty without appropriate policies and equitable distribution. Inequities in accessing and adopting resources, along with a lack of suitable job opportunities, diminished the positive impact of economic social capital on poverty alleviation initiatives. Additionally, the limited impact of economic and social capital on these programs suggested that the initiatives did not effectively apply the resources of poor communities.
to improve the well-being of society. The method to these programs leaned towards resource provision rather than empowering deprived communities by optimizing their economic and social resources through support and facilitation. This aspect holds significance when retrospectively evaluating Indonesia’s policy method to poverty alleviation programs.

c. The Influence of Poverty Alleviation Programs on Poor Community Welfare

The third hypothesis examined how poverty alleviation programs (Y) positively influenced poor community welfare (Z). The test results showed a significant impact of poverty alleviation programs on poor community welfare, leading to the rejection of H3. This signified that the initiatives had a positive effect on the welfare of the needy community.

The results suggested that poverty alleviation programs, such as the PKH and BPNT, positively affected poor community welfare and were associated with several crucial factors. The PKH, focusing on direct assistance to poor families, yielded long-term effects by providing financial support and encouraging participation in education and healthcare services. This program enhanced access to education for children from poor families, ensuring effective monitoring and treatment of their health (Virgoreta et al., 2020). Furthermore, BNPT also played a crucial role by providing greater access to essential nutritional intake, thereby improving the total well-being of the community (Hasimi, 2020).

These programs initiated a domino effect in enhancing the economic capacity of poor families. Direct assistance from PKH allowed these households to allocate financial resources for education, training, or small business capital investments, establishing a productive economic cycle that gradually lifted the families out of poverty. BNPT reduced the burden of food costs, enabling families to allocate funds typically used for consumption to more productive sectors. Therefore, these programs not only offered direct aid but also contributed to the long-term improvement of economic capacity and poor community welfare.

d. The Role of Poverty Alleviation Programs in Moderating Poor Community Welfare

Hypothesis 4 aimed to test how economic social resources (X) influence poor community welfare (Z) through poverty alleviation programs (Y). As presented in Table
8, the test results showed that economic social resources did not significantly impact the welfare of the poor community through poverty alleviation programs. Consequently, H4 was rejected, implying that the initiatives could not enhance the influence of economic social resources in improving poor community welfare. This result raised concerns as it suggested that the implementation of poverty alleviation programs, such as BPNT and PKH did not correlate with the objectives. The implications of this discovery prompted further discussion and raised concerns for Indonesia's policymakers and managers of poverty alleviation programs. A correlation between financial empowerment and programs designed to reduce poverty has been reported in studies conducted in other countries, such as Pakistan (Tariq et al., 2021). Additionally, publications by Tang et al., (2021), Xiao et al., (2022), as well as Kurniawan and Kuncoro (2016) showed that poverty alleviation at the district level reduced poverty rates.

Several factors could contribute to this occurrence, including the ineffective implementation of poverty alleviation programs, an imbalance in the distribution of economic and social resources or other dominant elements outside the direct influence of socioeconomic assets on poor community welfare. The conceptual speculation for this phenomenon can be rooted in the types and methods of poverty alleviation programs. There were suspicions that poverty alleviation programs in Indonesia did not involve the economic and social resources of impoverished communities in a facilitated empowerment approach. These programs tended to be charitable, providing funds to meet various needs and inadvertently contributing to increasing inflation rates. This influence was considered a blunder that diminished the long-term benefits of poverty alleviation programs (Bagus et al. 2012); Oxfam (2006); Berhanu Lakew, and Azadi, (2020). Some reports even cautioned that inflation blunders could be detrimental to deprived communities (Naz, et al. 2012; Besada et al. 2008).

4 CONCLUSION

In conclusion, the conducted results in Serdang Bedagai Regency, North Sumatra Province, Indonesia, indicated that the improvement of poor community welfare was influenced by economic social resources and poverty alleviation programs. Socioeconomic assets did not indirectly impact welfare through poverty alleviation programs in the forms of BPNT and PKH. Poverty reduction initiatives were not effective in accelerating efforts to improve poor community welfare. In this context, the significant
elements of economic social resources were human, social, financial, and physical assets. The acknowledgement of natural resources was not made, possibly due to the weak access of poor communities to control raw materials. Enhancing community welfare required a thorough assessment of policies, initiatives aimed at reducing poverty, and various components. Policy directions that were developed included optimizing the use of human, social, financial, and physical resources owned by poor communities to effectively support poverty alleviation programs. Consequently, these initiatives became more empowering and the resources played a significant role in influencing the success of poverty alleviation programs.
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