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Exploring Social Assistance Programmes in Addressing Poverty: A Case Study of Indonesia's Riau Islands

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SYNOPSIS

*In exploring social assistance programmes in Riau Islands, Indonesia, **NAUDY FINOMITYA ALYALIRA** analyses the unique socio-economic landscape and challenges of poverty alleviation by examining the role of both national and local programmes and initiatives. The article offers insights and policy recommendations for more equitable and effective poverty alleviation strategies.*

COMMENTARY

Riau Islands (KEPRI) – an archipelagic province comprising numerous islands – possesses a unique socio-economic landscape characterised by diverse communities, economic activities, and geographical challenges. Like many regions in Indonesia, KEPRI faces persistent poverty and inequality, exacerbated by its maritime geography, which presents logistical challenges for public service delivery within the province. In response to these challenges, several social assistance programmes play a pivotal role in supporting vulnerable populations and promoting inclusive growth.

Social Assistance Programmes in Indonesia

In 1998, Indonesia established a [social assistance framework](#) aimed at supporting low-income individuals and other vulnerable demographics. Significant strides have been made over the years in formulating comprehensive social assistance programmes to uplift economically disadvantaged and vulnerable populations, known as Beneficiary Families (*Keluarga Penerima Manfaat*, or KPM), and enhance their overall livelihood.

Among all assistance programmes, [the Sembako programme](#), a food assistance programme, and [the Family Hope Programme](#) (*Program Keluarga Harapan*, or PKH), the country's first conditional cash transfer programme, have received [the most substantial budget](#) allocations, amounting to approximately S\$3.71 billion (IDR 43.6 trillion) and S\$3.18 billion (IDR 37.4 trillion), respectively. Both programmes are dynamic, regularly revising their policies to adapt to evolving socio-economic conditions.

The government of Indonesia launched the PKH in 2007. PKH provides varying forms of financial support for every KPM family, aiming to alleviate poverty by increasing beneficiaries' current consumption and investing in the human capital of their children through education and health grants.

The Sembako programme has undergone several transformations over the past two decades, from the Special Market Operation Program (OPK) during the 1997/1998 Asian financial crisis to the Non-Cash Food Assistance (BPNT) scheme starting in 2017. Since 2017, the programme has no longer been distributing rice directly to needy families, but instead provides financial assistance directly into the bank accounts of KPM families. In addition, the Sembako programme provides beneficiaries with approximately S\$17.00 per month (IDR 200,000) to purchase designated food items from local markets that are partnered with the programme.

Challenges in Riau Islands

However, despite the existence of social assistance programmes in Indonesia, challenges persist in implementation. The effectiveness of social assistance programmes in KEPRI heavily relies on addressing overarching challenges prevalent across all seven regencies and cities.

In Tanjung Pinang, the capital of KEPRI, [data-related challenges](#) have hindered the effective distribution of social assistance. Issues with attendance at [public socialisation sessions](#) and incomplete documentation have led to inconsistencies in data collection and, consequently, [uneven distribution](#) of aid.

Anambas Islands regency faces similar challenges, as exemplified by the completion of the Direct Cash Assistance (BSTL) programme with a budgetary surplus due to the [misclassification](#) of some residents as economically capable. Likewise, Natuna regency has experienced a reduction in the number of beneficiaries following validation processes, owing again to some residents being wrongly categorised as economically capable. Such instances highlight the need for accurate data management.

Batam City has effectively implemented social assistance programmes. However, questions arise about the fair distribution of resources, given that the city has [the largest share](#) of the budget allocation despite having [the lowest poverty rate](#). This anomaly prompts the question of whether the allocation aligns with the city's actual needs and socio-economic conditions, highlighting potential disparities in budget distribution across the region.



Although Indonesia has implemented several social assistance programmes to support vulnerable populations and promote inclusive growth, challenges persist, especially in the Riau Islands (KEPRI), where the effectiveness of such programmes varies across the seven regencies and cities. *Image from Wikimedia Commons.*

Public-Private-Community Partnership

While national social assistance programmes play a crucial role, there are also local government initiatives and private sector contributions towards poverty alleviation. In addition, multiple local grassroots initiatives complement broader strategies in combating socio-economic disparities within the province. The co-existence of various programmes underscores the need for a comprehensive approach to poverty alleviation in KEPRI.

Local initiatives such as the [Secanting Beras programme](#) in Bintan and [a transport programme](#) that facilitates access to medical treatment in Natuna underscore gaps that national social assistance programmes may not fully address. While these are positive steps, the sustainability of these programmes could become an issue if their funding sources are not diversified as such programmes rely solely on central government funds.

Karimun regency has the lowest number of social assistance programmes. However, a state-owned tin mining company – PT Timah Tbk – [plays a significant role](#) in assisting the community. As part of its corporate social responsibility (CSR), the company has launched various programmes, including the provision of scholarships, funding support for small- and medium-sized enterprises, and free healthcare services, which fill a crucial gap in social welfare efforts. This collaboration between the public sector – represented by PT Timah – and the community showcases the potential of impactful partnerships leveraging public and private resources to achieve sustainable development goals and improve public well-being.

While KEPRI showed impressive [economic growth rates](#) in 2023, disparities in budget allocation for social assistance programmes among its regencies and cities raise questions about resource allocation. Understanding the rationale behind such disparities is crucial to ensure that social assistance programmes effectively reach and benefit all segments of society in KEPRI.

Lessons Learnt

As Indonesia aims to enhance its social assistance architecture, adopting a nuanced approach that prioritises poverty alleviation and sustainability of its programmes is crucial. It is essential to acknowledge both the role of social assistance programmes and their limitations in poverty eradication.

Social assistance should be part of a broader strategy tackling structural inequalities and promoting sustainable development. To address the current challenges in poverty alleviation efforts, it is imperative to consider the implications for future programmes, such as the proposed [free school lunch scheme](#). While the proposal will benefit schoolchildren from needy families, the challenge is how to target it towards those who really need it while also keeping it financially sustainable.

The lessons learnt from the PKH and Sembako programmes underscore the need for targeted benefit distribution and a strategic focus on sustainability in poverty alleviation efforts in KEPRI. It is imperative to assess the extent to which society benefits from national programmes as opposed to local initiatives so that resources are allocated efficiently to address the specific needs of vulnerable populations.

Furthermore, the design of social assistance programmes should prioritise long-term socio-economic empowerment, which would involve investing in education, healthcare, and employment opportunities. Only then can policymakers craft more equitable, effective, and sustainable strategies that can help to break the poverty cycle.

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