

# The “*Keluarga Harapan*” Program, building economic self-reliance for the impoverished

The “*Keluarga Harapan*” Program (PKH) was first initiated in 2007 as a Central Government effort, in the form of a policy to alleviate poverty in extremely poor households (RTSM). Although the PKH Program is intended to alleviate poverty, it is also a form of the state attention to raising the living standards of women, targeting them as victims of poverty, as severely-impooverished women find it challenging to provide a quality life.

The PKH Program has exerted a significant impact on reducing poverty rates through 2023, with data from Statistics Indonesia (BPS) indicating a downward trend in the poverty rate,

sliding from 9.57 percent in September 2022 to 9.36 percent in March 2023.

Head of the Fiscal Policy Agency (BKF) of the Ministry of Finance Febrio Kacaribu stated that this figure is lower than the pre-pandemic rate in March 2019 at 9.41 percent, although it is slightly above the pre-pandemic low point in September 2019 at 9.22 percent. In March 2023, the number of poor people was recorded at 25.90 million, 0.46 million less than in September 2022. Hence, 1.6 million people successfully lifted themselves out of poverty from March 2021 to March 2023.

Despite its direct positive impact

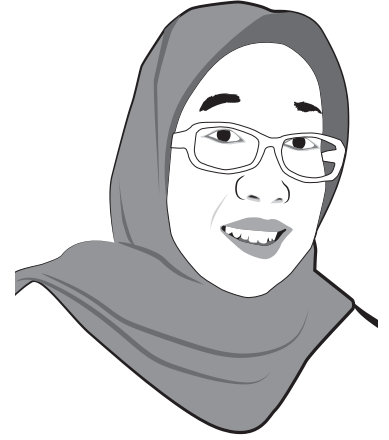
on poverty alleviation, the PKH is only a stop-gap measure. The decline in the poverty rate attributed to the PKH program could have resulted from various factors, such as household consumption increases. The rise in household consumption can be one of the barometers for the welfare of society, as the more a household purchases products and services, the higher the household income earned.

To improve welfare and maintain the economic stability of beneficiary households, the government needs to prepare a planned graduation scheme (ending participation as PKH beneficiaries) as capital to strengthen

beneficiaries’ capacity, anticipating development of their household economies independently. Government departments, in collaboration with various parties, need to strengthen beneficiaries’ skills and capacity through labor-intensive activities and programs.

## Labor and transmigration

A planned graduation scheme with PKH beneficiaries aims for them to voluntarily step down from their status as beneficiaries and continue to empower, enhance, and sustain their well-being through skills gained from PKH.



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