

## **ANALYSIS OF THE INDONESIA SMART CARD PROGRAM (KIP) AND INDONESIA HEALTHY CARD PROGRAM (KIS) ON POVERTY REDUCTION IN INDONESIA**

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### **Abstract**

*Poverty is a complex multidimensional phenomenon faced by many countries, characterized by individuals' inability to meet basic needs. In line with the RPJPN 2024–2045 vision, poverty alleviation has become a key strategy for improving public welfare. However, poverty measurement in Indonesia still focuses on the monetary aspect, making it necessary to adopt a multidimensional approach that includes social factors such as education and health. This study analyzes the impact of the Open Unemployment Rate, Indonesia Smart Card Program (KIP) and Indonesia Healthy Card Program (KIS), and the Construction Cost Index (IKK) on poverty reduction in 16 provinces with the highest poverty rates in Indonesia from 2019 to 2023. The panel regression analysis method is employed. The results indicate that the Open Unemployment Rate and the Construction Cost Index have a positive and significant effect on poverty, while KIP and KIS have a negative and significant effect on poverty in the 16 poorest provinces in Indonesia.*

**Keywords:** *Poverty, Multidimensional Poverty, Poverty Alleviation.*

## INTRODUCTION

Development is understood as a process of change that is directed in a sustainable manner towards improvement. This process aims to achieve the vision of the National Long-Term Plan (RPJPN) 2024-2045, which is to realize a golden Indonesian society that is sovereign, advanced and sustainable for the welfare of the population, one of which is through poverty alleviation. This poverty reduction effort is the fourth priority (Emalia, 2013) carried out by the government in its commitment to create equitable welfare, improve the quality of human resources, and strengthen a resilient and sustainable inclusive national economy. Poverty reduction is one of the main goals of sustainable development (Nasution et al., 2024).

Almost all countries in the world face poverty (Murwiati et al., 2022). Although global average incomes continue to rise and expand, billions of people are still trapped in extreme poverty (Marselina et al., 2023). The impact of this condition has triggered various other social problems, such as low life expectancy, poor health conditions, and high illiteracy rates (Yuliawan et al., 2023). This shows that poverty is not only seen as an economic issue, but also as a serious humanitarian problem.

Therefore, in the Sustainable Development Goals (SDGs), poverty is categorized as a multidimensional problem that must be analyzed from various aspects and seen from various causal factors. Poverty measurement in Indonesia is adjusted to the method set by the World Bank (Ratih et al., 2023). However, this calculation method does not take into account individuals who are not actually classified as poor but have low expenditure levels under certain conditions. In addition, the expenditure-based approach also does not fully reflect the conditions of the poor who are vulnerable to disease, have limited access to education and public facilities, live in inappropriate environments, and live with low welfare standards.

Thus, the expenditure approach used in Indonesia is still not fully able to realize the first goal of the SDGs, which is to eliminate poverty in all its forms. This is a major concern because development success is often measured by the effectiveness of poverty alleviation programs (Maimunah & Roseline, 2022).

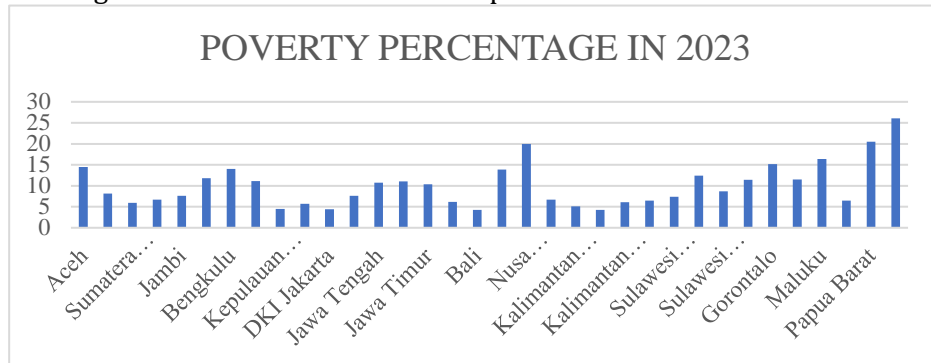
The poverty cycle theory developed by Ragnar Nurkse illustrates that low productivity is influenced by several factors, such as underdevelopment, market imperfections and lack of capital. This low productivity causes workers' income to be negatively affected. In addition, capital and productivity growth are hampered by low income levels, trapping people in a cycle of poverty. The lack of income also leads to a decrease in the level of investment and savings, which in turn worsens the conditions of underdevelopment and poverty (Hardinandar, 2019).

As a developing country, Indonesia continues to face various complex challenges that are difficult to overcome, such as high levels of poverty and economic inequality, so that sustainable economic development is needed (Ananta et al., 2024). With a population of around 279 million in 2023, Indonesia is the fourth most populous country in the world (Wardini, 2024). The population growth that continues to increase every year has a negative impact on economic growth and poverty reduction, and has led to a low quality of life for most people. This is indicated by low levels of education, limited access to health services, and poor living conditions. Although Indonesia has abundant natural resources, their utilization has not been optimized optimally to support economic development. This condition can be seen from the high poverty rate, especially in the 16 provinces that are the focus of this study.

Based on Indonesia's 2023 Draft State Budget (RAPBN) target, the government aims to reduce the poverty rate to 7.5% to 8.5%. However, based on the National Socio-

Economic Survey (Susenas) conducted by BPS, the poverty rate in March 2023 was still recorded at 9.36%, which is still higher than the target set in the State Budget (D. R. Pratiwi, 2023). (Pratiwi, 2023).

Figure 1. Distribution of Poor People in 34 Provinces of Indonesia



Source : Central Statistisc Agency

Based on the analysis of Figure 1, it can be identified that there are 16 provinces with poverty rates that are consistently above the national average. In the 2023 Draft State Budget (RAPBN), it is targeted that the poverty rate in all regions should be below 7.5% to 8.5%.

However, until 2023, this target has not been achieved in several provinces, including Aceh, South Sumatra, Bengkulu, Lampung, Central Java, Yogyakarta, East Java, East Nusa Tenggara, West Nusa Tenggara, Central Sulawesi, Southeast Sulawesi, Gorontalo, West Sulawesi, Maluku, West Papua, and Papua.

Amartya Sen (1976) introduced the concept of capability, where poverty is not only seen from the perspective of material deprivation, but also from the perspective of an individual's inability to achieve basic functions in life. Limited access to education, health, and basic infrastructure hinders the development of individual capabilities. Poor housing conditions and inadequate sanitation further exacerbate this situation. Therefore, a multidimensional approach in addressing poverty is essential to improve the quality of life of the people.

Unemployment, especially open unemployment, is one of the main factors driving the increase in poverty. As theorized by Todaro, unemployment not only affects individuals who lose their jobs, but also has implications for the economy as a whole. When the unemployment rate increases, national productivity decreases, people's income decreases, and ultimately triggers various social problems, including poverty.

One of the factors that contribute to the problem of poverty is the level of education pursued by individuals in society (Setiani et al. 2023) According to Manurung (2015), poor areas are characterized by a low education index, which is caused by the high cost of education and low income, making access to education difficult for the poor. Education is seen as having a crucial role in improving the quality of human resources.

This can be seen from the increase in knowledge and skills acquired, which then contributes to an increase in one's work productivity. With increased productivity, one's chances of achieving better welfare and avoiding poverty become greater. As one of the efforts to overcome poverty in the education sector, the Indonesia Smart Card Program (KIP) program has been implemented and is considered a relevant solution (Annisa et al. 2024).

As a developing country, various efforts have been made by Indonesia to reduce poverty through the implementation of strategic policies. One of the policies that has

been implemented is the launch of the Indonesia Healthy Card program by the government. This program is designed to improve the poor's access to adequate health services without being burdened by medical expenses (Pratiwi et al. 2022).

The Indonesia Healthy Card is an initiative developed by the Indonesian government with the main objective of ensuring that proper health services are accessible to all levels of society. Through this program, it is expected that the financial burden due to health costs that usually have to be borne by the community can be minimized, so that the allocation of funds can be diverted to other needs, such as education, food consumption, or business capital. Thus, the positive impact of JKN-KIS implementation is expected to be felt in improving the welfare and quality of life of the community as a whole.

Various activities of people's lives are highly dependent on adequate infrastructure. Sustainable economic growth cannot be separated from reliable infrastructure support (Saputra, 2023) Therefore, infrastructure development must be carried out carefully by considering the needs of the community and regional potential (Amelia, 2019). The Construction Cost Index is one of the indicators used to measure the level of geographical difficulty of an area in carrying out construction projects (Marlissa et al., 2020).

## RESEARCH METHOD

### Type And Source Of Data

This research is a quantitative study using secondary data and data sources obtained from the publications of the Central Bureau of Statistics, the Ministry of Education and Culture, and the Ministry of Health. In this study, the authors used panel data with variables of Open Unemployment Rate, Indonesia Smart Card Program (KIP), Indonesia Healthy Card Program (KIS), and Construction Cost Index. This study focuses on seeing the effect of variables on the 16 poorest provinces in Indonesia in 2019-2023.

### Analysis And Estimation Method

This study uses multiple linear regression analysis on panel data, namely a combination of Cross Section and Time Series with three approaches Common Effect Model (CEM), Fixed Effect Model (FEM), and Random Effect Model (REM). Classical assumption testing includes several tests such as Normality Test, Multicollinearity Test, Heteroscedasticity Test, Autocorrelation Test. Furthermore, the selection of regression estimation techniques, namely the chow test and the hausman test. Then hypothesis testing through t test, F test, and coefficient of determination. The estimation method used is as follows:

$$Y_{it} = \beta_0 + \beta_1 TPT_{it} + \beta_2 KIP_{it} + \beta_3 KIS_{it} + \beta_4 IKK_{it} + \varepsilon_{it}$$

Keterangan:

Y	: Poverty Rate (Percent)
$\beta_1 \beta_2 \beta_3 \beta_4$	: Constanta
$\beta_0$	: Regression Coefficient
TPT	: Open Unemployment Rate (Percent)
KIP	: Indonesia Smart Card Program (Percent)
KIS	: Indonesia Healthy Card Program (Percent)
IKK	: Construction Cost Index (Index Number)
$\varepsilon_{it}$	: Error term

## RESULTS AND DISCUSSION

Table 1. Descriptive Statistics Analysis

	Y	TPT	KIP	KIS	IKK
Mean	14.85188	4.300625	48.45575	46.37450	105.6081
Median	13.43000	3.920000	46.16500	45.82500	98.33500
Maximum	27.38000	7.570000	96.98000	85.00000	218.5900
Minimum	10.20000	2.270000	6.830000	22.72000	87.44000
Std. Dev.	4.414435	1.316756	18.38246	13.79732	25.87696
Observations	80	80	80	80	80

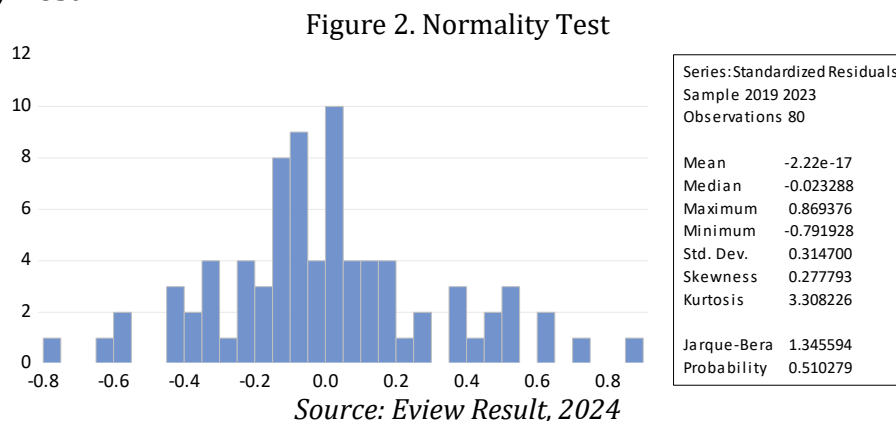
Source: Eview Result, 2024

Based on the results of table 1, the results show the following:

The Poverty Rate (Y) has an average of 14.85, with the median value, which represents the middle point of the data distribution, recorded at 13.43. The highest value of the poverty rate of 27.38 percent was found in Papua Province with a standard deviation of 4.41 poverty rate. On the other hand, East Java Province is recorded to have a minimum value with a poverty rate of 10.20. Open Unemployment Rate (TPT): has an average value of 4.30 with the highest score of 7.57 found in Maluku Province, the lowest value of 2.27 recorded in West Sulawesi Province, with a standard deviation of the variable of the open unemployment rate recorded at 1.31. The Indonesia Smart Card Program (KIP): has an average score of 48.45 with the highest score of 96.98 found in West Sulawesi Province. Then the lowest value of 6.83 occurred in Papua Province and the standard deviation value of this KIP was 18.38. Indonesia Healthy Card Program (KIS): the average score produced is 46.37. The highest value reached 85.00 in Aceh Province, then the lowest value of 22.72 was found in South Sumatra Province with a standard deviation value of the KIS variable of 13.79. Construction Cost Index: the average value is 105.60, with the highest score reaching 218.59 in Papua Province. Meanwhile, the lowest value of 87.44 was recorded in West Sulawesi Province, with a standard deviation of this variable of 25.87.

### Classical Assumption Test

#### Normality Test



From the results shown, the statistical probability value of J-B is  $0.510279 > 0.05$ . This indicates that the normality assumption is met, and the data is normally distributed.

**Multicollinearity Test**

Table 2. Multicollinearity Test

	<b>TPT</b>	<b>KIP</b>	<b>KIS</b>	<b>IKK</b>
<b>TPT</b>	1.000000	-0.176204	0.099383	0.094989
<b>KIP</b>	-0.176204	1.000000	0.226514	-0.369318
<b>KIS</b>	0.099383	0.226514	1.000000	-0.270645
<b>IKK</b>	0.094989	-0.369318	-0.270645	1.000000

Source: Eview Result, 2024

The test results showed that the symptoms of multicollinearity were not detected, because the value of the correlation coefficient between variables was below 0.8.

**Heteroscedasticity Test**

Table 3. Heteroscedasticity Test

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	0.550706	0.384115	1.433702	0.1568
TPT	0.034813	0.040013	0.870027	0.3878
KIP	-0.000830	0.001513	-0.548808	0.5852
KIS	-0.002671	0.004789	-0.557746	0.5791
IKK	-0.002847	0.002511	-1.133923	0.2613

Source: Eview Result, 2024

Based on these results, it can be concluded that the regression equation model does not experience heteroscedasticity, because the probability value of each variable  $\geq 0.05$  which indicates its insignificance.

**Autocorrelation Test**

Table 4. Autocorrelation Test

<b>Log likelihood</b>	<b>-20.52099</b>	<b>Hannan-Quinn criter.</b>	<b>1.251781</b>
<b>F-statistic</b>	618.2195	Durbin-Watson stat	1.708090

Source: Eview Result, 2024

Based on the Durbin-Watson statistical value of 1.708090 because the value is between 1 and 3, i.e.  $1 < 1.708090 < 3$ , it can be concluded that the non-autocorrelation assumption is met. In other words, there is no indication of high autocorrelation in residuals.

**Selection Of Regression Estimation Techniques**

The hypothesis in the Chow Test is as follows:

H0 ( $\alpha > 0,05$ ): Selected CEM models

Ha ( $\alpha < 0,05$ ): Selected FEM models

Then for the hypothesis in the Hausman Test is as follows:

H0 ( $\alpha > 0,05$ ): Selected REM models

Ha ( $\alpha < 0,05$ ): Selected FEM models

Table 5. Regression Estimation

	<b>Prob.</b>	<b>Kesimpulan</b>
<b>Uji Chow</b>	0,0000	FEM
<b>Uji Hausman</b>	0,0003	FEM

Source: Eview Result, 2024

Based on the results of the table 5 shows that the regression results in the Chow Test have a probability value of  $0.0000 < 0.005$  and the Hausman Test with a probability value of  $0.0003 < 0.05$ , then in this test rejects H0, meaning that the FEM approach is better to use.

### Regression Estimation Results

The best regression model produced is the Fixed Effect Model, with the results shown in the following table:

Table 6. Regression Estimation Results

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	13.45755	0.818271	16.44633	0.0000
TPT	0.388956	0.085239	4.563099	0.0000
KIP	-0.010250	0.003223	-3.180015	0.0023
KIS	-0.037508	0.010202	-3.676504	0.0005
IKK	0.018537	0.005349	3.465540	0.0010
	R-squared	0.994918		
	F-statistic	618.2195		
	Prob(F-statistic)		0.000000	

Source: Eview Result, 2024

Based on the results of the fixed effect model regression, the regression model equation can be written as follows:

$$Y_{it} = 13.45755 + 0.388956TPT_{it} - 0.010250KIP_{it} - 0.037508KIS_{it} + 0.018537IKK_{it} + \varepsilon_{it}$$

Through the regression model equation, it can be described, namely, the constant value of 13.45755 which means that if the independent variables, namely TPT, KIP, KIS, and IKK, are considered constant or no change, then the poverty rate will increase by 13.45755. The value of 0.388956 means that when the unemployment rate increases by 1%, the poverty rate will increase by 3.8 percent, ceteris paribus. A value of 0.010250 means that if the percentage of KIP increases by 1%, then the poverty rate will increase by 1.02%, ceteris paribus. A value of 0.037508 means that when the percentage of KIS increases by 1%, the poverty rate will increase by 3.7 percent, ceteris paribus. Furthermore, the value of 0.0185371 means that when the percentage of CPI increases by 1%, the poverty rate increases by 1.8%.

### Hypothesis Test

#### Test-T

Based on the results of the *uj* t-statistic, the variable of the open unemployment rate is 4.563099 which is greater than the t-table (1.99), with a probability of 0.0000 which is less than 0.05 (0.0000 < 0.05). This indicates that statistically, the open unemployment rate has a positive and significant influence on poverty rates in the 16 poorest provinces in Indonesia. The variable of the Indonesia Smart Card Program was recorded at -3.180015 which is greater than the t-table (1.99), with a probability of 0.0022 which is smaller than 0.05 (0.0023 < 0.05). Thus, the data shows that statistically, the KIP program has a negative and significant effect on the poverty rate in the 16 poorest provinces in Indonesia. The variable of the Indonesia Healthy Card Program is -3.676504 which is greater than the t-table (1.99), with a probability value of 0.0005 which is also smaller than 0.05 (0.0005 < 0.05). ). These results show that the KIS program has a negative and significant influence on poverty levels in the 16 poorest provinces in Indonesia. The Construction Affordability Index variable is 3.465540, which is greater than the t-table (1.99), with a probability of 0.0010 which is smaller than 0.05 (0.0010 < 0.05). This shows that statistically, the construction cost index has a positive and significant influence on the poverty rate in the 16 poorest

provinces in Indonesia.

### **Test-F**

In the fixed effect model table, the recorded f-statistic value is 618.2195 with a probability of 0.0000, which is less than 0.05 ( $0.0000 < 0.05$ ). This shows that simultaneously, the variable of the open unemployment rate, the Indonesia Smart Card program, the Indonesia Healthy Card program, and the construction cost index have a significant influence on poverty rates in the 16 poorest provinces in Indonesia.

### **Coefficient of Determination**

The coefficient of determination ( $R^2$ ) was recorded at 0.994918 or equivalent to 99.49 percent. Thus, 99.49 percent of the change in the poverty rate can be explained by the variables of the open unemployment rate, the Smart Indonesia Card program, the Healthy Indonesia Card program, and the construction cost index. The rest, amounting to 0.51 percent, was influenced by other variables that were not included in the model.

High  $R^2$  in fixed effects models is a common phenomenon. However, the high R-Squared value in the Fixed Effect Model is not the only indicator that the model is good or reliable.  $R^2$  only measures how much variation in the dependent variable is explained by the model. However, a statistical explanation does not necessarily imply a true cause-and-effect relationship. A high  $R^2$  could be due to irrelevant factors or noise in the data that “seems” to fit the model. In fixed effects models, high  $R^2$  is often due to the elimination of between variation. This makes the model look very good at explaining within-unit variation, but does not necessarily represent the true relationship in the real world (Wooldridge, 2010).

### **Individual Effect**

Individual effects describe the intercept/constant values for each region (cross section) in regression that has been carried out using the fixed effect model (FEM) method. The results of individual effects in 16 provinces in Indonesia with different results. This difference shows that there are characteristics between provinces. The province with the highest individual effect value is owned by Papua Province at 23.185577, then the province with the lowest individual effect value is owned by East Java Province at 8.498408. Thus, the provinces that have the highest and lowest scores are a reflection of the change in the open unemployment rate, the Smart Indonesia card, the Healthy Indonesia card against poverty

Papua Province is recorded to have the highest score of 23.185577, meaning that this province has the highest poverty rate caused by its geographical location. This province is difficult to reach because its area is dominated by high mountains and steep mountain slopes, so that access to available infrastructure makes this province difficult to reach which hinders the distribution of goods and services so that the price of basic materials becomes high and education is low.

Furthermore, the province with the lowest value, namely East Java Province of 8.498408, means that this province is more prosperous than other provinces because the poverty rate is low, East Java Province is a province with the capital city of Surabaya so that it becomes the center of the economy and government, because as a center, the access to infrastructure owned is quite good so that the distribution of goods is easier, adequate educational facilities and social assistance programs such as

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infrastructure is quite good so that the distribution of goods is easier, adequate educational facilities and social assistance programs such as Cards A well-distributed Indonesia Smart Card Program (KIP) also helps reduce poverty rates.

## **Discussion**

### **Open Unemployment Rate to Poverty Rate**

Based on the results of panel data regression on the 16 poorest provinces in Indonesia in 2019-2023, the Open Unemployment Rate shows a positive and significant relationship to the poverty rate. The open unemployment rate is a reflection of employment conditions and this is the main determinant of poverty. Where poverty itself is very determined by the average per capita expenditure of the population that is below the poverty line. Job inequality represented by the open unemployment rate is closely related to income distribution in society. So it can be concluded that the increase in unemployment caused by the decline in employment opportunities, indirectly attracts the population group that initially had average expenditure above the poverty line towards the average expenditure below the poverty line. The findings of this study are in line with previous research conducted by Ristika et al. (2021), which also revealed that the variable of open unemployment rate has a positive relationship with the poverty rate in East Java. This positive relationship illustrates that when the unemployment rate increases, the poverty rate will also increase.

### **The Effect of the Indonesia Smart Card (KIP) on the Poverty Rate**

Based on the results of panel data regression on the 16 poorest provinces in Indonesia in 2019-2023, the Smart Indonesia Card shows a negative and significant relationship with poverty levels. World Bank (2024) there is a significant relationship between low education levels and poverty. Limited access to education is more commonly found in rural areas compared to urban areas, where educational facilities and resources tend to be concentrated in centers of economic growth. This condition exacerbates poverty in remote rural areas, especially in areas with geographical barriers.

The Indonesia Smart Card (KIP) program not only enhances access to education but also has a positive impact on the economic status of poor households. By providing financial assistance for educational expenses, KIP indirectly increases household expenditure, particularly on education-related needs like school fees, supplies, and transportation. This increased expenditure can elevate household income above the poverty line. Since poverty lines are often determined based on expenditure levels, increased spending due to educational subsidies can lift households out of poverty. This finding aligns with Pradana (2022), which demonstrates a significant negative correlation between KIP utilization and poverty rates. For instance, in Boyolali Regency, increased KIP usage is associated with a decrease in poverty rates, while a decline in KIP utilization tends to increase poverty.

### **The Effect of the Indonesia Healthy Card (KIS) on the Poverty Rate**

Based on the results of panel data regression on the 16 poorest provinces in Indonesia in 2019-2023, the Healthy Indonesia Card shows a negative and significant relationship with poverty levels. By providing universal access to health services, KIS not only improves people's quality of life, but also contributes to increased productivity. When people are healthy, they are more productive at work, so they can increase family income. In addition, spending on unexpected health expenses can be a heavy burden for poor families. With the existence of KIS, this burden can be reduced, so that people can allocate more budget for other needs, such as education and consumption. These results are consistent with the findings of Maliangga et al. (2019)

which stated that the KIS program plays a role as one of the instruments to accelerate poverty alleviation.

### **The Effect of the Construction Cost Index on the Poverty Rate**

Based on the results of panel data regression on the 16 poorest provinces in Indonesia in 2019-2023, the Construction Expensive Index shows a positive and significant relationship with poverty rates. A high Construction Cost Index often reflects the poor infrastructure condition of an area. Inadequate infrastructure hinders accessibility, reduces people's mobility, and slows down economic activity. When mobility is low, logistics and distribution costs increase, which ultimately burdens people with a higher cost of living and reduces their purchasing power. Therefore, to reduce the poverty level, efforts to improve infrastructure are very important to reduce the Construction Expensiveness Index in areas that are still experiencing development constraints. These results are consistent with the findings of Aisah (2024) research which also indicates that the construction cost index has a significant positive relationship with poverty rates.

### **CONCLUSION**

From the description of the previous chapters that have been explained about the independent variables that affect the poverty rate in the 16 poorest provinces in Indonesia, the following conclusions can be drawn:

1. The open unemployment rate variable has a positive and significant effect on the poverty rate in the 16 poorest provinces in Indonesia 2019-2023. This means that if the open unemployment rate variable increases, it will result in an increase in the poverty rate.
2. The Indonesia Smart Card Program (KIP) program variable has a negative and significant effect. Which means that if there is an increase in the value of KIP, it will reduce the poverty rate in the 16 poorest provinces in Indonesia.
3. The Indonesia Healthy Card Program (KIS) program variable has a negative and significant effect on the poverty rate. This is in accordance with the hypothesis that KIS has a negative effect on the poverty rate.
4. The Construction Cost Index (IKK) variable has a significant positive effect on the poverty rate in the 16 poorest provinces in Indonesia 2019-2023. Which means that if there is an increase in the construction cost index, the poverty rate will increase.
5. The variable Open Unemployment Rate, The Indonesia Smart Card Program, The Indonesia Healthy Card Program and The Construction Cost Index together have a significant effect on the poverty rate in the 16 poorest provinces in Indonesia.

### **Recommendation**

Based on the conclusions that have been obtained, there are several recommendations that are expected to contribute to poverty alleviation efforts in the 16 poorest provinces in Indonesia as follows:

1. The Open Unemployment Rate has a positive influence on the poverty rate. In this case, the government needs to take strategic steps to reduce the unemployment rate through the creation of quality jobs that are in line with market needs. In addition, training and skills development programs need to be optimized so that people can have better competitiveness in the world of work. By improving the quality of the workforce and the availability of jobs, it is expected that people's income will increase so that poverty can be reduced.
2. The Indonesia Smart Card (KIP) program has a negative effect on the poverty

rate. This means that an increase in the implementation of this program can reduce the poverty rate. Therefore, the government needs to expand the coverage of the KIP program, ensure that the assistance is well-targeted, and increase public awareness of the importance of education. With this support, people from poor groups are expected to continue their education to a higher level, so that the quality of human resources increases and the chances of getting out of the poverty cycle become greater.

3. The Healthy Indonesia Card (KIS) program has a negative effect on the poverty rate. This shows that the program can help reduce the poverty rate by providing better access to health for the poor. To maximize its benefits, the government needs to ensure that the KIS program covers quality and accessible health services. In addition, socialization about the rights and benefits of KIS must be improved so that more people can make optimal use of this program.
4. The Construction Cost Index (IKK) has a positive effect on the poverty rate. A high IKK value reflects the high cost of construction in a region, influenced by factors such as the availability of building materials, labor, geographical conditions, and transportation access. The IKK has an impact on infrastructure investment, property prices, and people's purchasing power, so its monitoring and management are important for equitable development. Therefore, it is necessary to optimize the distribution of construction materials through public-private partnerships and strengthen transportation infrastructure to reduce distribution costs, especially in remote areas. With the right strategy, IKK can be controlled for sustainable infrastructure development.

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