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The Impact of Conditional Cash Transfer (CCT) to Socio-Economic of Poor Families; A Case Study

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ABSTRACT

Poverty is a multidimensional problem such as political dimension, social dimension, environmental dimension, economic dimension and asset dimension. Indonesian government creates program to alleviate poverty. Program Keluarga Harapan (PKH) is one of Indonesian government program. Program Keluarga Harapan (PKH) is a social protection program through the provision of conditional cash transfers to very poor families. This program focuses on improving the quality of life to achieve social welfare through behavioral changes to education and health. The article aims to explore the impact of Conditional Cash Transfer (CCT) on the socio-economic of poor families in Linggo Sari Baganti districts, Pesisir Selatan regency. Data were collected from interviews, observations, and documentation by referring to descriptive research method with a qualitative approach. Research findings evaluate the provision of Conditional Cash Transfers. It has not been effective in improving the socio-economic life of poor families in Linggo Sari Baganti districts, Pesisir Selatan regency.

Keywords: Poverty, Program Keluarga Harapan (PKH), Conditional Cash Transfer.

INTRODUCTION

Poverty is multiple social problems. It is a popular topic research for academicians and practitioners. There are theories, concepts, and approaches that a continuously developed to discover the mystery of poverty. The problem of poverty is relevant research area in Indonesia because it can be studied continuously. This is not only because of the existence of poverty, but also these symptoms are increasing in line with the multidimensional crisis in Indonesian.

Poverty is the unfulfilled condition for someone or group basic rights to maintain and develop a dignified life (Dirjen Perlindungan dan Jaminan Sosial Kemensos, 2012). Poverty involves several dimensions such as political, social, environmental, economic, and valuable (Rahadi, 2005). It can be illustrated with these descriptions. Political dimension: poor families are often ignored in decision maker of their fate. Social Dimension: the poor receive less public attention and social institutions due to the declining of caring values. Environmental Dimensions: environmental and settlement development activities effect environmental destruction and impartiality for the poor families. Economic Dimension: poor families struggle to fulfill their daily needs due to low income. Valuable dimensions: it is difficult to access resources due to power relations such as economic resource assets, funding capital, work equipment, human resources, and residence (Parnamian, 2010).

In order to overcome this phenomenon, the Indonesian government is fully aware of the Social Security Network Program. The social protection education program is one of
them. It helps poor families to get free tuition fees. This social protection is an important element in social policy. It is strategy to reduce poverty level and minimize the multidimensional gap. Social protection covers all movements from the government, the private sector, or the public. It is protect and fulfill daily needs, especially the poor; as well as improving the social status and rights of marginal in every country (Suharto, 2009).

Indonesia’s poverty mitigation program consists of 15 programs that have been widely implemented, such as: program Jaringan Pengamanan Sosial (JPS) or social safety network program. It consists of Underdeveloped Village Program; Local Development Program; Credit Program Utilization of Appropriate Technology for Poverty Eradication; Local Economic Program of Savings and Loan; Farmers Credit Program; Food Program for Children; Special Market Operations Program for Rice; Regional Empowerment Program in Overcoming the Impact of Economic Crisis; Scholarship Program and Operational Fund of Primary and Secondary Education; Health Sector Program; Municipal Labor-intensive Program; Women’s Unemployment Special Initiative; Community Empowerment Program through the Development of Infrastructure of Fuel Subsidy; Fuel Subsidized Petroleum Fund Rolling Program for Small and Medium Enterprises; Cash Fuel Subsidized Fuel Fund Program.

The Indonesian government has been made many poverty alleviation programs. In fact, Indonesian has not been completely separated from poverty since the crisis. Therefore, the government issued a program policy based on social protection system development. It will improve and help very poor families in terms of access to health services and basic education. This program will be able to reduce poverty in Indonesia.

Government concerned to poverty problems. They do not only focus on one problem solving but also alternatives way to overcome these problems. One of the policies and programs are Program Keluarga Harapan (PKH). Program Keluarga Harapan (PKH) is a social protection and social welfare through the Ministry of Social Affairs. Social Service is in charge as the executor.

Conditional Cash Transfer (CCT) is one of the poverty reduction programs thru social base in Indonesia. This program is a social protection policy for the poor families who are unable to get basic needs for education and health. This program focuses on a very poor family. This program is in cluster one. It will focus on fulfilling basic rights such as education and health.

CCT program was implemented in Mexico in 1997. CCT program is considered proven to effectively enhance the basic objectives of reducing poverty, improving educational achievement, improving maternal and child counseling, and reducing malnutrition. In addition, CCT has revealed impacts associated with improving the local economy, a double effect on human resource investment and spillover the effects of educational attainment on wealthy families as well as the reduction of child labor (World Bank, 2009).

Because it is considered successful, this CCT program is widely adopted by poor and developing countries. There were approximately thirty countries implementing this CCT program until 2008 such as Mexico, Guatemala, El Salvador, Costa Rica, Panama, Ecuador, Peru, Chile, Argentina, Paraguay, Bolivia, Dominica, Jamaica, Honduras, Nicaragua, Burkina Faso, Nigeria, Kenya, Yemen, Turkey, Brazil, Colombia, Bangladesh, Pakistan, India, Indonesia, Cambodia, the Philippines, and Bangladesh. CCT program was also adopted in New York United State in 2007 (World Bank, 2009).

Program Keluarga Harapan (PKH) is one of the poverty reduction policy based on the provision of social after the Bantuan Langsung Tunai (BLT). BLT provides conditional funding. PKH is a Conditional Cash Transfer cluster 1. It contains health insurance, Rice for poor families (Beras Miskin), and Aid for Poor Student (Bantuan Siswa Miskin). Program Keluarga Harapan (PKH) provides conditional cash transfers to very poor families that have been selected as PKH participants. PKH participants have required the requirements and commitments in order to obtain the aid. It is related to the improvement of the quality of human resources (HR) such as education and health. They need to take their children to secondary school level in order to improve the education sector. In addition, pregnant women should control their condition regularly to the health clinic or posyandu.
The Government of the Republic of Indonesia began implementing the CCT program in 2007. The CCT program in Indonesia is Program Keluarga Harapan (PKH). PKH is a national priority program of poverty alleviation through the provision of cash aid to very poor families based on predetermined terms and conditions. The target or beneficiary of PKH aid is the very poor household with school age (0-15 years old) or pregnant or postpartum women. They must be in selected locations.

Table 1
The Development of CCT in Indonesia during 2007-2015

<table>
<thead>
<tr>
<th>No.</th>
<th>Year</th>
<th>Government Expenditures on CCT (Million Rupiah)</th>
<th>Realization of PKH (Person)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>2007</td>
<td>508,0</td>
<td>387,947</td>
</tr>
<tr>
<td>2</td>
<td>2008</td>
<td>767,6</td>
<td>620,848</td>
</tr>
<tr>
<td>3</td>
<td>2009</td>
<td>923,9</td>
<td>726,376</td>
</tr>
<tr>
<td>4</td>
<td>2010</td>
<td>929,4</td>
<td>774,293</td>
</tr>
<tr>
<td>5</td>
<td>2011</td>
<td>1,282,2</td>
<td>1,052,201</td>
</tr>
<tr>
<td>6</td>
<td>2012</td>
<td>1,867,0</td>
<td>1,454,655</td>
</tr>
<tr>
<td>7</td>
<td>2013</td>
<td>3,536,0</td>
<td>2,326,533</td>
</tr>
<tr>
<td>8</td>
<td>2014</td>
<td>5,548,0</td>
<td>2,871,827</td>
</tr>
<tr>
<td>9</td>
<td>2015</td>
<td>6,471,0</td>
<td>3,511,088</td>
</tr>
<tr>
<td>10</td>
<td>2016</td>
<td>6,876,2</td>
<td>4,324,622</td>
</tr>
<tr>
<td>11</td>
<td>2017</td>
<td>7,234,1</td>
<td>5,324,431</td>
</tr>
</tbody>
</table>


The main objective of PKH is to reduce poverty and improve the quality of human resources especially among the poor. It can help them to reduce expenses in the short term. While for the long term, it requires them to sending their children to school, immunizing their toddlers, taking care of their pregnancy, and improving nutrition. It is expected to overcome the poverty chains across generations (Ekardo, Firdaus, & Elfemi, 2014).

Program Keluarga Harapan (PKH) has been implemented in seven provinces. Then the program continued to 34 provinces. The earlier form of PKH recipient component is only two components such as health and education component. It is extended to social welfare components such as disabilities and the elderly. Based on the General Guidelines of PKH in 2016, PKH is expected to reduce the consumption cost and to be able to overcome the poverty chain for the long term.

PKH provides aid schemes for each family in detail. They receive varies amount based on its criteria. If BLT gives IDR.150,000 per families, PKH will give more nominal to school-aged children and pregnant women. In this case, a family will get aid about IDR.1,000,000 peer family each year because they have two children in elementary school level and pregnant women. Besides, there are families with elementary school age children who get IDR.600,000 per family each year.

The study of the Ministry of Social Affairs shows the inverse relationship between the perceptions of the adequacy of aid with family toughness. In the perceived suitability of aid decreased, relative beneficiary families’ flexibility increased. This research concludes PKH as a positive impact on very poor families. There is a significant difference between the condition of poor families before and after PKH due to participation in health and education. The condition after PKH is better than before PKH. However, PKH has not had a positive impact on the socio-economic status of poor families (Nainggolan et al., 2012).

Pesisir Selatan is one of the PKH areas in West Sumatera. It has been conducted since 2007. It is only two districts are supported by PKH. One of them is Linggo Sari Baganti districts. The number of families in Nagari Air...
Haji is 636 families with 2,758 populations. While in Nagari Punggasan, it is only 566 families with 2,458 population (BPS Pesisir Selatan, 2018). Linggo Sari Baganti districts received PKH aid to 2,393 families in Nagari Air Haji and Nagari Punggasan.

This study aims to find out how far the impact of PKH is able to help the socio-economic of poor families. This paper will clearly explain the impact of conditional cash transfer (CCT) on the socio-economic life of poor families in Linggo Sari Baganti districts, Pesisir Selatan Regency.

RESEARCH METHODS

The research was conducted in Nagari Air Haji and Nagari Punggasan, Linggo Sari Baganti districts, Pesisir Selatan regency. This research uses descriptive research qualitative approach. A qualitative approach is a research procedure in descriptive data from written or spoken words and behavior of the society. This type of research is descriptive of various conditions and the real situations as it is. Data collection techniques are interviews, observation, and documentation. The data were analyzed by a triangulation technique.

RESULT AND DISCUSSION

Socio-Economic Situation PKH Beneficiaries after Graduation

The socio-economic conditions in Nagari Air Haji and nagari Punggasan, Linggo Sari Baganti districts have some similarities but there are also some differences. In general, a poor family has low income due to low skills. Their work areas rely only on physical activity such as farm laborers or fisherman crew. In addition, low education and huge numbers of a member in the family contribute to the poor condition. Higher social status in the society is employees (Civil Servants, and private sectors) and high school, graduates.

There are regular social activities in Air Haji and Punggasan Linggo Sari Baganti districts such as majlis taklim (Islamic forum), puskesmas (local health clinic), julo-julo (social gathering) and gotong royong (mutual cooperation). However, these activities intensity depends on the conditions. In this case, julo-julo is not so popular for very poor families due to weekly deposit. Their economic activity is subsistence. It is very difficult to save money because it is used for daily needs.

Likewise, majlis taklim are glimpsed by most of the society especially PKH participants. Not all of the member of PKH come especially for those who feel inferior because of their condition. Some of them eventually no longer join the majlis taklim because of their shabby clothes. They do not like sarcastically people. They did not dare come to the majlis taklim. In this case, they will not come to majlis taklim when her husband at the sea. No one takes care of the children at home.

Meanwhile, gotong royong is more visible in coastal areas than in the mainland (specifically for Punggasan and Air Haji). There is a unique tradition for fisherman society where there is a sea celebration. Everyone is involved in organizing it. Meanwhile, in the mainland areas, gotong royong is generally carried out during baralek (wedding ceremony), or the ritual of death.

The type of occupation can be differentiated by area. Air Haji and Punggasan have relatively similar characteristics of livelihoods. They are diverse kinds of occupation such as agriculture (rained fields, fields, and botanical gardens), animal farm, trade, manufacture, and marine (anglers). Related to this occupation, there is a difference in the certainty of income on agriculture and animal farm. Trade has more stable income security.

Related to these issues, there is a phenomenon of Jawi (cow) that attacked many residents’ plants in both of Air Haji and Punggasan. These cows are allowed to roam without being put into their cages even at night. As a result, several residents do not want to plant crops due to this phenomenon. While in the marine sector, a vulnerable condition occurs in the storm season. It takes relatively in long periods (about two to three months). The anglers stop fishing in June to August and January or February. However, they go to the sea during weak wind because of the demands of their needs.

Those moments are vulnerable conditions. They need to find a strategy to fulfill their daily need. The most common thing is borrowing money or groceries from relatives or neighbors. They will borrow food from the stalls. Besides, they borrow money
from the local organization. They even borrow money from the angler’s boss or koperasi (loan sharks).

**PKH Impact after Graduation**

There is four impact of PKH such as health status, education, economy, distribution of costs and consumptions. First, it is the health aspect. There are behavior transformations of PKH. They have the awareness of controlling their children health to posyandu and checking their health to Puskesri (Health Post in the village). Second, it is the educational aspect. Children are more motivated. They have the enthusiasm to go to school. The aspiration of parents to the education of children increases. Children have faith to continue education up to college.

Third, it is related to the economic aspect. Some families can save some PKH aid or be buying seeds (corn or palm). In addition, some PKH members who get KUBE (Business Group) are able to manage KUBE. They can make cattle farm or be planting corn to improve their economy. Fourth, it is the aspect of the distribution of costs and consumptions. It is based on the priority. The most important requirement is basic needs and tuition fees for children (transportation cost and snack).

Since it is largely dependent on the subsistence economy, income earned is for their daily needs. Those four aspects cannot only be seen from the side of success. There are also difficulties when they have been in graduation. The most remarkable is about some aspects of changes. First, it is related to the education aspect. Parent is a pessimist about their children’s education to a higher level. In addition, their school’s needs (clothes, bags, shoes, books) are now modified to the family’s financial condition.

Second, it changes the economic aspect. The disappearance of PKH’s aid increases a debt-reliant strategy especially when conditions are vulnerable. Third, the aspect of the distribution of household consumption and consumption costs also changes. They reduce the purchase of daily need in both quantity and price. These are the effect of the loss of one resource of income from PKH aid. The absence of saving habits makes it difficult for PKH graduates to manage their finances more freely. Their income is just enough for their daily need. It causing their finance can not be saved.

**Characteristics of PKH Graduating PKH 2007 Cohort**

Characteristics of PKH graduation 2007 cohort can be divided into two parts such as the condition before receiving and after the graduation of PKH. Characteristics of families before receiving PKH can be seen from the following aspects such as economic, education, health, family's consumption and cost.

In the economic aspect, families have no capital and savings. They do not have permanent jobs. Their land is not used maximally for agriculture. They often owed to a shop or loan shark. However, there is julo-juloa as a savings strategy to fulfill their daily needs.

In the aspect of education, the children's motivation is not motivated about their school life. Their parent’s aspirations are also common and tend to be low. The fulfillment of children’s needs (bags, uniforms, shoes, books) for school depends on the family's financial condition. From the health aspect, social awareness is low due to the health of children and mothers. In addition, the access to health services (puskesmas and posyandu) is also far away. In addition, people prefer to "dukun kampung" (herbalist) to get fit. They also go there for childbirth. In the aspect of consumption and cost, it leads to a subsistence economy. So, the income is exhausted at that time.

There are some characteristics of families after graduation from PKH in this area studied. Their education is at the elementary school level. Most of the parents’ education is only from elementary school. They did not even finish primary school. There are some parents in junior and senior high school level. While none of the parents graduated from college. It is a different case for PKH graduation families. This generation continues their school to the higher level of education. Only a minor amount of children does not continue school. Almost all have complied with the 9-year compulsory education program, and some are currently studying at colleges. PKH graduated families have 4-6 members. The number of children in the family has an impact on economic
conditions. They will spend more distribution of expenses and consumption for more children.

Currently, the aspirations of parents and children towards education are increasing. This condition is not accompanied by the family ability to fulfill it. The children in Linggo Sari Baganti districts are not only motivated to learn up to high school level but also up to college. Awareness parent will effort their children tuition fees even by borrowing money or working harder. The limited work opportunities in these two regions are one of the problems of parents in fulfilling their children’s education needs. In addition, the loss of PKH aid enables parents to adapt to this condition by prioritizing to their daily needs.

**Integration level of PKH Graduation into Structure of Economic, Social & Cultural**

PKH is as an effort of social engineering to ensure that the poorest are not affected by the economic turmoil. In fact, it gives both serious effects of intended and unintended effect on social, economic and cultural conditions in Pesisir Selatan. So, PKH programs contribute to Pesisir Selatan’s social, economic and cultural processes. They interpret and practice the most fundamental things in society, particularly the fulfillment of the basic rights of women and children, as well as gender equality and equity in wider understanding (as intended impact) and as social justice and solidarity and gotong royong (as unintended impact).

External factors influence integration of PKH graduation into the economic structure of local communities especially the agricultural sector along with the development of oil palm plantations in these two areas. Currently, the oil palm plantation sector has an influence on local economic development. However, this effect is more marked for those who have large land (more than 2 hectares). For those who do not have enough land, it is not enough to rely on daily income from these sectors and they also have to work as farm laborers.

Women worker are paid less than men as a farm worker. Therefore, men have better job opportunities than men. On the other hand, men are more likely to work in this sector than women in coastal areas. Job opportunities in both areas are not only exposed to men but also to women. Diversification of households’ livelihoods in these two areas is still limited. It lacks services and trade.

In the social aspect, some PKH graduated families become involved in in-group activities through PKH group meetings. Before PKH, they felt inferior to follow the activities in the community (PKK, majelis taklim, etc.). However, poor families will remove their chances to earn an income for following the community activities. This limitation makes the poor less likely to engage in community activities.

The impact of aid on the local economy is more marked to PKH receiver because they will soon distribute the PKH aid to the schools, motorcycle taxis, market traders (basic family needs). However, family purchasing power gradually decreased after graduation. They give priority to basic needs such as rice and school fees. Their daily need for school is no longer a priority such as school uniforms, school bags, and school shoes.

**The PKH Graduation Perspective against Economic Access**

There is a difference of perception of PKH graduation to economic access between Air Haji and Punggasan. Their economic access is still in the same condition when they have not received PKH, especially for fisherman family. However, job opportunities are now more open than at the time of receiving PKH or after graduation for agricultural sector worker. This is due to the development of the palm oil plantation sector.

It is important to consider the impact of the loss of PKH aid on the need for additional income or the increase in the number of working family members. It shows the strategy of family adaptation to changes income sources. For PKH graduation, working family members beside parents is very helpful family economy. It is not the same case to other family. They will take the debt and be borrowing money as an effective way to solve the problem.

In addition, a reduction of consumption is one of the mechanisms. It also mobilizes
other family members such as children to work to help the family income. The impact of the loss of PKH aid to the local economy is not very significant. The number of PKH graduation is only slightly, so the impact on trade is not very influential.

Aspects of Support And PKH Implementation

The role of the counselors is very important in this PKH program. As a spearhead in the field, the counselors are expected to have more skills because they have to deal with many stakeholders (local government, schools, puskesmas, and posyandu). Most people are aware of the program, but local leaders are not aware of the program. The nature of the PKH program is aside from similar programs such as BSM, KPS, and BLSM. This indicates that there is no integration with existing programs in the region.

For the community, some required PKH participants can cause distrust among members of the community. Counselor’s skills are very important in the implementation of this program due to a regulation of the program to all stakeholders. The inability of counselors to communicate with all stakeholders gives problems in the future.

There are some important notes for the improvement of this program such as coordination and same perceptions between UPPKH, counselors, local leaders, community leaders, KAN, and others. In addition, it is necessary to clarify the steps and program authority in the implementation process, maximizing the role of the counselors in each activity, and controlling the implementation of the program. Related to the graduation process, it is necessary to utilize the discussion of Nagari to discuss the graduate participants.

There are other programs to support or complement the PKH program in these two areas such as KUBE (Collective Business), BSM (Scholarship for Poor Student), Raskin (Rice for poor families), women’s savings and loans, and functional literacy. These programs are expected to be accessible by PKH graduates family. So, it is expected the better condition of education and health although graduated from PKH program

CONCLUSION

In conclusion, research findings have revealed that provision of conditional cash transfer (CCT) has not been effective in improving the socio-economic of poor families in Linggo Sari Baganti districts, Pesisir Selatan regency. The impact of CCT can be seen from several aspects such as status of health, education, economy, distribution of consumption and cost. In health aspect, there is behavior transformation of PKH graduation due to the emergence of the habit in controlling their children to posyandu and checking health to Puskesri. In educational aspect, children are more motivated in school and the parent’s awareness increases to their children. They can continue their education to college. In economic aspect some families can save some PKH aid to buy seeds (corn or palm). Some PKH members who get KUBE (Joint Business) are able to manage KUBE. They can make cattle farm or planting corn to improve their economy. In aspect of distribution of consumption and cost was based on the priority. The main consumption is daily need and school fees (transportation and food costs).

These aspects cannot only be seen from the side of success, but there are also difficulties after their graduation. First, it is in education aspect. Parents are pessimistic to their children’s education because they cannot effort their children to a higher level. In addition, their school needs are adjusted to the family’s financial condition. Second, it is from the economic aspect. The disappearance of PKH’s aid increases a debt-reliant strategy especially in vulnerable conditions. Third, it focuses on the aspect of the distribution of consumption and cost. They reduce the purchase of daily needs in quantity and expense. The main problems for PKH graduates are the absence of saving habits. It makes it difficult for PKH graduates to manage finances more freely because almost all the income is used to fulfill their daily needs.

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