

POVERTY ALLEVIATION THROUGH ENTREPRENEURSHIP

Tehubijuluw Zacharias, Universitas Kristen Indonesia
Yusriadi Yusriadi, Sekolah Tinggi Ilmu Administrasi Puangrimaggalatung
Firman H, Sekolah Tinggi Ilmu Administrasi Puangrimaggalatung
Marlia Rianti, Universitas Muhammadiyah Bone

ABSTRACT

Poverty is an example of a social problem exacerbated by economic factors. Poverty is a severe social problem facing the Government of Indonesia. Even though it has worked for decades to free itself from poverty, reality shows that Indonesia has not been able to break the shackles of the poverty crisis until now. A group of community members is below the poverty line if the income of that community member is inadequate to meet basic needs, such as food, clothing, and shelter. Currently, there are also constant demands for entrepreneurship. The high level of competition for jobs is one of the causes. The government has even begun to pave the way for an easy start to entrepreneurship. You may argue that entrepreneurship is one of the drivers of the economy of the country. As a result, the government is helping many entrepreneurs start entrepreneurship so that the unemployment rate is dropping, and the country's economy is getting better. Poverty alleviation is one of the government's programs. Poverty in the era of COVID-19 has risen, so entrepreneurship projects are required to boost the economy. This research uses qualitative approaches, a literature methodology, data sources using secondary data from linked articles and books, data processing strategies through minimizing, presenting, and drawing conclusions. The findings revealed that the group's involvement in entrepreneurial activities was very beneficial in contributing to their resources. Information Communication Technology (ICT) during the COVID-19 pandemic was a significant contributor to entrepreneurial activities. This article's innovation, the transition to an online market, would be more successful than a face-to-face company.

Keywords: Poverty, Alleviation, Entrepreneurship, Community, Indonesia

INTRODUCTION

The Covid-19 pandemic has affected the economies of all countries, including Indonesia. The impact is felt by the community of up to 12.15 million people bordered by the near-poor working in the informal sector. This group is a new group that is very vulnerable to poverty or a group affected by Covid-19. The problem of poverty has become a major issue in the context of the COVID-19 pandemic. COVID-19 pandemic has increased the rate of poverty in Indonesia. Many business sectors do not carry out activities due to policies to maintain distance; another problem is that people's purchasing power has decreased because there have been many layoffs.

Poverty is caused by natural and economic conditions, structural and social conditions, and cultural conditions (Misnawati et al., 2019). Natural and economic poverty may arise due to limited natural, human, and other resources. Production opportunities do not exist or are relatively small and cannot play a role in development (Hasbi et al., 2019; Hussain, Hassan, Bakhsh & Abdullah, 2020). High population growth is generally occurring in developing countries, one of which is Indonesia. With this high population growth that can lead to several negative impacts, apart from positive ones. The

negative impact is that if an increase does not match this high population growth in economic capacity, it will reduce its well-being (Ansar et al., 2019; Hussain & Hassan, 2020).

Poverty alleviation strategies are implemented through community empowerment by improving poverty and job opportunities, increasing income, and improving distribution and increasing local self-help, such as improving and fulfilling life's dignity both individually and socially (Hasbi et al., 2020; Hussain, Nguyen, Nguyen & Nguyen, 2021). To overcome poverty, not only can the government do it, but all people need synergy. As a decision-maker and policymaker, the government is limited to directing and producing solutions, but the implementer and supervisor are in the community. So, what plays an important role in alleviating poverty is the community itself, encouraging and motivating entrepreneurship to take advantage of opportunities and opportunities.

Entrepreneurship is a solution to poverty alleviation. By reviving the entrepreneurial spirit of each region, it will help to revive the economy in that area. The pandemic of COVID-19 has had a significant impact on various parties, including entrepreneurs. However, not a few of these entrepreneurs, as business actors, present this challenge as an opportunity. This is the basis for an interesting article on the role of entrepreneurs in alleviating poverty.

RESEARCH METHODS

This research uses a qualitative descriptive approach. The type of research used is literature that collects data or scientific papers on research or the collection of bibliographic data. This research is library research; therefore, the technique used in data collection is collecting literary data, *i.e.*, materials that are consistent with the objects of the research discussion. The data analysis in this literature is content analysis, *i.e.*, an in-depth discussion of the content of written or printed information. Or content analysis is a research technique for creating infrastructures that can be copied and validated by paying attention to the context—data collection techniques by reducing, displaying, and drawing conclusions (Huberman & Miles, 2012).

RESULTS AND DISCUSSION

Poverty is a condition that demonstrates an inability to meet basic needs, such as food, food, clothing, education, health, and social welfare (Tamsah et al., 2020). Poverty is caused by the scarcity of tools and materials to meet basic needs, the difficulty of accessing education and employment. According to the experts referred to above, the concept of poverty has the same essence of meaning, although it is different when viewed word by word. Poverty is a condition of lack, inadequacy, inability, helplessness, or inability to meet all urgent needs. As stated in Law No. 24 of 2004, poverty is the socio-economic condition of a person or group of people whose basic rights are not fulfilled to maintain and develop a dignified life. The primary needs of all our food, health, education, employment, housing, clean water, land, natural resources, the environment, equal treatment, and the right to participate in the process of social and political life (Joll et al., 2019).

World institutions such as the United Nations (UN) are working towards development programs by developing approaches to assess human development performance. This model is known as a human development model. In other words, development creates human well-being to be the goal. Human development is the expansion of elections for someone, including expanding one's election to survive and remain healthy, education, access to resources, decent living, politics, human rights, and private respect.

One of the characteristics of poverty in Indonesia is the huge difference between the relative value of poverty and the absolute value of poverty in terms of geographical location. If in absolute

terms, more than half of Indonesia's total population living in poverty is located on the island of Java (located in the western part of Indonesia with a dense population), in a relative sense, the provinces of East Indonesia have higher poverty scores.

In recent years, Indonesia's poverty rate has shown a significant decline. However, there was an increase in poverty in Indonesia during the COVID-19 pandemic. With increasing poverty, more effort is needed to raise and remove people from poverty. This will be difficult in the times of COVID-19 and will certainly result in a slower decline than before.

The recovery from the economic crisis lasted seven years. Several studies have shown that the Indonesian economy relies not only on large enterprises but also that Small and Medium-Sized Enterprises (SMEs) have shown relatively better resilience than larger enterprises (Kaharuddin et al., 2019). During the crisis period and the current period of Indonesia's economic recovery, small and medium-sized enterprises have a very strategic and important role in various areas. First, the number of large industries in every sector of the economy. Second, it has great potential to create more job opportunities than the same investment in a larger business. Third, the contribution of small and medium-sized enterprises in shaping the government economy. Fourth, it has a relatively stable export value contribution to the foreign exchange of the country (Scarborough & Zimmerer, 2005).

The more advanced a country is, and the more educated people it is, the more important the world of entrepreneurship is (Rahawarin et al., 2020). This is because development will be more stable if reliable entrepreneurs support it. Entrepreneurship is a potential development, both in terms of number and quality of entrepreneurship. Indonesian entrepreneurs are still few, and their quality is not entirely good, so the problem of Indonesian entrepreneurial development is a matter of urgency for development success (Umar, Amrin et al., 2019).

One of the driving factors for entrepreneurial growth in a country is the business actors' role in implementing entrepreneurial empowerment. Business actors are responsible for educating and providing entrepreneurial skills to micro-business groups and motivating them to dare to choose entrepreneurship as their careers (Porter, 2009).

During this time, the strategy of growing the strategic role of entrepreneurship in promoting industrial growth and economic creation in the numerous developed and developing countries has been followed (Gani et al., 2019). Given the value of entrepreneurship and creativity in economic growth, an index known as the Global Entrepreneurship Index (GEI), a significant index to help measure and analyze individuals, services, and infrastructure, makes up the nation's entrepreneurial ecosystem (Cukier et al., 2011).

CONCLUSION

Poverty is a key issue in economic growth, especially in developed countries such as Indonesia. Poverty is described as the failure of an individual to meet their basic needs due to an inability to access or manage economic capital. Inequality in global growth is one of the sources of suffering (Müller, 2015). Poverty alleviation and equitable growth are also essential elements of the government's reform agenda (Yusriadi et al., 2019).

The essence of poverty is multi-dimensional so that a multi-dimensional poverty alleviation policy is therefore required. Since poverty concerns economic problems and several other dimensions, it is recognized that identifying primary needs remains a priority. However, it must also be seen from the non-economic objectives of poverty alleviation. Steps to eliminate poverty should be aimed at reducing destructive culture. If it can continue, it will impact economic poverty and hinder its management. On the other hand, a good poverty reduction strategy must also address both structural and political issues. After the declaration of independence, the nation has developed a variety of policies to resolve poverty problems in Indonesia. The broad overview of policies to

overcome suffering is split into two. The first group contains techniques that are unique to the disadvantaged. When this law is properly applied, the disadvantaged will see the advantages of this regulation. This community is affected by the original, targeted emphasis on ensuring that the poor are correctly defined. Entrepreneurial competence is the knowledge, attitudes, and skills related to each other that entrepreneurs need to be trained and developed to produce the best performance in managing their business. Competencies that must be owned by entrepreneurs (Usman et al., 2020). An individual may be said to be an entrepreneur if he or she has the capacity to see and evaluate the possibilities, handle the capital needed, and take effective action to achieve sustained progress (Kaharuddin et al., 2019). However, the distinction between a person who has a soul as an entrepreneur and someone who does self-employment as a job/ordinary thing is how to purchase, process, manufacture, and sell goods/services (Awaluddin et al., 2019).

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