

## THE ROLE OF INFRASTRUCTURE POLICIES IN ALLEVIATING POVERTY IN INDONESIA

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### ABSTRACT

Poverty is a complex and multidimensional problem. Therefore, all poverty alleviation efforts must be carried out in a comprehensive manner and various aspects of people's lives. The purpose of this study was to analyze the influence of Infrastructure on economy and poverty, and to analyze government policies to find infrastructure government initiatives for poverty alleviation in Indonesia towards Sustainable Development. A mixed research method was adopted, by combining quantitative and qualitative research, with a sequential explanatory design, used a hypothesis testing method which explains the effect of the independent variable (Infrastructure), on the dependent variable (Poverty Alleviation), with Economic performance as a mediating variable, and Government Policy as a moderating variable, then a qualitative approach by content analysis on mapping Central Government Policies related to Poverty Alleviation in Indonesia. We found that infrastructure has a significant effect on the economy, economy mediates the effect of Infrastructure on poverty alleviation, and Government Policy does not moderate the effect of Infrastructure on poverty alleviation. Based on these findings, it is recommended that in efforts to poverty alleviation, the government should focus on making regulations that are more effective and efficient, good management and intensive collaboration across ministries/agencies, increasing the competence of human resources and the local community, as well as being in sync with improving the community's economy. The impact of (physical) infrastructure development on poverty alleviation will be more significantly if it is combined by social and economic development.

### Keywords

*Infrastructure; government policies; poverty alleviation; sustainable development goals*

### INTRODUCTION

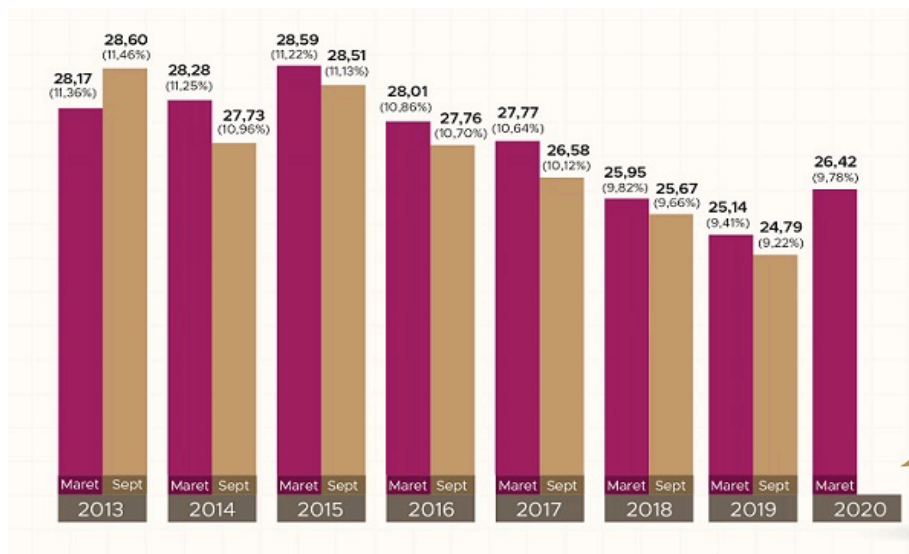
Currently, poverty is not only being a problem for developing countries but also developed countries. In term of the success of developing countries such as Brazil, Russia, India, China and South Africa in reducing poverty, developed countries such as Canada, the United States and the European Union have experienced an increasing in poverty.

Likewise, 130 developing countries are still facing poverty problems, including Indonesia. Therefore, poverty alleviation efforts must be carried out comprehensively, covering various aspects of people's lives, and carried out in an integrated manner (Nasir, et al 2008). In the world, there are more than 800 million people living below the poverty line where they live on less than \$1.25 a day (UNDP, 2018).

The case of poverty is still a serious problem in Indonesia even though statistically the number of poor people in Indonesia tends to decrease. This is because the absolute number of poor people in Indonesia is still very high. Based on data from the Indonesia Central Bureau of Statistics, a number of poverty in Indonesia

tends to decrease in the last 20 years. In 1999 the poverty rate reached 24.43% and continued to fall to only one digit in 2019 at 9.22% or a total of 24.79 million people. Based on World Bank standards, of the 24.7 million poor people, 9.9 million of them fall into the very poor category (extreme poverty).

Below is the poverty profile in Indonesia for 2013-2020, based on the official statistical news released by the Central Bureau of Statistics on July 15 2020.



**Figure 1. Poverty Profile of Indonesia**

Poverty is a very serious issue. It is not surprising that poverty is a central issue that puts it in the first of 17 Sustainable Development Goals (SDGs). Eliminating all forms of poverty is the world's challenge towards sustainable development. The problem of poverty is a very complex issue and always relevant to be discussed, especially in relation to the development process of a country.

Thus, it is very important to conduct studies related to poverty which are linked to the Sustainable Development Goals (SDGs). As far as the researchers know, after conducting literature research, so far no research has been found that links poverty issues in detail with SDGs indicators. Thus, this research is expected to contribute to the gap in this field.

Infrastructure has a strong correlation to poverty (Chotia & Rao, 2017). This research suggests making policies to strengthen infrastructure and economic growth to reduce poverty levels. There is a positive and unidirectional relationship from infrastructure development to poverty alleviation. Deinne & Ajayi, (2021) found that distance to water sources, infrastructure/ roads/ access and household income, community economic conditions, are important factors affecting poverty reduction.

Based on the explanation in this background, this research examined in depth the problem of poverty, the influencing factors that focus on the infrastructure sector, and link it to the perspective of the Sustainable Development Goals (SDGs) in Indonesia. Then this study analyzed government policies to find government initiatives in Infrastructure in an effort to reduce poverty in Indonesia, towards sustainable development. The aims of this research are: (1) to analyze the effect of infrastructure on the economy, (2) to analyze the effect of infrastructure on poverty, (3) to analyze the role of the economy in mediating the influence of infrastructure on poverty, and (4) to analyze the role of government policies in moderating the effect of infrastructure on poverty.

## Hypothesis Development

### (1) Effect of Infrastructure on the Economy

Improvements in physical infrastructure can certainly lead to higher productivity, employment and income opportunities, as well as increased availability of wage goods, thereby reducing poverty by increasing average incomes and consumption. If higher productivity improvements in infrastructure and increased

employment directly benefit the poor more than the non-poor, these investments can reduce poverty more quickly by improving the distribution of income as well (Ali & Pernia, 2003).

Thus, referring to the theory and previous research, the research hypothesis includes:

**Hypothesis 1: There is an Effect of Infrastructure on the Economy**

**(2) Effect of Infrastructure on Poverty Alleviation**

The results of research by Chotia & Rao, (2017), there is a long-term relationship between infrastructure development, poverty and urban-rural inequality. Infrastructure development and economic growth lead to poverty reduction in BRISC. This research suggests making policies aimed at strengthening infrastructure and achieving economic growth to reduce poverty. The research results show that poverty is caused by unbalanced infrastructure conditions. This has bad consequences especially when it is associated with transportation in poverty-prone areas (Jiang, Yu, Xue, Chen, & Mi, 2020).

Thus, based on previous theory and research, the research hypothesis is as follows:

**Hypothesis 2: There is an Effect of Infrastructure on Poverty Alleviation**

**(3) The Role of the Economy Mediating the effect of Infrastructure on Economic Alleviation**

Deinne & Ajayi (2021) found that distance to water sources, infrastructure/ roads/ access and household income, community economic conditions, are important factors affecting poverty reduction. Furthermore, Majid, et al, (2019) also found that there is a long-term relationship between the financial sector, economic growth and poverty in Indonesia, while in the short term there is a two-way relationship between the financial sector and poverty.

Thus, based on previous theory and research, the research hypothesis is as follows:

**Hypothesis 3: The Role of the Economy mediates the effect of Infrastructure on Poverty Alleviation**

**(4) The Role of Infrastructure on Poverty Alleviation with Government Policy as a Moderating Variable**

Poverty alleviation policies planned by the Government must be encouraged to touch on the fundamental aspects of reducing the poverty rate permanently. The literature study in this research shows that community empowerment as a long-term solution is expected to be carried out in a sustainable manner. To ensure its sustainability, a collaborative governance system for stakeholders is needed (Riyanta & Kurniati, 2018). The efforts made by the government to reduce or eliminate homeless and beggars are preventive, repressive and rehabilitative rehabilitation (Barlinti, 2007).

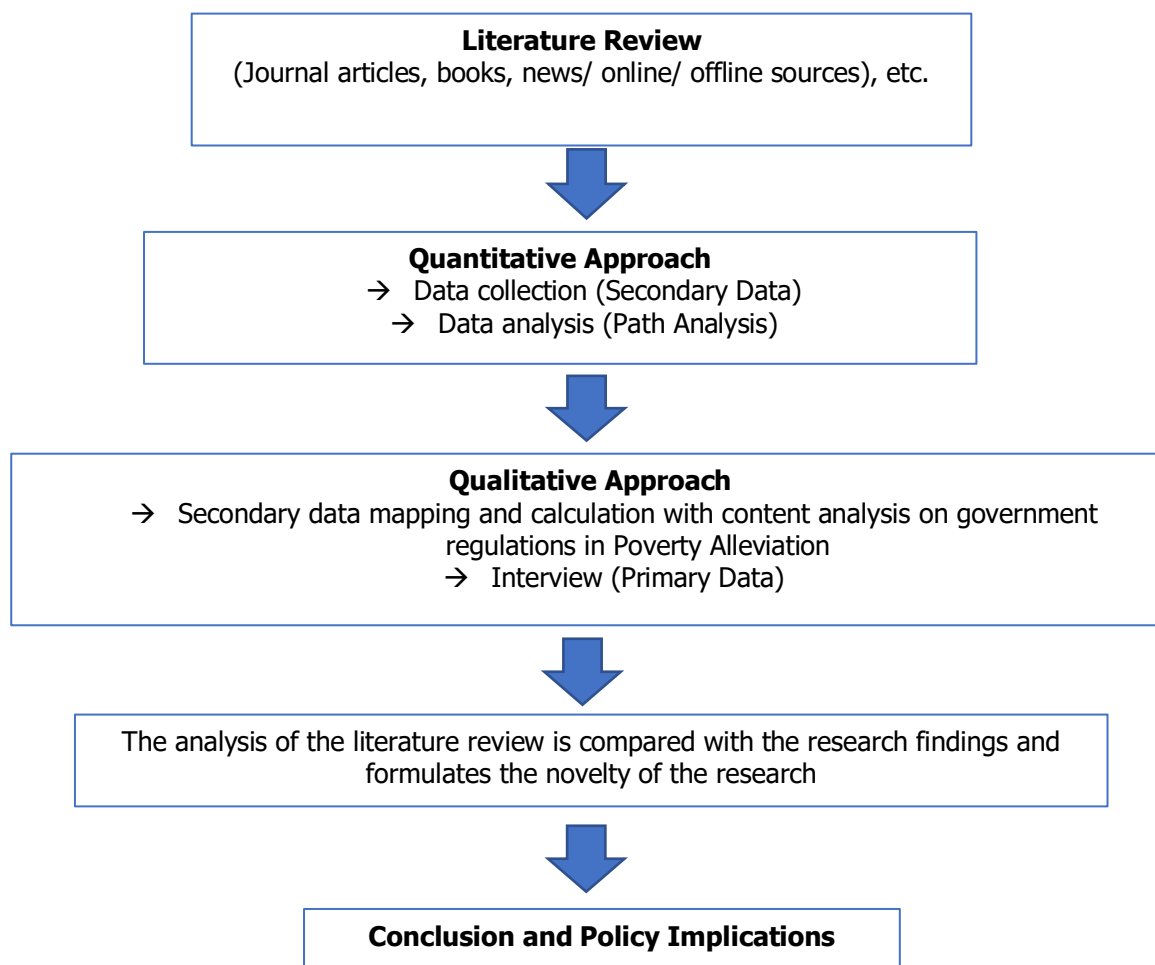
Thus, based on previous theory and research, the research hypothesis is as follows:

**Hypothesis 4: The Role of Government Policy in Moderating the Effect of Infrastructure on Poverty Alleviation**

**METHODS**

**A. Research Design**

This type of research is mixed method by combining qualitative and quantitative research. Sugiyono (2017) said that mixed research method is a method that combines quantitative and qualitative methods together in a research activity, in order to obtain more comprehensive, valid, reliable and objective data. The research design in this study is presented in the following figure:



**Figure 1. Research Design**

The design of this study used a hypothesis testing method which explains the effect of the independent variable (Infrastructure) on the dependent variable (Poverty), with Economic Performance as a mediating variable, and Government Policy as a moderating variable. A qualitative approach in this research is by mapping government policies at the national level (laws, presidential regulations, ministerial regulations, etc.)

**Table 1  
Description of Research Variables**

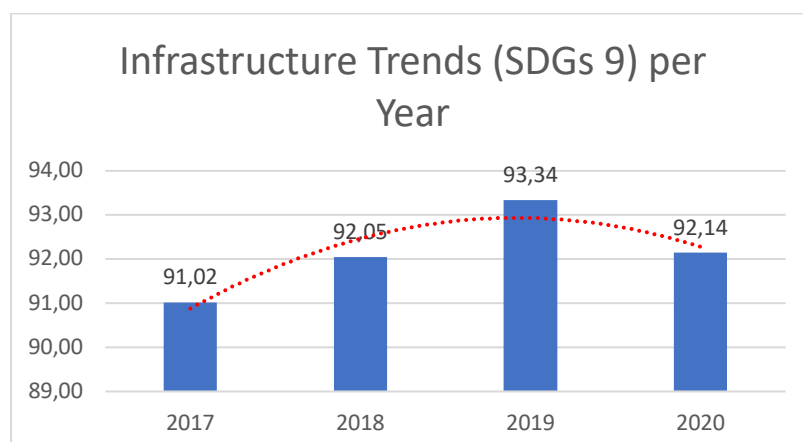
Variable	Description	Indicator	Data used	Source
1 Poverty	Population living below the national poverty line, by sex and age group.	The number of people living below the poverty line at a certain time divided by the total population at the same time period is expressed in percent (%).	SDGs 1. Indicator 1.2.1 Percentage of population living below the national poverty line, by sex and age group in 34 provinces, 2017-2020	National Development Planning Agency, 2017
2 Infrastructure Performance	The steady condition of national roads is obtained from the length of national roads that meet the category of good and moderate conditions divided	The length proportion of national roads that meet the categories of good and moderate conditions to the total length of national roads. Good and moderate condition categories, namely road conditions that have adequate surface flatness for vehicles to be passed by vehicles	SDGs 9. Indicators 9.1.1. Steady condition of national roads	National Development Planning Agency, 2021

Variable	Description	Indicator	Data used	Source
	by the total length of national roads and multiplied by 100 percent.	quickly, safely and comfortably, where the International Roughness Index (IRI) is below 4 for good conditions and below 8 for bad conditions. currently. The measurement of road conditions uses a <i>roughometer</i> with the International Roughness Index (IRI) unit which states the accumulation of ups and downs of the road surface along 1 kilometer of the road (m/km).		
3 Economy	Male/female who work informally with self-employed employment status, try to be assisted by temporary workers/family workers, casual workers.	It can be obtained by dividing the number of people working in the informal sector by the number of people working multiplied by 100 percent.	SDGs 8. Indicators 8.3.1. Proportion of informal employment, by sector and gender, in 34 provinces, 2017-2020	National Development Planning Agency, 2021
4 Government policy	Government spending in each province for the Education, Health, Infrastructure and Energy sectors.	Provincial Government Budget in the Infrastructure sectors in 34 provinces, 2017-2020	Total in rupiah Provincial Government Budgets in the Infrastructure sectors in 34 provinces, 2017-2020	Ministry of Finance, 2022

## RESULTS

### A. Proportion of Steady Conditions of National Roads

The ninth SDGs point is Industry, Innovation and Infrastructure. It is an effort to build a resilient infrastructure, by promote inclusive and sustainable industrialization, and foster innovation. Target: Develop quality, reliable, sustainable and resilient infrastructure, including regional and cross-border infrastructure, to support economic development and human well-being, with a focus on affordable and equitable access for all ([National Development Planning Agency, 2017](#)). The percentage of steady condition of national roads for 2017-2020, in 34 provinces in Indonesia, can be explained in the following figure.



**Figure 3. Infrastructure Performance Trends (SDGs 9) 2018 – 2020 in 34 Provinces**

In this context, the development of proper access roads is a means of community mobility, especially in remote, frontier and disadvantaged areas to access their needs. Road access also facilitates logistics

facilities to reach their areas. Over a three-year period, Indonesia's infrastructure trends fluctuated. In 2017 the infrastructure performance trend was 91.02%, in 2018 it was 92.27%, then it increased to 93.34% in 2019, then in 2020 it decreased to 92.14%.

Infrastructure is an important element in the development of a country. Fan in [Qin, Wu, & Shan \(2022\)](#) explained that infrastructure in rural or remote areas affects poverty. Investment in rural areas can increase household income, reduce poverty, with road infrastructure as the main pillar.

## B. Results of Direct Relationship Analysis between Variables

**Table 2**  
**Results of the Direct Relationship Test between Variables**

Relationship	Path Coefficient	t-statistic	p-Values	Results
Infrastructure -> Economy	0.177	2,164	0.031	Significant Influence
Infrastructure -> Poverty	-0.068	0.840	0.401	No significant Influence

Source: Data Processing Results, 2021

To obtain t-statistical values or p-values in hypothesis testing, if the results of the t-statistical value are above 1.96 (minimum limit) or the p-values are below 5%, then the research hypothesis has a significant effect ([Hair, Black, Babin, & Anderson, 2014](#)). Based on table 2, it is known that the relationship between Infrastructure and the Economy has a t-statistic value above 1.96 (minimum limit) or a p-value below 5%, so the research hypothesis has a significant effect. Meanwhile, the relationship between infrastructure and poverty has a t-statistic value below 1.96 and a p-value above 0.05, so that the relationship between infrastructure and poverty is not significant.

## C. Results of Mediation Relationship Analysis between Variables

**Table 3**  
**Results of the Inter-Variable Mediation Relationship Test**

Mediation Relationship	Path Coefficient	t-statistics	P Values	Results
Infrastructure -> Economic Performance -> Poverty	0.063	1,989	0.047	Significant Influence

Source: Data Processing Results, 2021

Based on table 3, it is known that the two relationships have t-statistics above 1.96 and p-values below 0.05, which means that the relationship has a significant influence, so the economic mediating relationship between infrastructure and poverty, with a positive coefficient value (0.063). Which means that the Economy mediates the influence of Infrastructure in poverty alleviation.

## D. Results of Moderation Relationship Analysis between Variables

**Table 4**  
**Results of the Moderation Relationship Test between Variables**

Moderation Relations (Government Policy)	Path Coefficient	t-statistic	P Values	Results
M-Infrastructure→Poverty	0.087	0.922	<b>0.357</b>	No Significant Influence

Source: Data Processing Results, 2021

Based on table 4, it is known that the t-statistic values of the four Government Policy relationships moderate the effect of infrastructure on poverty, having t-statistic values below 1.96 and p-values above 0.05. So that the four relationships have no significant effect, which means that government policies have no significant effect in moderating the effect of infrastructure on poverty alleviation.



## **E. Discussion**

### **1. Effect of Infrastructure on the Economy**

The results of this study support the first hypothesis which states that infrastructure has an influence on the economy. This is indicated by a t-statistic value of 2.164 (above 1.96) and a p-value of 0.031 (below 0.05). Therefore, it can be concluded that infrastructure has a significant effect on the economy, so the first hypothesis of this study is accepted.

This is supported by [Nugraha, et al., \(2020\)](#) which specifically look at the role of infrastructure in economic growth in Indonesia. According to him, infrastructure has a positive influence on economic growth and can reduce income inequality. Specifically, this research focuses on the performance of basic infrastructure including transportation so as to improve economic performance in a sustainable manner.

The results of research by [Ma'ruf \(2014\)](#), shows that public works infrastructure, including road infrastructure makes a positive contribution to regional economic growth. From this research it is also known that road infrastructure contributes positively to eight kinds of indicators of economic growth, i.e: (a) Services, (b) Transportation and Communication, (c) Processing Industry, (d) Mining and Quarrying, (e) Construction/ Building, (f) Agriculture, Livestock, Forestry and Fisheries, (g) Electricity, Gas and Clean Water, and (h) Trade, Hotels and Restaurants. Even so, the contribution of road infrastructure to economic growth is inseparable from the presence of other public works infrastructure.

Research from [Ismail & Mahyideen \(2015\)](#) also saw that infrastructure development, especially in the field of transportation such as water transportation, roads, and containers supporting agriculture and manufacturing, had a positive effect on economic performance. The quantity of infrastructure, especially in the information and communication technology sector, is essential to support economic growth.

### **2. The Effect of Infrastructure on Poverty Alleviation**

In the results of this hypothesis test, it was found that the relationship between the Infrastructure variable and Poverty Alleviation had a t-statistic value of 0.840 (below 1.96) and a p-value of 0.401 (above 0.05). From these results it can be concluded that Hypothesis 2 has no significant effect. Which means that Infrastructure has no effect on Poverty Alleviation.

This is in line with [Purnomo and Istiqomah \(2019\)](#) which found that infrastructure has no significant effect on poverty levels. Infrastructure can encourage poverty alleviation if it is equipped with a supportive environment such as assets that can be facilitated by improving the quality of human resources.

Infrastructure development is considered not to have a direct impact on the poor because infrastructure development requires a different time or period to have an impact on poverty alleviation. In addition, development is only concentrated in areas that have good infrastructure, namely in urban areas, districts or places that are considered strategic. Meanwhile, the focus of development has not touched remote villages ([Sari, 2018](#)).

The same thing was conveyed by ([Sari, 2018](#)) where infrastructure development did not have a significant impact on poverty. This is due to the fact that infrastructure alone does not necessarily reduce poverty. The long asphalt road is expected to facilitate the mobility of people and goods thereby opening access to work or doing business, but still requires support such as ownership of assets and quality human resources. [Mardiana, et., al \(2017\)](#) stated that the impact of reducing the poverty rate was still low because there were still imbalances in infrastructure development in East Kalimantan.

### **3. The role of economic variables mediates the effect of Infrastructure Performance on Poverty Alleviation**

In hypothesis 3 testing, the results show that economic relations mediate the effect of infrastructure performance on poverty alleviation. has a t-statistic value below 1.96 and a p-value above 0.05. From these results it can be concluded that Hypothesis 3 has a Significant Influence, then the Economy can be said to be complete mediation. Which means that the economic variable mediating the influence of infrastructure performance on poverty significantly.

The infrastructure performance coefficient value in this study is a positive influence of 0.063. This means that the economy mediates positively and significantly in poverty, where the involvement of the economy in infrastructure performance will actually increase poverty.

The impact of the construction of toll roads is easier access to inter-regional transportation, so that business activities run smoothly. The impact of side effects is the opening of employment opportunities and increasing people's economic activity. A study conducted by the Institute for Economic and Social Research, Faculty of Economics, University of Indonesia (LPEM FE-UI) regarding; The Impact of Infrastructure Development on Economic Growth shows interesting results. The results of this study state that in addition to the positive side, the negative impact that has become a source of debate in the construction of toll roads is the use of very large land areas and will directly impact the overall spatial layout of agricultural land in Java. The long road that divides the island of Java will not only reduce the area of agricultural land, but also cut river channels, irrigation canals, and change the distribution channel for agricultural needs as well as the marketing of agricultural products. Then the construction of toll roads will also open up new residential and industrial areas which will also directly reduce the area of agricultural land.

Infrastructure development is evenly distributed, it is expected that it can be synergized with all agribusiness systems along the road. Thus, also the importance of rural infrastructure development which is expected to be able to lift the potential of the agricultural sector in rural areas along the new road. Infrastructure development, for example, toll roads, should not use too much agricultural land because the agricultural sector is the backbone of our economy, as well as our overall concern for the economy of the surrounding community. Good management and intensive cooperation/synergy will make this sector have a very important role as an alternative for expanding employment opportunities in Indonesia, and playing a role in improving the economy and alleviating poverty in Indonesia.

#### **4. The role of Government Policy variables moderates the effect of Educational Performance on Poverty Alleviation**

In testing this hypothesis, it was found that the relationship between Government Policy variables moderated the effect of infrastructure on poverty, producing t-statistic values above 1.96 and p-values below 0.05. From these results it can be concluded that the hypothesis has no significant effect. Which means that the Government Policy variable does not moderate the effect of Infrastructure Performance on poverty alleviation.

This is in line with [Dode \(2018\)](#), where the results of the research found that the village government has not been optimal or has not been successful in carrying out road infrastructure development activities to advance the local community's economy to alleviate poverty. This is because the development carried out is still from the top down which in turn gives rise to government domination in the process of implementing development, so that other activities such as community empowerment are neglected which indirectly has an impact on the lack of community participation in the process of implementing development in the village.

Furthermore [Dode \(2018\)](#), found the importance of community-based infrastructure development, which includes: (1). Participation in decision making, (2) Participation in the implementation of activities, (3). Participation in development monitoring and evaluation, (4). Participation in the utilization of development results.

The results of research conducted by [Putra & Yasa \(2021\)](#), found that an increase in government spending in the infrastructure sector was not able to improve people's welfare. To increase this, it must be done by building quality and equitable facilities in the infrastructure sector that support the economy such as markets, access to the distribution of goods and services in the form of roads, bridges, loading and unloading ports, airports and others. [Khairunnisa, Imansyah, & Rahayu \(2021\)](#) reveal government policies in the infrastructure sector have no effect on poverty alleviation because these policies require a different time or period to have an impact on alleviating poverty so there is a possibility that government spending will not directly have an impact on poverty alleviation.



## 5. Policy Mapping of Indonesia Poverty Alleviation

The seriousness of the Indonesian government in poverty alleviation efforts is shown by the issuance of government policies related to poverty alleviation in Indonesia. Table 5 describes national level government regulations consisting of laws, presidential instructions, presidential decrees, ministerial regulations related to poverty alleviation in Indonesia, and calculations for the economic and infrastructure sectors in these regulations.

**Table 5**  
**Central Government Policy Mapping related to Poverty Alleviation in Indonesia**

No	Government Policy related to Poverty Alleviation	Ministries/ Agencies	Substance	Sector	
				E	I
1	Law No: 13 of 2011, concerning Handling of the Poor	President of the Republic of Indonesia	The state's obligation to relieve poverty from poverty is carried out through efforts to respect, protect and fulfill the rights to basic needs.	3	0
2	Instruction of the President of the Republic of Indonesia No. 1 of 2009, concerning the Implementation of Assistance Programs for Target Households in the Context of Poverty Alleviation	President of the Republic of Indonesia	Good implementation of the direct cash assistance program to target households in the context of compensating for the reduction of fuel subsidies ( <i>BBM</i> )	3	0
3	Decree of the President of the Republic of Indonesia No. 10 of 2006, concerning the National Team for the Development of Biofuels to Accelerate Poverty and Unemployment Reduction	President of the Republic of Indonesia	Formation of the National Team for the Development of Biofuels to Accelerate Poverty and Unemployment Reduction in the context of accelerating poverty and unemployment reduction through the development of biofuels	3	0
4	Decree of the President of the Republic of Indonesia No. 8 of 2002, concerning Amendments to Presidential Decree No. 124 of 2001 concerning the Poverty Alleviation Committee	President of the Republic of Indonesia	Amend Presidential Decree No. 124 of 2001 concerning the Poverty Alleviation Committee to support and expedite the implementation of the Poverty Alleviation Committee's duties	1	0
5	Decree of the President of the Republic of Indonesia No. 34 of 2002, concerning Amendments to Presidential Decree No. 124 of 2001 concerning the Poverty Alleviation Committee as Amended by Presidential Decree No. 8 of 2002	President of the Republic of Indonesia	Amend Presidential Decree No. 124 of 2001 which was amended in Presidential Decree No.8 of 2002 to further facilitate the implementation of the duties of the Poverty Alleviation Committee	1	0
6	Decree of the President of the Republic of Indonesia No. 124 of 2001, concerning the Poverty Alleviation Committee	President of the Republic of Indonesia	Establishment of the Poverty Alleviation Committee, which is a cross-actor forum at the central and regional levels that functions as a forum for coordination and sharpening of policies and programs for poverty reduction	1	2
7	Regulation of the Minister of Home Affairs No.42 of 2010, concerning Provincial and District/City Poverty Reduction Coordinating Teams	Minister of Home Affairs	Guidelines relating to the implementation of programs and policies in poverty alleviation in Provinces and Regencies/Cities, according to the duties and responsibilities of each agency	15	0

No	Government Policy related to Poverty Alleviation	Ministries/ Agencies	Substance	Sector	
				E	I
8	Regulation of the Minister of Home Affairs of the Republic of Indonesia No. 53 of 2020, concerning Work Procedures and Work Alignment as well as Institutional and Human Resource Development Provincial Poverty Reduction Coordinating Teams and District/City Poverty Reduction Coordinating Teams	Minister of Home Affairs	Guidelines for work procedures and work alignment as well as institutional and human resource development for provincial poverty reduction coordinating teams and district/city poverty reduction coordinating teams	6	0
9	Regulation of the Minister of Agriculture of the Republic of Indonesia No. 20/PERMENTAN/RC.120/5/2018 concerning Guidelines for Agriculture-Based Poverty Surgical Program for the 2018 Fiscal Year	Minister of Agriculture	Guidelines for implementing the Working Program with the aim of empowering/increasing the capacity of the poor in carrying out agricultural businesses in order to increase income and welfare through integrated agricultural activities	4	0
10	Regulation of the Minister of Agriculture of the Republic of Indonesia No. 43/PERMENTAN/RC.110/11/2018 concerning Guidelines for Agriculture-Based Poverty Surgical Program for the 2019 Fiscal Year	Minister of Agriculture	Guidelines for implementing the Working Program with the aim of increasing the productivity of agricultural commodities through increasing the capacity of the poor in carrying out integrated agricultural businesses	4	0
11	Regulation of the President of the Republic of Indonesia No. 54 of 2005, concerning the Poverty Reduction Coordinating Team	President of the Republic of Indonesia	Formation of a Coordinating Team for Poverty Reduction which has the task of taking concrete steps to accelerate the reduction of the number of poor people throughout the territory of the Republic of Indonesia through coordination and synchronization of the preparation and implementation of sharpening poverty reduction policies	1	0
12	Regulation of the President of the Republic of Indonesia No. 13 of 2009, concerning Poverty Reduction Coordination	President of the Republic of Indonesia	Improving Presidential Regulation No. 54 of 2005 concerning the Poverty Reduction Coordination Team to improve coordination which includes synchronization, harmonization and integrity of various poverty reduction programs and activities	5	0
13	Regulation of the President of the Republic of Indonesia No. 15 of 2010, concerning the Acceleration of Poverty Reduction	President of the Republic of Indonesia	Institutional strengthening at the national level that handles poverty reduction to accelerate poverty reduction which includes target setting, program design and integration, monitoring and evaluation, and budget effectiveness	7	0
14	Regulation of the President of the Republic of Indonesia No. 96 of 2015, concerning Amendments to Presidential Regulation No. 15 of 2010 concerning the Acceleration of Poverty Reduction	President of the Republic of Indonesia	Adjustment of the membership of the National Team for the Acceleration of Poverty Reduction to support and further expedite the implementation of the tasks of the National Team for the Acceleration of Poverty	2	0

No	Government Policy related to Poverty Alleviation	Ministries/ Agencies	Substance	Sector	
				E	I
			Reduction and a change in cabinet for the 2014-2019 period		
15	Regulation of the President of the Republic of Indonesia No 166 of 2014, concerning the Poverty Reduction Acceleration Program	President of the Republic of Indonesia	Sharpening social protection programs in an effort to increase the effectiveness and efficiency of programs to accelerate poverty reduction	2	0
16	Instruction of the President of the Republic of Indonesia No: 4 of 2022			9	1
<b>Total</b>				<b>67</b>	<b>1</b>

Information:

E : Economy

Ed : Infrastructure

**Table 6**  
**Analysis of the Results of Hypothesis Testing and Mapping of Poverty Alleviation Government Regulations**

Variable	Poverty Alleviation	Government Regulation Mapping	Analysis
Infrastructure	No Influence	1	<ul style="list-style-type: none"> <li>- In poverty alleviation of central government regulations, there is only 1 (one) mention of Infrastructure. So here it is necessary to more synchronize infrastructure development with policies/programs for poverty alleviation in Indonesia, and set it into regulations that will be implemented across Ministries/Agencies (K/L);</li> <li>- The importance of cross-sector program integration between ministries/agencies because there was no roadmap or action plan for extreme poverty reduction in the locus of handling areas;</li> <li>- In its implementation, the infrastructure built must be directly utilized by the poor;</li> <li>- The qualifications for infrastructure development workers are not easily accessible to the poor;</li> <li>- Infrastructure development has not yet accessed some remote areas;</li> <li>- Infrastructure that has touched remote areas is not economical;</li> <li>- It is necessary to map the needs and conditions of infrastructure in each region, and in line with the potential and competitiveness of each region.</li> </ul>

Poverty alleviation cannot be separated from community development, so that the vicious circle of poverty can be eliminated. Collaboration between the government (Ministry of Public Works and Public Housing/ PUPR and other ministries/agencies) is the main key to the success of poverty alleviation. The importance of making effective and efficient regulations, implementing infrastructure development based on Urban Planning/ Urban Land use Plan/ RTRW, and efforts to increase the role of regional heads to be more innovative, increase competence of Human Resources and the local community, as well as in sync with the improvement of the community's economy. Economic development, requires a special evaluation of the meaning of welfare economically, morally and intellectually.

## CONCLUSION

Infrastructure has an influence on the economy. This is indicated by a t-statistic value of 2.164 (above 1.96) and a p-value of 0.031 (below 0.05). Therefore, it can be concluded that infrastructure has a significant effect on the economy. Infrastructure development creates a multiplier effect on regional economic development, and a significant multi-dimensional impact on the economy. In order for infrastructure to have more effect on improving the economy of the poor, our findings suggest that it should be increasing infrastructure that can be utilized directly by the community, so it will enable the direct movement of the poor people's economy.

The relationship between the infrastructure variable and Poverty Alleviation has a t-statistic value of 0.840 (below 1.96) and a p-value of 0.401 (above 0.05). From these results it can be concluded that Hypothesis 2 has no significant effect. Which means that Infrastructure has no effect on Poverty Alleviation. Our finding suggest that infrastructure development should be directly address the needs of the poor community. The importance of making effective and efficient regulations, implementing infrastructure development based on the Urban Planning/ Urban Land use Plan/ RTRW, and efforts to increase the role of regional heads to be more innovative, and also increasing the competence of Human Resources and the local community.

Economic mediating the effect of infrastructure performance on poverty alleviation, having a t-statistic value below 1.96 and a p-value above 0.05. From these results it can be concluded that Hypothesis 3 has a Significant Influence, then the Economy can be a complete mediation. Which means that the economic variable mediates the influence of infrastructure performance on poverty significantly. The impact of (physical) infrastructure development on poverty alleviation will be felt more significantly if it is combined with social and economic development in the same area. For example, increasing the accessibility of a benefit area to poverty alleviation will be more optimal if local residents are also supported by sustainable livelihood development programs such as improving product quality and access to business capital. This roadmap or action plan will integrate programs so that they can run in a controlled manner in achieving development goals.

The relationship between government policy variables in moderating the effect of infrastructure on poverty alleviation produces t-statistic values above 1.96 and p-values below 0.05. From these results it can be concluded that Government Policy does not significantly moderate the effect of Infrastructure Performance on poverty alleviation. Our finding suggests that government should also carry out a clear mapping of the needs and conditions of infrastructure in each region. The results of this mapping can be used as a basis for deciding what type of infrastructure to provide as a priority in each region. In addition, infrastructure development should be in line with the potential and competitiveness of each region, and the direct involvement of the community in its development, as well as the synergy between infrastructure development carried out by the government and infrastructure development carried out by regional governments.

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